

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 520

Session of
1979

INTRODUCED BY FISCHER, MARCH 6, 1979

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MARCH 6, 1979

AN ACT

1 Providing authority for urban homesteading and the mechanics for
2 establishing homesteading districts; expanding local
3 government's authority in dealing with urban blight and
4 decay; and providing exclusions from present statutory laws.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the "Urban
9 Homesteading and Rehabilitation Act."

10 Section 2. Legislative intent.

11 The General Assembly of the Commonwealth of Pennsylvania
12 recognizes the need for strengthening the authority of local
13 government in dealing with the problems of housing. The General
14 Assembly recognizes that urban homesteading can be an effective
15 tool in local government's continuing struggle against urban
16 decay. In conjunction with other Federal, State and local
17 programs urban homesteading offers the unique potential of
18 preserving our architectural heritage in addition to slowing and
19 reversing the loss of existing urban housing units. While the

1 concept of urban homesteading is being investigated by some in
2 Pennsylvania it is desirable that such programs have some
3 uniformity of purpose and design. For the concept of urban
4 homesteading to work at an optimum level it will be necessary
5 for such programs to be excluded from certain statutory
6 limitations normally placed on local governments.

7 Section 3. Definitions.

8 The following words and phrases when used in this act shall
9 have, unless the context clearly indicates otherwise, the
10 meanings given to them in this section:

11 "Agency." The Municipal Homestead Agency.

12 "Beneficiary." The designated "homesteader."

13 "Board." The governing body of the homestead agency
14 appointed to administer provisions of this act.

15 "Code official." The director or individual responsible for
16 the supervision of the bureau or department responsible for code
17 enforcement.

18 "Council." The elected body of officials governing the
19 municipality.

20 "Department." The Department of Community Affairs.

21 "Governing body." The elected council of the municipality.

22 "Homestead Board." The board created by section 4(b) or an
23 authority, board, commission or quasi-governmental nonprofit
24 corporation in existence prior to the effective date of this act
25 to which the council, by ordinance, has assigned the duty to
26 administer the homestead program provided by this act.

27 "Homesteader." An individual, his spouse, or nonprofit
28 corporation conforming to the provisions and intent of this act.

29 "Major code deficiencies." All those deficiencies enumerated
30 under section 10.

1 "Municipality." Any political subdivision of the
2 Commonwealth of Pennsylvania other than a school district.

3 "Parcel." That tract of land or unit of housing which, under
4 existing local zoning regulations, would accommodate a single
5 family residence. The term "parcel" unmodified by the word
6 "developed" shall include both developed and undeveloped tracts.

7 "Trustee." The board designated by the municipality.

8 Section 4. Urban homesteading.

9 (a) There is hereby created the Pennsylvania Urban
10 Homesteading Program to be effective immediately and
11 administered by option of the various municipalities of the
12 Commonwealth, meeting certain requirements set forth in this
13 act, and upon enactment of the necessary ordinances.

14 (b) The governing body of the municipality is hereby
15 authorized to create and appoint members of a board to be known
16 as the Homestead Board, whose purposes shall be to administer
17 the homestead program, except that nothing in this subsection
18 shall be interpreted to prohibit the governing body from
19 assigning such duties, by ordinance, to an existing authority,
20 board or commission or to an existing quasi-governmental
21 nonprofit corporation. Except where council has assigned
22 homestead program duties to an existing authority, board,
23 commission or quasi-governmental nonprofit corporation, the
24 Homestead Board shall be composed of no less than three members.
25 Members of the board shall receive no compensation but shall be
26 reimbursed for expenses actually incurred in connection with
27 performing the duties prescribed by this act and shall by
28 majority vote appoint a secretary of the board, who may or may
29 not be a member of the board. The secretary shall receive such
30 compensation as may be agreed to by the members of the Homestead

1 Board. In addition, the members of the Homestead Board may
2 appoint and fix the compensation of such personnel as may be
3 necessary to implement the homestead program, provided council
4 has made funds available for such purposes.

5 (c) The board shall be empowered and have the duty and
6 responsibility to:

7 (1) Review and publicize, by newspaper advertising or
8 some other effective method, the availability of homestead
9 program properties. Such announcement shall include an
10 estimated cost of bringing the aforementioned properties up
11 to municipal code standards.

12 (2) Accept and review applications and determine the
13 qualifications of applicants within the criteria established
14 by local ordinance and the regulations promulgated
15 thereunder.

16 (3) Approve and certify applicants with a view toward
17 compatibility of the applicant and the parcel assigned to
18 him.

19 (4) Approve and recommend the execution by the governing
20 body of a land trust agreement for the assigned parcel with
21 the applicant being approved. The land trust agreement shall
22 be recorded with the appropriate county officials.

23 (5) Approve and recommend the execution by the governing
24 body of all documents necessary to convey fee simple title to
25 the assigned parcel to the applicant upon the applicant's
26 fulfillment of all conditions enumerated in section 6.

27 (6) Utilize the aid and assistance of other relevant
28 municipal agencies in the furtherance of the duties and
29 responsibilities of the board.

30 (7) Promulgate regulations consistent with the purpose

1 and spirit of the homestead program as outlined herein, said
2 regulations to be approved in their entirety by the municipal
3 governing body and by the municipality's solicitor as to
4 form.

5 (8) Recommend to the code official and the code official
6 shall exempt homesteaders who are rehabilitating existing
7 structures, from the enforcement of specific sections of the
8 housing code during the period of rehabilitation or
9 construction, except that no section relating to the
10 individual's health and safety shall be waived.

11 (9) Recommend to the code officer and the code officer
12 may institute public nuisance proceedings against certain
13 deteriorated and blighted structures for demolition, or
14 rehabilitation through homesteading.

15 (10) Provide applicants with a report as to the
16 structural deficiencies of the property and other pertinent
17 information including an estimate of the costs of bringing
18 the property into compliance with the housing and building
19 codes.

20 (11) Recommend to council the preparation of a
21 Municipality Homesteading Map designating the location of
22 properties to be included under the homesteading program to
23 insure that the homesteading program is compatible with
24 existing or proposed programs of other municipality agencies.

25 (d) In each municipality embarking upon an urban
26 homesteading program, the bureau or department charged with the
27 responsibilities of code enforcement, as specified in this act,
28 shall, in conjunction with the municipal planning commission and
29 its staff under the direction of the Homestead Board shall
30 compile and maintain a catalogue of all unoccupied dwellings and

1 vacant lots owned by the municipality or otherwise. From this
2 catalogue shall be determined which parcels and structures can
3 be utilized for building or rehabilitation by homesteaders.

4 (e) The governing body, upon recommendation of the municipal
5 planning commission, shall by resolution approve the parcels
6 catalogued under subsection (d) for disposition by the board for
7 the public purpose of improving the quality of housing in
8 accordance with the homestead program.

9 Section 5. Qualifications.

10 (a) Homestead program property which, for purposes of this
11 act, is limited to that property which, when rehabilitated, is a
12 single family residence, will be offered to qualified applicants
13 at no initial cost on a land trust agreement provided that the
14 applicant:

15 (1) Is at least 18 years of age or is the head of a
16 family.

17 (2) Is a citizen of the United States or a resident
18 alien as determined by the United States Immigration and
19 Naturalization Service or its successor.

20 (3) Is a recognized nonprofit community group or
21 corporation acting as an agent for a homesteader.

22 (4) Has financial resources and/or the mechanical skills
23 to rehabilitate an existing dwelling or construct a new
24 dwelling, as the case may be.

25 (5) Has contractually agreed to rehabilitate, or
26 construct on, as the case might be, the parcel assigned to
27 him and further agrees to:

28 (i) bring the assigned parcel up to municipal code
29 standards as provided in this act, within 24 months after
30 assignment of the parcel to him;

(ii) permit periodic inspections by the code enforcement personnel for determination by the board that reasonable, satisfactory progress is being made by the homesteader in rehabilitating or constructing on the parcel assigned to him; or

(iii) live in, occupy and maintain as a single family dwelling to the municipal code standards the parcel assigned to him for a period of not less than five years.

(b) Upon the approval of an applicant, as herein provided, the governing body of the municipality shall negotiate and execute a land trust agreement to the assigned parcel with the prospective homesteader. The agreement shall specify inasmuch detail as reasonably possible a schedule of improvements the homesteader shall make to bring the dwelling into conformity with the municipal housing code within 18 months. The agreement shall be in sufficient detail so that a homesteader shall be able to know what he must do and by when he must do it to fulfill the conditions of the agreement.

(c) If and when the conditions of the land trust agreement are fulfilled, as determined and certified by the code enforcement bureau, the governing body of the municipality shall execute all documents necessary to convey a fee simple title to the assigned parcel to the applicant so qualifying.

Section 6. Land trust agreement.

The agreement between the homesteader and the governing body shall be a land trust agreement and shall contain the following minimal conditions:

- (1) The beneficiary of the agreement has no right, title or interest in any portion of the real estate, either legal

1 or equitable.

2 (2) The beneficiary's interest in the trust agreement
3 shall be considered personal property.

4 (3) The beneficiary has the right of possession,
5 management, control, and operation of the property.

6 (4) The beneficiary has the duty of maintenance and
7 repair of the property in accordance with the provisions of
8 the agreement.

9 (5) The beneficiary takes the property in an "as is"
10 condition.

11 (6) The beneficiary from the time of the execution of
12 the trust agreement, accepts responsibility for all known or
13 unknown conditions apparent and nonapparent, of the property
14 that were created before the execution of the agreement or
15 are in existence at the time of the execution of the
16 agreement or are coming into or will come into existence
17 either before, during or after the execution of the
18 agreement.

19 (7) The beneficiary does not, cannot and shall not act
20 as the agent of the trustee.

21 (8) The trustee does not assume any liability for the
22 acts or omissions to act of the beneficiary that result in
23 injury or damage to other parties or their property.

24 (9) The beneficiary shall carry insurance on the
25 property as the board may require. As a minimum, the
26 insurance shall be sufficient to pay off any loans taken in
27 accordance with this act and reimburse the municipality for
28 their costs in acquiring the property. The municipality and
29 lending institutions, if applicable, shall be named as joint
30 beneficiary with the homesteader of said policy.

1 (10) The beneficiary within 24 months after the
2 municipality assigns the homesteader a dwelling promises and
3 covenants to bring the assigned dwelling up to municipal
4 building code standards and maintain it at code standards
5 throughout the homestead agreement.

6 (11) The beneficiary promises and covenants to permit
7 periodic inspections at reasonable times and at reasonable
8 frequencies by municipal code enforcement personnel for the
9 determination of the municipality that reasonable and
10 satisfactory progress is being made by the homesteader in
11 rehabilitating the dwelling assigned to the homesteader.

12 (12) The beneficiary promises and covenants to occupy
13 and live in the dwelling assigned to him for a period of not
14 less than five years.

15 (13) The beneficiary's personal property interest in the
16 possession, management, control and operation of the dwelling
17 may pass according to the rules applicable to personal
18 property except that before the personal property right
19 passes the municipality must approve the heir, assign, or
20 successor of the original homesteader. The heir, assign, or
21 successor of the beneficiary before any personal right vests
22 in him must meet the requirements of an applicant for the
23 program and independently agree to be bound by the
24 homesteading agreement. An attempt to pass the personal
25 property right in any manner or to any degree without
26 obtaining the required approval and making the required
27 commitment is void and the beneficiary's personal property
28 right is automatically extinguished. Approved transferees of
29 the original beneficiary may deduct the original
30 beneficiary's residence time from the required five years.

1 (14) The beneficiary recognizes and agrees that if the
2 beneficiary after occupying the dwelling abandons the
3 dwelling for a period of more than 60 days or the dwelling is
4 abandoned 60 days without permission of the urban
5 homesteading board, the beneficiary's right to the
6 possession, management, control and operation of the dwelling
7 is automatically extinguished.

8 (15) The trustee after the beneficiary has fulfilled the
9 conditions of the land trust agreement will execute all
10 documents necessary to convey a fee simple title to the
11 beneficiary.

12 (16) The beneficiary shall be responsible for the
13 payment of all taxes and assessments on the property except
14 that such beneficiary shall not be liable for any taxes or
15 assessments which were imposed on such property prior to the
16 negotiation by him of a land-trust agreement.

17 Section 7. Homesteaded land free from Department of Public
18 Welfare liens for public assistance.

19 During the first five years of a land trust agreement, the
20 real property being homesteaded shall be free of all liens and
21 encumbrances of the Department of Public Welfare for public
22 assistance claims against the beneficiary of the trust agreement
23 and his joint partners.

24 Section 8. Rehabilitation loans.

25 (a) To assist local municipalities in the elimination of
26 slums and blighted or deteriorated areas, in preventing the
27 spread of slums, blight or deterioration and in providing
28 maximum opportunity for redevelopment, rehabilitation and
29 conservation of such areas by private enterprise, municipal
30 governing bodies are hereby authorized to obtain low interest

1 loans for the rehabilitation of properties designated as
2 suitable for homesteading.

3 (b) The municipality may borrow up to \$300,000 or \$10 per
4 capita, whichever is greater, without considering such debt
5 within the statutory borrowing limitations prescribed in the act
6 of July 12, 1972 (P.L.781, No.185), known as the "Local
7 Government Unit Debt Act."

8 (c) The municipal body administering this act is authorized
9 through the utilization of local public and private resources,
10 where feasible to make financing available through the board as
11 herein provided to the homesteaders, to finance the
12 rehabilitation of such property. No financing shall be made
13 available under this section unless:

14 (1) rehabilitation is required to make the property
15 conform to applicable code requirements and to carry out the
16 objectives of a homestead plan for the area;

17 (2) the applicant is unable to secure the necessary
18 funds from other sources upon comparable terms and
19 conditions;

20 (3) the resulting obligation is an acceptable risk
21 taking into consideration the need for the rehabilitation,
22 the security available for the debt and the ability of the
23 applicant to repay the debt;

24 (4) the board has first caused to be prepared a full and
25 complete list of all major code deficiencies and has caused
26 bid specifications and cost estimates for the rectification
27 of these deficiencies to be prepared. Based on those
28 specifications, the board shall advertise for bids, either
29 individually, or collectively with other homestead
30 properties, all those deficiencies the homesteader indicates

1 he cannot rectify by himself, and if the homesteader agrees
2 to the bid to be responsible for the payments of said bid;

3 (5) the resulting bids received shall be from the lowest
4 responsible bidder and acceptable to the homesteader;

5 (6) the board has caused to be created an inspection
6 schedule, to assure that specifications are being met and
7 that the work is progressing at a sufficient rate to meet the
8 schedule for code deficiency rectification provided under
9 this act; and

10 (7) a contractual agreement, between the board and the
11 approved contractor and acceptable to the homesteader,
12 stipulating both a performance and payment schedule, as well
13 as any other item determined necessary by the board has been
14 prepared. Such payments shall be made, or authorized, by the
15 board according to the agreed-to schedule.

16 (d) Rehabilitation financing made under this section shall
17 be subject to the following limitations:

18 (1) The debt shall be subject to such terms and
19 conditions as may be prescribed by the municipal governing
20 body.

21 (2) The term of the debt may not exceed 30 years or
22 three-fourths of the remaining economic life of the structure
23 after rehabilitation, whichever is less.

24 (3) The principal shall bear interest at such rate as
25 determined by the administrating agency, but in no case shall
26 it exceed one-half of 1% per year the interest rate obtained
27 by council and the board may prescribe such other charges as
28 it finds necessary including service charges, and appraisal,
29 inspection and other fees.

30 (4) The amount of the debt may not exceed the amount of

an obligation which would result in a monthly payment by the applicant of not more than 25% of his average monthly income.

(e) In no case shall the homesteader's first payment on his financial obligation to the board be required prior to occupancy of the homestead property.

Section 9. Default procedures.

(a) Before the homesteader executes the land trust agreement, the board or its designate shall explain to the homesteader the conditions of the land trust agreement, his obligations thereunder, the appeal procedures under this act and the consequences of failure to comply with the conditions of the land trust agreement. After the board or its designate makes the explanation contained in this subsection and the homesteader understands the material explained, the homesteader shall sign a statement that the information contained in this subsection has been explained to him and that he understands it and agrees to be bound in accordance thereof. His signature shall constitute prima facie evidence that he knowingly and understandingly executed the land trust agreement. Only clear and convincing evidence to the contrary may rebut this evidence.

(b) If a code official in a periodic inspection determines that the homesteader has not or is not complying with the conditions of the land trust agreement, he shall give the homesteader an oral warning that he is in default of the land trust agreement. Within seven days from the date of the oral warning, the code official shall send a written warning to the homesteader. The warning shall contain the information that the homesteader is in default and specify with reasonable particularity what the homesteader must do to bring the parcel into compliance with the land trust agreement. The code official

1 shall also give the homesteader not less than 30 nor more than
2 60 days from the date of the mailing of the written warning to
3 bring the parcel into compliance with the land trust agreement.
4 The code official shall send a copy of the written warning to
5 the board and maintain at least one copy of the warning with the
6 code enforcement bureau. At the expiration of the time period
7 indicated in the written warning notice, or as near to that time
8 as practicable, the code official shall again inspect the parcel
9 to verify the homesteader's compliance with the warning and
10 land-trust agreement.

11 If the code official determines that the homesteader has
12 complied with or substantially complied with the warning notice
13 and brought the parcel up to the agreed upon standard, then he
14 shall so inform the homesteader and file a written report of the
15 compliance with the written warning notice in the code
16 enforcement office and with the board.

17 If the code official determines that the homesteader has not
18 complied with or has not substantially complied with the warning
19 notice and has not brought the parcel up to the agreed upon
20 standard, he shall so inform the homesteader and the board.

21 (c) Within ten days of the receipt of the code official's
22 report, the board shall either appoint one of its members or
23 designate a master to hold a hearing to determine why the
24 homesteader has not complied with the condition of the land-
25 trust agreement. The purpose of this hearing is curative. The
26 code official shall present his findings to the board member or
27 the designated master. The homesteader shall present his
28 position to the board member or the designated master. Unless
29 the board member or the designated master determines that
30 counsel is necessary, neither party shall be represented by

1 counsel. If the board member or the designated master determines
2 that counsel is necessary and the homesteader is indigent, the
3 board member or designated master shall appoint counsel to
4 represent the homesteader. The board member or designated master
5 shall announce his decision and inform the homesteader. Within
6 seven days from the date of the oral warning, the board member
7 or designated master shall send a written warning to the
8 homesteader. The warning shall contain the information that the
9 homesteader is in default and specify with reasonable
10 particularity what the homesteader must do to bring the parcel
11 into compliance with the land trust agreement. The board member
12 or designated master shall also give the homesteader not less
13 than 30, nor more than 60 days from the date of the mailing of
14 the written warning to bring the parcel into compliance with the
15 land-trust agreement. The board member or designated master
16 shall send a copy of the written warning to the board and
17 maintain at least one copy of the warning with the code
18 enforcement bureau. At the expiration of the time period
19 indicated in the written warning notice, or as near to that time
20 as practicable, the code official shall again inspect the parcel
21 to verify the homesteader's compliance with the warning and
22 land-trust agreement.

23 If the code official determines that the homesteader has
24 complied with or substantially complied with the warning notice
25 and brought the parcel up to the agreed upon standard, then he
26 shall so inform the homesteader and file a written report of the
27 compliance with the written warning notice in the code
28 enforcement office and with the board.

29 If the code official determines that the homesteader has not
30 complied with or has not substantially complied with the warning

1 notice and has not brought the parcel up to the agreed upon
2 standard, he shall so inform the homesteader and the board.

3 (d) Within ten days of the receipt of the code official's
4 report of noncompliance, the board shall schedule a hearing and
5 appoint no less than three members from the board to hold a
6 hearing to determine whether the urban homesteader has breached
7 the land-trust agreement and extinguished his personal property
8 right under the agreement. Within three days after the
9 scheduling of the hearing the board shall cause personal service
10 of a summons be made either on the homesteader or someone
11 capable of accepting service on his behalf ordering him to
12 appear before the board and show cause why the board should not
13 declare him in breach of the agreement and extinguish his
14 personal property right in the land-trust agreement. The board,
15 within three days after the scheduling of the hearing shall
16 notify the homesteader of his right to be represented by counsel
17 and if indigent, his right to have counsel appointed on his
18 behalf.

19 If the board decides that the homesteader has fulfilled his
20 responsibilities under the land-trust agreement, they shall so
21 note and cause copies of their decision to be provided to the
22 urban homesteader, the code enforcement agency and the board.

23 If the board decides that the homesteader has not fulfilled
24 his responsibilities under the land trust agreement, the board
25 may declare him in breach of the land-trust agreement and
26 extinguish his personal property right in the land-trust
27 agreement and shall so inform the homesteader.

28 (e) After a final decision by the board that the homesteader
29 is in violation of his land-trust agreement, the homesteader
30 shall have 14 business days to file an appeal from that decision

1 with the court of common pleas of the county.

2 If within the 14 days the homesteader does not appeal to the
3 court of common pleas, the board shall record its final
4 determination extinguishing the homesteader's personal property
5 interest under the land-trust agreement. The board shall, the
6 date they record their final decision, send a copy of the final
7 judgment to the homesteader and notice that if within 21 days he
8 does not vacate the premises, they will initiate summary
9 ejectment procedures against him. If within the 21 days the
10 homesteader does not vacate the premises, the board shall
11 initiate summary ejectment proceedings against him.

12 In case of an appeal to the court of common pleas, the
13 homesteader shall have the right to counsel and, if the
14 homesteader is indigent, counsel will be appointed in his
15 behalf. The court shall hear the homesteader's appeal within 30
16 days from the date he files it with the court. If the court
17 decides that the homesteader has not fulfilled his
18 responsibilities under the land-trust agreement, they shall
19 affirm the decision of the board and cause copies of their
20 decision to be provided to the urban homesteader, the code
21 enforcement agency and the board. The decision of the court
22 shall be final. The board, the date they record their final
23 decision, shall send a copy of the final judgment to the
24 homesteader and notice that if within 21 days he does not vacate
25 the premises, they shall initiate summary ejectment procedures
26 against him. If the homesteader does not vacate the premises
27 within 21 days after the court enters judgment, the board shall
28 initiate summary ejectment proceedings against him.

29 Section 10. Code enforcement.

30 (a) The authority granted an acquiring agency or

1 municipality under this act for the purposes of urban
2 homesteading, requires that the municipality or municipalities
3 in which urban homesteading is to be initiated by an acquiring
4 agency, municipality or municipalities, must have in effect a
5 housing code which establishes standards for the protection of
6 the public's health, safety and welfare.

7 (b) The housing code shall establish standards for basic
8 equipment and facilities; for light, ventilation and heating;
9 for space, use and location; and for safe and sanitary
10 maintenance; of all dwellings now in existence or thereafter
11 constructed. As minimum requirements, the housing code shall
12 provide that:

13 (1) Dangerous walls shall be replaced or repaired. This
14 includes the replacement of defective wood lintels and
15 defective wood sills.

16 (2) The property shall be weatherproofed by replacing or
17 repairing any defective siding, shingles or other defects in
18 exterior walls.

19 (3) Gutters and downspouts shall be repaired or replaced
20 if they cause the entry of water into the property, onto
21 adjacent property or cause any public nuisances.

22 (4) Porches or access stairways (inside or outside of
23 the structure) shall be made safe for use. Defective porches
24 or access stairways must be repaired or replaced.

25 (5) Missing and dangerously defective individual steps
26 shall be replaced or repaired.

27 (6) Chimneys shall be properly lined and repaired to
28 service the connected facilities.

29 (7) Roofs shall be leakproof.

30 (8) Window frames and doors shall fit properly and be

1 operable.

2 (9) The electric service shall be adequate for the type
3 of structure and in a safe and operable condition.

4 (10) Every single family residence shall have a complete
5 bath consisting of a tub, a toilet and a basin. Each kitchen
6 shall have a sink.

7 (11) Water pipes, drainpipes and soilpipes shall be
8 operable and capable of providing the intended service.

9 (12) Each dwelling shall have a water heater in operable
10 condition.

11 (13) Every dwelling unit shall have a room or space for
12 the preparation and cooking of food including space and
13 connections for a stove or other cooking facilities. Adequate
14 electric service must be provided for connecting electric
15 refrigerators and other electrical kitchen appliances.

16 (14) Rotted and defective load carrying members shall be
17 replaced or repaired.

18 (15) Termite infested wood members shall be properly
19 treated or replaced.

20 (16) Rodent and vermin infestation shall be eliminated,
21 including rat-proofing if necessary.

22 (17) Every dwelling shall contain heating facilities,
23 properly designed and installed, in good and safe working
24 condition, capable of heating those rooms and areas to be
25 inhabited. Systems must be operated to prevent freezing of
26 pipes and plumbing.

27 (18) Habitable rooms shall contain a window opening
28 directly to the outside.

29 (19) The premises shall be maintained in a clean and
30 sanitary condition at all times. Refuse should be placed in

1 proper receptacles for collection.

2 (c) The housing code shall also:

3 (1) Establish the responsibilities of owners, operators
4 and occupants of dwellings including multifamily dwellings.

5 (2) Provide procedures for the administration and
6 enforcement of the housing code either by the municipality
7 directly or by contractual arrangements with a county,
8 regional or inter-governmental code enforcement bureau,
9 including penalties for violations.

10 (d) This section in no ways precludes a municipality from
11 adopting by reference, a county housing code or a State housing
12 code which meets the aforementioned minimum standards and which
13 may be in existence at the time the municipality enters into a
14 local homesteading program as provided for in this act.

15 (e) The housing code should be reviewed every 24 months and
16 shall be in effect at the time the acquiring agency,
17 municipality or municipalities exercise any provisions of this
18 act.

19 (f) Any property which has been cited by a municipality as
20 being substandard and unfit for human habitation under
21 provisions of a housing code which the municipality has legally
22 adopted by ordinance may be subject to condemnation by that
23 municipality or by an acquiring agency designated by the
24 municipality under the following conditions:

25 (1) A preliminary notice outlining the housing code
26 violations shall be sent by registered mail to the owner or
27 owners of any property found to be unfit for human
28 habitation.

29 (2) If within 30 days the owner or owners make no
30 attempt to correct the violations and bring the property into

1 code compliance and/or contact the municipality regarding
2 their intentions to do so, a second and final notice shall be
3 forwarded by registered mail to the owner or owners giving
4 them 120 days from the date of the final notice to bring the
5 property into code compliance or in the case of a hardship to
6 notify the municipality of same.

7 (3) If after 120 days of receipt of the final notice the
8 property owner or owners have not brought the property into
9 code compliance the property may be subject to condemnation
10 as provided for in this act either by the municipality or by
11 an acquiring agency designated by the municipality.

12 (4) If the municipality or designated agency determines
13 that the property which is unfit for human habitation has not
14 been brought into code compliance under provisions of the
15 municipalities housing code after 150 days, and after proper
16 notification as provided for in this act, and if the
17 municipality determines that the property would be suitable
18 for urban homesteading as set forth in this act either
19 through rehabilitation and resale of the home or building
20 (providing that in the event of a residential structure it
21 contains no more than three family living units), or through
22 demolition and resale of the land, the municipality or the
23 acquiring agency may proceed to acquire the property under
24 the provisions of the act of June 22, 1964 (P.L.84, No.6),
25 known as the "Eminent Domain Code," which requires that the
26 municipality or acquiring agency file in court a declaration
27 of taking, with such security as may be required under
28 section 403(a) of the Eminent Domain Code and thereupon the
29 title which the condemnor acquires in the property condemned
30 shall pass to the condemnor on the date of such filing, and

1 the condemnor shall be entitled to possession as provided in
2 section 407 of the Eminent Domain Code (including residential
3 buildings with more than three family units where
4 economically unfeasible to rehabilitate).

5 Section 11. Eminent domain.

6 The act of June 22, 1964 (P.L.84, No.6), known as the
7 "Eminent Domain Code," shall be applicable to acquisitions of
8 property by municipalities for urban homesteading under the
9 provisions of this act.

10 Section 12. Assessments.

11 (a) Notwithstanding the provision of any other law, the
12 proper authorities may change the assessed valuation of real
13 property when a property is being rehabilitated as a homestead
14 property. In such case the homestead property will be assessed
15 for taxing purposes at 20% of market value the first year and at
16 40%, 60%, 80%, 100% during the successive four years
17 respectively.

18 (b) Whenever a property is sold under the provisions as
19 outlined in this act as a homestead property a notice listing
20 the address of the property and the individual or individuals to
21 whom the property is to be sold shall be forwarded to the office
22 of the chief assessor of the county in which the property is
23 located. In addition the tax on said property shall be computed
24 at the end of each year on the following basis:

- | | | |
|----|------------|------------------------|
| 25 | (1) Year 1 | 20% of assessed value |
| 26 | (2) Year 2 | 40% of assessed value |
| 27 | (3) Year 3 | 60% of assessed value |
| 28 | (4) Year 4 | 80% of assessed value |
| 29 | (5) Year 5 | 100% of assessed value |

30 (c) This does not alter or affect the ratio to market value

1 in effect in any one county but merely changes the base
2 proportionately as the property is rehabilitated, at which time
3 the property is taxed on full market value. All homestead
4 properties shall be assessed prior to the initial sale and then
5 in the third year of ownership and again before title passes
6 following the fifth year of occupancy.

7 (d) At the request of any municipality engaged in a
8 homesteading program, any other taxing bodies shall have the
9 option of waiving any and all delinquent taxes for the express
10 purpose of homesteading the parcel in question for the 5-year
11 period as provided for in this act.

12 Section 13. Severability.

13 If any provision of this act or the application thereof to
14 any person or circumstances is held invalid, such invalidity
15 shall not affect other provisions or applications of the act
16 which can be given effect without the invalid provision or
17 application, and to this end the provisions of this act are
18 declared to be severable.

19 Section 14. Effective date.

20 This act shall take effect immediately.