
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1221 Session of
1995

INTRODUCED BY RICHARDSON, ROBINSON, BELARDI, TIGUE, TRELLO,
PISTELLA, ITKIN AND MIHALICH, MARCH 16, 1995

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 16, 1995

AN ACT

1 Providing authority for urban homesteading and the procedure for
2 establishing an urban homesteading program; expanding local
3 government's authority in dealing with urban blight and
4 decay; and providing exclusions from certain statutes.

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3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Urban
7 Homesteading and Rehabilitation Act.

8 Section 2. Legislative intent.

9 The General Assembly of the Commonwealth of Pennsylvania
10 recognizes the need for strengthening the authority of local
11 government in dealing with the problems of housing. The General
12 Assembly recognizes that urban homesteading can be an effective
13 tool in local government's continuing struggle against urban
14 decay. In conjunction with other Federal, State and local
15 programs, urban homesteading offers the unique potential of
16 preserving our architectural heritage in addition to slowing and
17 reversing the loss of existing urban housing units. While the
18 concept of urban homesteading is being investigated by some in
19 Pennsylvania, it is desirable that such programs have some
20 uniformity of purpose and design. For the concept of urban
21 homesteading to work at an optimum level, it will be necessary
22 for such programs to be excluded from certain statutory
23 limitations normally placed on local governments.

24 Section 3. Definitions.

25 The following words and phrases when used in this act shall
26 have the meanings given to them in this section unless the
27 context clearly indicates otherwise:

28 "Agency." The Municipal Homestead Agency.

29 "Board." The governing body of the homestead agency
30 appointed to administer this act.

1 "Code official." The director or individual responsible for
2 the supervision of the bureau or department responsible for code
3 enforcement.

4 "Council." The elected body of officials governing the
5 municipality.

6 "Department." The Department of Community Affairs of the
7 Commonwealth.

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

9 "Homestead Board." The board created by section 4(b) or an
10 existing authority, board, commission or quasi-governmental
11 nonprofit corporation in existence prior to the effective date
12 of this act to which the council, by ordinance, has assigned the
13 duty to administer the homestead program provided by this act.

14 "Homesteader." An individual, their spouse, housing
15 cooperative or nonprofit corporation conforming to the
16 provisions and intent of this act.

17 "Housing cooperative." Any five or more persons, who shall
18 have associated themselves together by written articles of
19 association, such as described in section 1 of the act of June
20 7, 1887 (P.L.365, No.252), entitled "An act to encourage and
21 authorize the formation of cooperative associations, productive
22 and distributive, by farmers, mechanics, laborers, or other
23 persons," for the purpose of buying, selling, holding, leasing
24 or improving lands, tenements or buildings.

25 "Major code deficiencies." All those deficiencies enumerated
26 under section 11.

27 "Municipality." Any political subdivision of this
28 Commonwealth other than a school district.

29 "Parcel." That tract of land or unit of housing which, under
30 existing local zoning regulations, would accommodate a single-

1 family residence or housing cooperative as defined in this act.
2 The term "parcel," unmodified by the word "developed," shall
3 include both developed and undeveloped tracts.

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

5 Section 4. Urban homesteading.

6 (a) Program established.--There is hereby created an urban
7 homesteading program to be effective immediately and
8 administered by option of the various municipalities of this
9 Commonwealth, meeting certain requirements set forth in this
10 act, and upon enactment of the necessary ordinances.

11 (b) Homestead Board.--The governing body of the municipality
12 is hereby authorized to create and appoint members of a board to
13 be known as the Homestead Board, whose purposes shall be to
14 administer the homestead program, except that nothing in this
15 subsection shall be interpreted to prohibit the governing body
16 from assigning such duties, by ordinance, to an existing
17 authority, board, commission or existing quasi-governmental
18 nonprofit corporation. Except where council has assigned
19 homestead program duties to an existing authority, board,
20 commission or quasi-governmental nonprofit corporation, the
21 Homestead Board shall be composed of no less than three members.
22 When possible, there shall be an equal representation of
23 minority groups on the board, including at least one
24 representative of a local community action agency, where such an
25 agency exists. When possible, a simple majority of the board
26 members shall have specific experience with municipal housing-
27 related programs and at least one member of the board shall have
28 specific experience with a historic preservation program. Board
29 members shall serve a term of three years and shall be eligible
30 for reappointment. Members of the board shall receive no

1 compensation but shall be reimbursed for expenses actually
2 incurred in connection with performing the duties prescribed by
3 this act and shall by majority vote appoint a secretary of the
4 board, who may or may not be a member of the board. The
5 secretary shall receive such compensation as may be agreed to by
6 the members of the Homestead Board. In addition, the members of
7 the Homestead Board may appoint and fix the compensation of such
8 personnel as may be necessary to implement the homestead
9 program, provided council has made funds available for such
10 purposes.

11 (c) Powers and duties.--The board shall:

12 (1) Review and publicize, by newspaper advertising or
13 some other effective method, the availability of homestead
14 program properties and the procedure to apply for the
15 properties. Such announcement shall include an estimated cost
16 of bringing the aforementioned properties up to municipal
17 code standards.

18 (2) Receive applications, recording thereon the date and
19 time received, and review applications in the order received
20 as to applicants' compliance with criteria established by
21 this act and local ordinance and the regulations promulgated
22 thereunder.

23 (3) In order, according to date and time of receipt of
24 application, approve and certify applicants as to their
25 specific construction skills and ability in general to
26 refurbish the assigned parcel.

27 (4) Recommend, in order, according to date and time of
28 receipt of application, the execution by the governing body
29 of a land trust agreement with the approved applicant. The
30 land trust agreement shall grant a 24-month tax exemption for

1 the assigned parcel and be recorded with the appropriate
2 county officials. If the number of approved applicants
3 exceeds the number of parcels for which land trust agreements
4 are recommended, agreements shall be negotiated in order,
5 according to date and time of receipt of application, until
6 all available parcels are subject to such agreements.

7 Negotiations with those approved applicants who are without
8 agreements shall be commenced in order, according to the date
9 and time of receipt of application, as additional parcels
10 become available.

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

15 (6) Utilize the aid and assistance of other relevant
16 municipal agencies in the furtherance of the duties and
17 responsibilities of the board.

18 (7) Promulgate regulations consistent with the purpose
19 and spirit of the homestead program as outlined herein, said
20 regulations to be approved in their entirety by the municipal
21 governing body and by the municipality's solicitor as to
22 form.

23 (8) Give notice to the code official which provides
24 that, pursuant to the authority of the governing body under
25 section 5(b), approved identified homesteaders who are
26 rehabilitating existing structures are exempt from the
27 enforcement of specific sections of the housing and property
28 maintenance code during the period of rehabilitation or
29 construction, except that no section relating to the
30 individual's health and safety shall be waived.

1 (9) Give notice to the code officer who shall thereupon
2 institute public nuisance proceedings against certain
3 deteriorated and blighted structures for demolition or
4 rehabilitation through homesteading.

5 (10) Provide applicants with a report as to the
6 structural deficiencies of the property and other pertinent
7 information, including an estimate of the costs of bringing
8 the property into compliance with the housing and property
9 maintenance codes.

10 (11) Recommend to council that a municipality
11 homesteading map be prepared designating the location of
12 properties to be included under the homesteading program to
13 insure that the homesteading program is compatible with
14 existing or proposed programs of other municipality agencies.

15 (d) Catalog of property.--In each municipality embarking
16 upon an urban homesteading program, the bureau or department
17 charged with the responsibilities of code enforcement, as
18 specified in this act, shall, in conjunction with the municipal
19 planning commission and its staff under the direction of the
20 Homestead Board, compile and maintain a catalog of all
21 unoccupied dwellings and vacant lots owned by the municipality
22 or otherwise. From this catalog shall be determined which
23 parcels and structures can be utilized for building or
24 rehabilitation by homesteaders.

25 (e) Approval of governing body.--The governing body, upon
26 recommendation of the municipal planning commission, shall by
27 resolution approve the parcels cataloged under subsection (d)
28 for disposition by the board for the public purpose of improving
29 the quality of housing in accordance with the homestead program.

30 Section 5. Qualifications.

1 (a) Qualifications enumerated.--Homestead program property,
2 for purposes of this act, shall be limited to that property
3 which, when rehabilitated, is a single-family residence or
4 housing cooperative and which will be offered to qualified
5 applicants at no initial cost on a land trust agreement provided
6 that the applicant:

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

9 (2) Is a citizen of the United States or a resident
10 alien as determined by the United States Immigration and
11 Naturalization Service, or its successor.

12 (3) Is a recognized nonprofit community group,
13 corporation or housing cooperative acting as an agent for a
14 homesteader.

15 (4) Has financial resources and the mechanical skills to
16 rehabilitate an existing dwelling or construct a new
17 dwelling, as the case may be.

18 (5) Upon assignment, contractually agrees to
19 rehabilitate, or construct on, as the case may be, the parcel
20 assigned to him and further agrees to:

21 (i) bring the assigned parcel up to housing and
22 property maintenance code standards, as provided in this
23 act, within 18 months after assignment of the parcel to
24 him;

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

30 (iii) live in, occupy and maintain as a single-

1 family dwelling or a housing cooperative to the housing
2 and property maintenance code standards, the parcel
3 assigned to him for a period of not less than five years.

4 (b) Land trust agreement.--After approval of an applicant
5 pursuant to section 4(c)(3), the governing body of the
6 municipality shall negotiate and execute a land trust agreement
7 with the prospective homesteader, thereby assigning the parcel.
8 The agreement shall specify, in as much detail as reasonably
9 possible, a schedule of improvements the homesteader shall make
10 to bring the dwelling into conformity with the municipal housing
11 and property maintenance code within 18 months. The agreement
12 shall be in sufficient detail so that a homesteader shall be
13 able to know what he must do and by when he must do it to
14 fulfill the conditions of the agreement.

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

21 Section 6. Land trust agreement.

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

25 (1) The homesteader of the agreement has the first right
26 to the title of the real estate, upon completion of the land
27 trust agreement.

28 (2) The homesteader's interest in the trust agreement
29 shall be considered personal property.

30 (3) The homesteader has the right of possession,

1 management, control and operation of the property.

2 (4) The homesteader has the duty of maintenance and
3 repair of the property in accordance with the provisions of
4 the agreement.

5 (5) The homesteader takes the property in an "as is"
6 condition.

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

15 (7) The homesteader shall not act as the agent of the
16 trustee.

17 (8) The trustee does not assume any liability for the
18 acts, or omissions to act, of the homesteader that result in
19 injury or damage to other parties or their property.

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

27 (10) The homesteader, within 18 months after the
28 municipality assigns the homesteader a dwelling, promises and
29 covenants to bring the assigned dwelling up to housing and
30 property maintenance code standards and maintain it at code

1 standards throughout the homestead agreement.

2 (11) The homesteader promises and covenants to permit
3 quarterly inspections, between the hours of 9 a.m. and 4
4 p.m., or at a mutually agreed time, and at reasonable
5 frequencies, by housing and property maintenance code
6 enforcement personnel for the determination of the
7 municipality that reasonable and satisfactory progress is
8 being made by the homesteader in rehabilitating the dwelling
9 assigned to him.

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

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

29 (14) The homesteader recognizes and agrees that, if the
30 homesteader, after occupying the dwelling, abandons the

1 dwelling for a period of more than 60 days or the dwelling is
2 abandoned 60 days without permission of the urban
3 homesteading board, the homesteader's right to the
4 possession, management, control and operation of the dwelling
5 is automatically extinguished.

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

10 (16) The board may allow for extenuating circumstances,
11 including, but not limited to, serious illness of the
12 homesteader.

13 (17) The homesteader shall elect the person to whom the
14 property shall be transferred upon the death of the
15 homesteader. This transfer shall be for a consideration of
16 \$1.

17 Section 7. Homesteaded land free from liens.

18 During the period of a land trust agreement, the real
19 property being homesteaded shall be free of all liens and
20 encumbrances.

21 Section 8. Rehabilitation loans.

22 (a) Low-interest loans.--To assist local municipalities in
23 the elimination of slums and blighted or deteriorated areas, in
24 preventing the spread of slums, blight or deterioration and in
25 providing maximum opportunity for redevelopment, rehabilitation
26 and conservation of such areas by private enterprise, municipal
27 governing bodies are hereby authorized to obtain low-interest
28 loans for the rehabilitation of properties designated as
29 suitable for homesteading.

30 (b) Debt authorized.--The municipality may borrow up to

1 \$300,000 or \$10 per capita, whichever is greater, without
2 considering such debt within the statutory borrowing limitations
3 prescribed in the act of July 12, 1972 (P.L.781, No.185), known
4 as the Local Government Unit Debt Act.

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

12 (1) Rehabilitation is required to make the property
13 conform to applicable code requirements and to carry out the
14 objectives of a homestead plan for the area.

15 (2) The applicant is unable to secure the necessary
16 funds from other sources upon comparable terms and
17 conditions.

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

22 (4) The board has first caused to be prepared a full and
23 complete list of all major code deficiencies and has caused
24 bid specifications and cost estimates for the rectification
25 of these deficiencies to be prepared. Based on those
26 specifications, the board shall advertise for bids, either
27 individually or collectively with other homestead properties,
28 all those deficiencies the homesteader indicates he cannot
29 rectify by himself, and, if the homesteader agrees to the
30 bid, to be responsible for the payments of the bid.

1 (5) The resulting bids received shall be from the lowest
2 responsible bidder and acceptable to the homesteader.

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

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

14 (d) Limitations.--Rehabilitation financing made under this
15 section shall be subject to the following limitations:

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

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

22 (3) The principal shall bear interest at such rate as
23 determined by the administrating agency, but in no case shall
24 it exceed 0.5% per year the interest rate obtained by
25 council, and the board may prescribe such other charges as it
26 finds necessary, including service charges, and appraisal,
27 inspection and other fees.

28 (4) The amount of the debt may not exceed the amount of
29 an obligation which would result in a monthly payment by the
30 applicant of more than 25% of his average monthly income.

1 (e) First payment for occupancy not required.--In no case
2 shall the homesteader's first payment on his financial
3 obligation to the board be required prior to occupancy of the
4 homestead property.

5 Section 9. Federal funding.

6 (a) Training.--Participants in the homesteading program
7 shall, to the extent possible, take advantage of training
8 programs funded in whole or in part through the Job Training
9 Partnership Act (Public Law 97-300, 96 Stat. 1322).

10 (b) Loans.--Participants shall also take advantage of any
11 grants or loans made available through the Federal Community
12 Services Block Grant Act, and other sources, as administered by
13 the department.

14 Section 10. Default procedures.

15 (a) Explanation of agreement.--Before the homesteader
16 executes the land trust agreement, the board or its designee
17 shall explain to the homesteader the conditions of the land
18 trust agreement, his obligations thereunder, the appeal
19 procedures under this act and the consequences of failure to
20 comply with the conditions of the land trust agreement. After
21 the board or its designee makes the explanation contained in
22 this subsection and the homesteader understands the material
23 explained, the homesteader shall sign a statement that the
24 information contained in this subsection has been explained to
25 him and that he understands it and agrees to be bound in
26 accordance thereof. His signature shall constitute prima facie
27 evidence that he knowingly and understandingly executed the land
28 trust agreement. Only clear and convincing evidence to the
29 contrary may rebut this evidence.

30 (b) Noncompliance.--

1 (1) If a code official in a quarterly inspection
2 determines that the homesteader has not or is not complying
3 with the conditions of the land trust agreement, he shall
4 give the homesteader an oral warning that he is in default of
5 the land trust agreement. Within seven days from the date of
6 the oral warning, the code official shall send a written
7 warning to the homesteader. The warning shall contain the
8 information that the homesteader is in default and specify,
9 with reasonable particularity, what the homesteader must do
10 to bring the parcel into compliance with the land trust
11 agreement. The code official shall also give the homesteader
12 not less than 30 nor more than 60 days from the date of the
13 mailing of the written warning to bring the parcel into
14 compliance with the land trust agreement. The code official
15 shall send a copy of the written warning to the board and
16 maintain at least one copy of the warning with the code
17 enforcement bureau. At the expiration of the time period
18 indicated in the written warning notice, the code official
19 shall again inspect the parcel to verify the homesteader's
20 compliance with the warning and land trust agreement.

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

28 (3) If the code official determines that the homesteader
29 has not complied with or has not substantially complied with
30 the warning notice and has not brought the parcel up to the

1 agreed-upon standard, he shall file a written report with the
2 board. Such report shall specify with reasonable
3 particularity the facts upon which the code official based
4 his decision of noncompliance and shall be delivered to the
5 homesteader at the same time it is filed with the board.

6 (c) Formal hearing.--

7 (1) Within ten days of the receipt of the code
8 official's report of noncompliance, the board shall schedule
9 a hearing and appoint no less than three members from the
10 board to determine whether the urban homesteader has breached
11 the land trust agreement and extinguished his personal
12 property right under the agreement. The decision of the board
13 members so appointed shall have the full force and effect of
14 a decision by the entire membership of the board. Within
15 three days after the scheduling of the hearing, the board
16 shall cause personal service of a hearing notice to be made
17 either on the homesteader or someone capable of accepting
18 service on his behalf, ordering him to appear before the
19 board and show cause why the board should not declare him in
20 breach of the agreement and extinguish his personal property
21 right in the land trust agreement. The hearing notice shall
22 notify the homesteader of his right to be represented by
23 counsel and, if indigent, his right to have counsel appointed
24 on his behalf.

25 (2) If the board decides that the homesteader has
26 fulfilled his responsibilities under the land trust
27 agreement, it shall so note and provide copies of its
28 decision to the urban homesteader and the code enforcement
29 agency.

30 (3) If the board decides that the homesteader has not

1 fulfilled his responsibilities under the land trust
2 agreement, the board may:

3 (i) declare him in breach of the land trust
4 agreement and issue a final decision to extinguish his
5 personal property right in the land trust agreement and
6 shall so inform the homesteader; or

7 (ii) issue an interim order which grants the
8 homesteader not less than 30 nor more than 60 days from
9 the interim order to bring the parcel into compliance
10 with the land trust agreement.

11 (4) If the board has issued an interim order pursuant to
12 paragraph (3)(ii), the code official shall file a
13 reinspection report with the board within three days of the
14 expiration of the period granted for compliance pursuant to
15 the interim order. If the code official determines that the
16 homesteader has complied with or substantially complied with
17 the interim order and brought the parcel up to the agreed-
18 upon standard, then he shall file with the board a written
19 report so stating and terminating the land trust agreement
20 breach declaration procedure. If the code official determines
21 that the homesteader has not complied with the interim order,
22 he shall file a written report with the board so stating. The
23 code official shall provide the homesteader with a copy of
24 all reports filed with the board pursuant to this section.

25 (5) Upon receipt of the code official's report of the
26 homesteader's noncompliance with the board's interim order,
27 the board may proceed as set forth in paragraph (3)(i).

28 (d) Decision and appeal.--

29 (1) After a final decision by the board that the
30 homesteader is in violation of his land trust agreement, the

1 homesteader shall have 14 business days to file an appeal
2 from that decision with the court of common pleas of the
3 county.

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

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

1 the board shall initiate summary ejectment proceedings
2 against him.

3 Section 11. Code enforcement.

4 (a) Housing and property maintenance code requirement.--The
5 municipality or municipalities in which urban homesteading is to
6 be initiated by an acquiring agency under this act shall have a
7 housing and property maintenance code which establishes
8 standards for the protection of the public's health, safety and
9 welfare.

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

17 (1) Dangerous walls shall be replaced or repaired. This
18 includes the replacement of defective wood lintels and
19 defective wood sills.

20 (2) The property shall be weatherproofed by replacing or
21 repairing any defective siding, shingles or other defects in
22 exterior walls.

23 (3) Gutters and downspouts shall be repaired or replaced
24 if they cause the entry of water into the property or onto
25 adjacent property or cause any public nuisances.

26 (4) Porches or access stairways (inside or outside the
27 structure) shall be made safe for use. Defective porches or
28 access stairways must be repaired or replaced.

29 (5) Missing and dangerously defective individual steps
30 shall be replaced or repaired.

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

3 (7) Roofs shall be leakproof.

4 (8) Window frames and doors shall fit properly and be
5 operable.

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

8 (10) Every single-family residence shall have a complete
9 bath consisting of a tub, a toilet and a basin. Each kitchen
10 shall have a sink.

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

13 (12) Each dwelling shall have a water heater in operable
14 condition.

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

20 (14) Rotted and defective load carrying members shall be
21 replaced or repaired.

22 (15) Termite infested wood members shall be properly
23 treated or replaced.

24 (16) Rodent and vermin infestation shall be eliminated
25 and rat-proofing shall be performed, if necessary.

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

1 (18) Habitable rooms shall contain a window opening
2 directly to the outside.

3 (19) The premises shall be maintained in a clean and
4 sanitary condition at all times. Refuse should be placed in
5 proper receptacles for collection.

6 (c) Administration and enforcement.--The housing and
7 property maintenance code shall also:

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

10 (2) Provide procedures for the administration and
11 enforcement of the housing and property maintenance code,
12 either by the municipality directly or by contractual
13 arrangements with a county, regional or intergovernmental
14 code enforcement bureau, including penalties for violations.

15 (d) Adoption of other codes.--A municipality may adopt by
16 reference a county housing and property maintenance code which
17 meets the aforementioned minimum standards and which may be or
18 is in existence at the time the municipality enters into a local
19 homesteading program as provided for in this act.

20 (e) Review of code.--The housing and property maintenance
21 code shall be reviewed every 24 months and shall be in effect at
22 the time the acquiring agency, municipality or municipalities
23 exercise any provisions of this act.

24 (f) Condemnation.--Any property which has been cited by a
25 municipality as being substandard and unfit for human habitation
26 under provisions of a housing and property maintenance code may
27 be subject to condemnation by that municipality or by an
28 acquiring agency designated by the municipality under the
29 following conditions:

30 (1) A preliminary notice outlining the housing and

1 property maintenance code violations shall be sent by
2 registered mail to the owner or owners of any property found
3 to be unfit for human habitation.

4 (2) If within 30 days the owner or owners make no
5 attempt to correct the violations and bring the property into
6 code compliance or contact the municipality regarding their
7 intentions to do so, a second and final notice shall be
8 forwarded by registered mail to the owner or owners giving
9 them 120 days from the date of the final notice to bring the
10 property into code compliance or, in the case of a hardship,
11 to notify the municipality of same.

12 (3) If, after 120 days of receipt of the final notice,
13 the property owner or owners have not brought the property
14 into code compliance, the property may be subject to
15 condemnation as provided for in this act either by the
16 municipality or by an acquiring agency designated by the
17 municipality.

18 (4) If the municipality or designated agency determines
19 that the property which is unfit for human habitation has not
20 been brought into code compliance under provisions of the
21 municipality's housing and property maintenance code after
22 150 days, and after proper notification as provided for in
23 this act, and if the municipality determines that the
24 property would be suitable for urban homesteading as set
25 forth in this act, either through rehabilitation and resale
26 of the home or building or through demolition and resale of
27 the land, the municipality or the acquiring agency may
28 proceed to acquire the property under the act of June 22,
29 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain
30 Code.

1 Section 12. Eminent domain.

2 The act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as
3 the Eminent Domain Code, shall be applicable to acquisitions of
4 property by municipalities for urban homesteading under this
5 act.

6 Section 13. Assessments.

7 (a) Change in assessed valuation.--Notwithstanding the
8 provision of any other law, the proper authorities may change
9 the assessed valuation of real property when a property is being
10 rehabilitated as a homestead property. In such case, the
11 homestead property will be assessed for taxing purposes at 20%
12 of assessed value the second year and at 40%, 60%, 80% and 100%
13 during the successive four years, respectively.

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

- | | | |
|----|------------|------------------------|
| 22 | (1) Year 2 | 20% of assessed value |
| 23 | (2) Year 3 | 40% of assessed value |
| 24 | (3) Year 4 | 60% of assessed value |
| 25 | (4) Year 5 | 80% of assessed value |
| 26 | (5) Year 6 | 100% of assessed value |

27 (c) Construction of section.--This section shall not alter
28 or affect the ratio to market value in effect in any one county
29 but merely changes the base proportionately as the property is
30 rehabilitated, at which time the property is taxed on full

1 market value. All homestead properties shall be assessed prior
2 to the initial sale and then in the third year of ownership and
3 again before title passes following the fifth year of occupancy.

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

9 Section 14. Severability.

10 The provisions of this act are severable. If any provision of
11 this act or its application to any person or circumstance is
12 held invalid, the invalidity shall not affect other provisions
13 or applications of this act which can be given effect without
14 the invalid provision or application.

15 Section 15. Effective date.

16 This act shall take effect in 60 days.