

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 8

Session of
1991

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M. N. WRIGHT, CIVERA AND GERLACH, JANUARY 30, 1991

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MARCH 17, 1992

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

8 Section 1. Short title.

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

11 Section 2. Legislative intent.

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

27 Section 3. Definitions.

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

1 "Agency." The Municipal Homestead Agency.

2 "Board." The governing body of the homestead agency
3 appointed to administer this act.

4 "Code official." The director or individual responsible for
5 the supervision of the bureau or department responsible for code
6 enforcement.

7 "Council." The elected body of officials governing the
8 municipality.

9 "Department." The Department of Community Affairs of the
10 Commonwealth.

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

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

17 "Homesteader." An individual, their spouse, housing
18 cooperative or nonprofit corporation conforming to the
19 provisions and intent of this act.

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

28 "Major code deficiencies." All those deficiencies enumerated
29 under section 11.

30 "Municipality." Any political subdivision of this

1 Commonwealth other than a school district.

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

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

8 Section 4. Urban homesteading.

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

14 (b) Homestead Board.--The governing body of the municipality
15 is hereby authorized to create and appoint members of a board to
16 be known as the Homestead Board, whose purposes shall be to
17 administer the homestead program, except that nothing in this
18 subsection shall be interpreted to prohibit the governing body
19 from assigning such duties, by ordinance, to an existing
20 authority, board, commission or 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 When possible, there shall be an equal representation of
26 minority groups on the board, including at least one
27 representative of a local community action agency, where such an
28 agency exists. When possible, a simple majority of the board
29 members shall have specific experience with municipal housing-
30 related programs AND AT LEAST ONE MEMBER OF THE BOARD SHALL HAVE <—

1 SPECIFIC EXPERIENCE WITH A HISTORIC PRESERVATION PROGRAM. Board
2 members shall serve a term of three years and shall be eligible
3 for reappointment. Members of the board shall receive no
4 compensation but shall be reimbursed for expenses actually
5 incurred in connection with performing the duties prescribed by
6 this act and shall by majority vote appoint a secretary of the
7 board, who may or may not be a member of the board. The
8 secretary shall receive such compensation as may be agreed to by
9 the members of the Homestead Board. In addition, the members of
10 the Homestead Board may appoint and fix the compensation of such
11 personnel as may be necessary to implement the homestead
12 program, provided council has made funds available for such
13 purposes.

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

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

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

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

30 (4) Recommend, in order, according to date and time of

1 receipt of application, the execution by the governing body
2 of a land trust agreement with the approved applicant. The
3 land trust agreement shall grant a 24-month tax exemption for
4 the assigned parcel and be recorded with the appropriate
5 county officials. If the number of approved applicants
6 exceeds the number of parcels for which land trust agreements
7 are recommended, agreements shall be negotiated in order,
8 according to date and time of receipt of application, until
9 all available parcels are subject to such agreements.

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

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

18 (6) Utilize the aid and assistance of other relevant
19 municipal agencies in the furtherance of the duties and
20 responsibilities of the board.

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

26 (8) Give notice to the code official which provides
27 that, pursuant to the authority of the governing body under
28 section 5(b), approved identified homesteaders who are
29 rehabilitating existing structures are exempt from the
30 enforcement of specific sections of the housing and property

1 maintenance code during the period of rehabilitation or
2 construction, except that no section relating to the
3 individual's health and safety shall be waived.

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

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

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

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

28 (e) Approval of governing body.--The governing body, upon
29 recommendation of the municipal planning commission, shall by
30 resolution approve the parcels cataloged under subsection (d)

1 for disposition by the board for the public purpose of improving
2 the quality of housing in accordance with the homestead program.
3 Section 5. Qualifications.

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

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

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

15 (3) Is a recognized nonprofit community group,
16 corporation or housing cooperative acting as an agent for a
17 homesteader.

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

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

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

28 (ii) permit quarterly inspections by the code
29 enforcement personnel for determination by the board that
30 reasonable, satisfactory progress is being made by the

homesteader in rehabilitating or constructing on the
parcel assigned to him; and

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

(b) Land trust agreement.--After approval of an applicant
pursuant to section 4(c)(3), the governing body of the
municipality shall negotiate and execute a land trust agreement
with the prospective homesteader, thereby assigning the parcel.
The agreement shall specify, in as much detail as reasonably
possible, a schedule of improvements the homesteader shall make
to bring the dwelling into conformity with the municipal housing
and property maintenance 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) Conveyance upon fulfillment.--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 homesteader of the agreement has the first right
to the title of the real estate, upon completion of the land
trust agreement.

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

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

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

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

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

18 (7) The homesteader shall not act as the agent of the
19 trustee.

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

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

30 (10) The homesteader, within 18 months after the

1 municipality assigns the homesteader a dwelling, promises and
2 covenants to bring the assigned dwelling up to housing and
3 property maintenance code standards and maintain it at code
4 standards throughout the homestead agreement.

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

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

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

homesteader's residence time from the required five years.

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

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

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

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

Section 7. Homesteaded land free from liens.

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

Section 8. Rehabilitation loans.

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

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

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

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

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

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

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

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

1 all those deficiencies the homesteader indicates he cannot
2 rectify by himself, and, if the homesteader agrees to the
3 bid, to be responsible for the payments of the bid.

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

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

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

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

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

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

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

(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 more than 25% of his average monthly income.

(e) First payment for occupancy not required.--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. Federal funding.

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

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

Section 10. Default procedures.

(a) Explanation of agreement.--Before the homesteader executes the land trust agreement, the board or its designee 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 designee 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

1 trust agreement. Only clear and convincing evidence to the
2 contrary may rebut this evidence.

3 (b) Noncompliance.--

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

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

1 (3) If the code official determines that the homesteader
2 has not complied with or has not substantially complied with
3 the warning notice and has not brought the parcel up to the
4 agreed-upon standard, he shall file a written report with the
5 board. Such report shall specify with reasonable
6 particularity the facts upon which the code official based
7 his decision of noncompliance and shall be delivered to the
8 homesteader at the same time it is filed with the board.

9 (c) Formal hearing.--

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

28 (2) If the board decides that the homesteader has
29 fulfilled his responsibilities under the land trust
30 agreement, it shall so note and provide copies of its

1 decision to the urban homesteader and the code enforcement
2 agency.

3 (3) If the board decides that the homesteader has not
4 fulfilled his responsibilities under the land trust
5 agreement, the board may:

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

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

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

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

1 (d) Decision and appeal.--

2 (1) After a final decision by the board that the
3 homesteader is in violation of his land trust agreement, the
4 homesteader shall have 14 business days to file an appeal
5 from that decision with the court of common pleas of the
6 county.

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

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

premises, the board will initiate summary ejectment procedures against him. If the homesteader does not vacate the premises within 21 days after the court enters judgment, the board shall initiate summary ejectment proceedings against him.

Section 11. Code enforcement.

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

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

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

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

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

(4) Porches or access stairways (inside or outside the structure) shall be made safe for use. Defective porches or

1 access stairways must be repaired or replaced.

2 (5) Missing and dangerously defective individual steps
3 shall be replaced or repaired.

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

6 (7) Roofs shall be leakproof.

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

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

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

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

16 (12) Each dwelling shall have a water heater in operable
17 condition.

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

23 (14) Rotted and defective load carrying members shall be
24 replaced or repaired.

25 (15) Termite infested wood members shall be properly
26 treated or replaced.

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

29 (17) Every dwelling shall contain heating facilities,
30 properly designed and installed, in good and safe working

1 condition, capable of heating those rooms and areas to be
2 inhabited. Systems must be operated to prevent freezing of
3 pipes and plumbing.

4 (18) Habitable rooms shall contain a window opening
5 directly to the outside.

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

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

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

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

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

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

27 (f) Condemnation.--Any property which has been cited by a
28 municipality as being substandard and unfit for human habitation
29 under provisions of a housing and property maintenance code may
30 be subject to condemnation by that municipality or by an

acquiring agency designated by the municipality under the following conditions:

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

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

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

(4) If the municipality or designated agency determines that the property which is unfit for human habitation has not been brought into code compliance under provisions of the municipality's housing and property maintenance code after 150 days, and after proper notification as provided for in this act, and if the municipality determines that the property would be suitable for urban homesteading as set forth in this act, either through rehabilitation and resale of the home or building or through demolition and resale of the land, the municipality or the acquiring agency may

1 proceed to acquire the property under the act of June 22,
2 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain
3 Code.

4 Section 12. Eminent domain.

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

9 Section 13. Assessments.

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

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

- | | | |
|----|------------|------------------------|
| 25 | (1) Year 2 | 20% of assessed value |
| 26 | (2) Year 3 | 40% of assessed value |
| 27 | (3) Year 4 | 60% of assessed value |
| 28 | (4) Year 5 | 80% of assessed value |
| 29 | (5) Year 6 | 100% of assessed value |

30 (c) Construction of section.--This section shall not alter

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

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

12 Section 14. Severability.

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

18 Section 15. Effective date.

19 This act shall take effect in 60 days.