



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1437

PRINTERS NO. 3952

PRIME SPONSOR: Goodman

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
Municipal Funds	\$0	\$0

SUMMARY: Amends the Municipal Code and Ordinance Compliance Act (Act 99 of 2000) to reduce the number of months for code violation correction. This legislation would take effect in 60 days.

ANALYSIS: This legislation would reduce the time from 18 to 12 months for the period that the purchaser of a building or structure, with substantial violations of municipal codes relating to building, housing, property maintenance or fire and nuisance ordinances relating to property maintenance, health and safety, would have to either bring the structure into compliance or demolish it.

Presently, under the Act, after conducting inspections of "for sale" buildings and structures, municipalities are required to issue use and occupancy permits unless the property is deemed "unfit for human habitation", but leaving it up to the municipality to define the term. The legislation adds a definition for "Unfit for Human Habitation" to the statute which more clearly defines the term and provides better guidance to local code enforcement officials.

The legislation creates a new category of "temporary" certificates, which municipalities would be required to issue as a result of a municipal inspection in conjunction with the resale of the property, regardless of the nature of code violations found.

A "Temporary Use and Occupancy Certificate" must be issued if the inspection reveals a violation of an applicable municipal code or ordinance, but no substantial violation, and is intended to enable the purchaser to fully utilize or reside in the property while correcting the violations.

A "Temporary Access Certificate" must be issued if the inspection were to identify, at least one substantial violation of an applicable municipal code or ordinance, and is intended to permit the purchaser to access the property in order to correct the violations. Although no one would be allowed to occupy the property during this period, the owner would be permitted to store items related to the use and occupancy or needed to correct the violations. (If a re-inspection reveals that the substantial violations have been corrected, but other cited violations remain, the municipality must issue a Temporary Use and Occupancy Certificate, which would be valid for the time remaining on the original Temporary Access Certificate.)

The legislation also adds a Section 2.2 to the legislation to clarify that the exemption for financial institutions under Title 68 §7103 is still valid under the language of the legislation.

Under the legislation, the 12-month statutory compliance period would commence 12 months after purchase. At the request of the property owner, the municipality would have the discretion to negotiate a longer compliance period.

The legislation would also revise the penalty provisions of the Act to stipulate that, failure to make the needed repairs within the statutory compliance period would result in the revocation of the temporary certificates, in addition to those penalties already provided in the statute.

Finally, the legislation would clarify that a municipality maintains the right to deny a certificate or permit for a building with serious code violations pursuant to the Neighborhood Blight Reclamation and Revitalization Act (Act 90 of 2010), separate from the provisions of this statute.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or municipal funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 26, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.