

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1291 Session of
2008

INTRODUCED BY RHOADES, PIPPY, EARLL, TOMLINSON, FERLO,
WASHINGTON, BAKER, ERICKSON, ORIE, RAFFERTY, O'PAKE, LOGAN,
COSTA, BROWNE, KASUNIC AND EICHELBERGER, MARCH 26, 2008

REFERRED TO URBAN AFFAIRS AND HOUSING, MARCH 26, 2008

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, providing for neighborhood blight
3 reclamation and revitalization.

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

6 Section 1. Title 53 of the Pennsylvania Consolidated
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 61

9 NEIGHBORHOOD BLIGHT RECLAMATION AND REVITALIZATION

10 Subchapter

11 A. Preliminary Provisions

12 B. Actions Against Owner of Blighted Property

13 C. Responsibilities of Mortgage Lenders

14 D. Conservatorship

15 E. State and Local Government Permit Denials

16 F. State Blight Data Collection System

17 G. Grants

18 H. Sale of Blighted and Abandoned Properties

1 I. Miscellaneous Provisions

2 SUBCHAPTER A

3 PRELIMINARY PROVISIONS

4 Sec.

5 6101. Short title of chapter.

6 6102. Legislative findings and declaration of policy.

7 6103. Definitions.

8 § 6101. Short title of chapter.

9 This chapter shall be known and may be cited as the
10 Neighborhood Blight Reclamation and Revitalization Act.

11 § 6102. Legislative findings and declaration of policy.

12 The General Assembly finds and declares as follows:

13 (1) It is the intent of the General Assembly to
14 eliminate neighborhood blight caused by property owners who
15 fail to maintain their property or to comply with municipal
16 property maintenance codes. The General Assembly declares
17 that it is in the best interest of the Commonwealth, its
18 citizens and its municipalities to establish a process as set
19 forth under this chapter to effectively deal with blighted
20 and abandoned properties in order to bring the properties up
21 to code standards, acquire and demolish them or, where cost-
22 effective and structurally sound, rehabilitate them and
23 return them to productive use. This includes constructing new
24 housing on sites that formerly contained blighted properties
25 and rehabilitating blighted buildings which have been
26 determined to be structurally sound and capable of being
27 rehabilitated.

28 (2) Pennsylvania's communities are important to this
29 Commonwealth's economic health and provide a focal point for
30 businesses and services. They also contribute to this

1 Commonwealth's quality of life with their rich histories,
2 culture, heritage and diversity, along with their parks,
3 recreational attributes and historic buildings and
4 architecture. Many of these communities, however, are
5 presently being negatively affected by blighted properties
6 that either are in use in spite of their deteriorated state
7 or have been abandoned.

8 (3) Citizens of this Commonwealth living in its
9 communities are adversely affected by abandoned and blighted
10 residential, commercial and industrial properties, especially
11 individuals living or owning property in close proximity to
12 unsafe, substandard and deteriorated buildings.

13 (4) Substandard, deteriorating and abandoned
14 residential, commercial and industrial structures are not
15 only a public safety threat and nuisance, their blighted
16 condition diminishes property values in the communities in
17 which these properties are located. Nearby property owners
18 lose equity in their properties, and municipalities lose
19 desperately needed property tax revenues for municipal
20 services as a result of lower assessed property values which
21 result from the presence of blighted and abandoned buildings.

22 (5) Blighted properties presently sold at tax sales most
23 times remain blighted. When these blighted properties are not
24 rehabilitated or demolished immediately, they further
25 deteriorate, resulting in increased costs to the Commonwealth
26 and its municipalities to secure and demolish them.

27 (6) Providing a legislative mechanism to transform
28 abandoned and blighted properties into productive reuse
29 provides an opportunity for communities in Pennsylvania to be
30 revitalized while improving the quality of life for

individuals who live there. This revitalization includes clearing sites of blighted properties and replacing them with new housing, as well as rehabilitating structurally sound blighted properties.

§ 6103. Definitions.

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

"Abandoned property." A property on which there is a building that has not been legally occupied for at least the previous 12 months and is a blighted property.

"Blighted property." Any of the following:

(1) Premises which, because of physical condition or use, are regarded as a public nuisance at common law or have been declared a public nuisance in accordance with the local housing, building, plumbing, fire and related codes and ordinances, including nuisance and dangerous building ordinances.

(2) Premises which, because of physical condition, use or occupancy, are considered an attractive nuisance to children, including, but not limited to, abandoned wells, shafts, basements, excavations and unsafe fences or structures.

(3) A dwelling which, because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required under the housing code of the municipality, has been designated by the municipal department responsible for enforcement of the code as unfit for human habitation.

(4) A structure which is a fire hazard or is otherwise

1 dangerous to the safety of persons or property.

2 (5) A structure from which the utilities, plumbing,
3 heating, water, sewage or other facilities have been
4 disconnected, destroyed, removed or rendered ineffective so
5 that the property is unfit for its intended use.

6 (6) A vacant or unimproved lot or parcel of ground in a
7 predominantly built-up neighborhood which, by reason of
8 neglect or lack of maintenance, has become a place for
9 accumulation of trash and debris or a haven for rodents or
10 other vermin.

11 (7) An unoccupied property which has been tax delinquent
12 for a period of two years.

13 (8) A property which is vacant but not tax delinquent
14 and which has not been rehabilitated within one year of the
15 receipt of notice to rehabilitate from the appropriate code
16 enforcement agency.

17 "Building." A residential, commercial or industrial building
18 or structure and the land appurtenant to it.

19 "Code." A building, housing, property maintenance, fire,
20 health or other public safety ordinance enacted by a
21 municipality.

22 "Commonwealth agency." The Governor, departments, boards,
23 agencies, commissions, authorities and other officers of the
24 Commonwealth, including those subject to the policy supervision
25 and control of the Governor. The term does not include any court
26 or other officer or agency of the unified judicial system or the
27 General Assembly or any of its officers and agencies.

28 "Competent entity." A person or entity, including a
29 governmental unit, with experience in the rehabilitation of
30 residential, commercial or industrial buildings and the ability

1 to provide or obtain the necessary financing for such
2 rehabilitation.

3 "Consumer." A person who is a named insured, insured or
4 beneficiary of a policy of insurance or any other person who may
5 be affected by the Insurance Department's exercise of or the
6 failure to exercise its authority.

7 "Cost of rehabilitation." Costs and expenses for
8 construction, stabilization, rehabilitation, demolition and
9 reasonable nonconstruction costs associated with any of these
10 projects, including, but not limited to, environmental
11 remediation, architectural, engineering and legal fees, permits,
12 financing fees and a developer's fee consistent with the
13 standards for developer's fees established by the Pennsylvania
14 Housing Finance Agency.

15 "Court." The appropriate court of common pleas.

16 "Department." The Department of Community and Economic
17 Development of the Commonwealth.

18 "Electronically." Utilizing procedures promulgated by the
19 Department of Community and Economic Development to file forms
20 and obtain information electronically, provided the information
21 is available to the requester under the act of June 21, 1957
22 (P.L.390, No.212), referred to as the Right-to-Know Law.

23 "Insurer," "company," "association" or "exchange." As these
24 terms are defined in section 101 of the act of May 17, 1921
25 (P.L.682, No.284), known as The Insurance Company Law of 1921,
26 or any entity subject to Article XXIV of The Insurance Company
27 Law of 1921, the act of December 29, 1972 (P.L.1701, No.364),
28 known as the Health Maintenance Organization Act, or 40 Pa.C.S.
29 Ch. 61 (relating to hospital plan corporations) or 63 (relating
30 to professional health services plan corporations).

1 "License." A permit granted by the Commonwealth or one of
2 its agencies which gives permission to the applicant to
3 participate in a certain activity or exercise a certain
4 privilege.

5 "Licensing" or "certification." The issuance of a license or
6 the formal assertion in writing of some fact or qualification
7 from the Commonwealth or one of its agencies.

8 "Municipality." A city, borough, incorporated town, township
9 or home rule, optional plan or optional charter municipality or
10 municipal authority in this Commonwealth. The term also includes
11 any other governmental entity charged with enforcement of
12 municipal housing, building, plumbing, fire and related codes
13 and specifically includes a neighborhood improvement district
14 and nonprofit corporation created under the act of December 20,
15 2000 (P.L.949, No.130), known as the Neighborhood Improvement
16 District Act.

17 "Municipal permits." Privileges relating to real property
18 granted by a municipality, including, but not limited to,
19 building permits, exceptions to zoning ordinances and occupancy
20 permits.

21 "Nonprofit corporation." A nonprofit corporation that has,
22 as one of its purposes, community development activities,
23 including economic development or the promotion or enhancement
24 of affordable housing opportunities.

25 "Owner." The holder or holders of the title to or of a legal
26 or equitable interest in residential, commercial or industrial
27 real estate. The term includes, but is not limited to, heirs,
28 assigns, trustees, beneficiaries and lessees, provided this
29 ownership interest is a matter of public record.

30 "Party in interest." Any person or entity who has a direct

and immediate interest in residential, commercial or industrial real estate, including:

(1) The owner or owners.

(2) Any lienholder and other secured creditors of the owner.

(3) A person who resides or owns a business which is located within 500 feet of the real estate.

(4) A nonprofit corporation carrying out community development activities within the municipality where the building is located, including, but not limited to, a redevelopment authority.

(5) A municipality in which the real estate is located.

"Property maintenance code." A municipal ordinance which regulates the maintenance or development of real property. The term includes, but is not limited to, building codes, housing codes and public safety codes.

"Property maintenance code violation." A violation of a municipal property maintenance code.

"Public nuisance." Property which, because of its physical condition or use, is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the local housing, building, health, fire or related code.

"Registry." The Property Maintenance Code Violations Registry established under this chapter.

"Residential building." A building or structure containing one or more dwelling units and the land appurtenant to it.

"Serious violation." A violation of a housing, building, property maintenance or fire safety code that poses an immediate threat to the health and safety of a dwelling occupant, occupants in surrounding structures or passersby.

1 "Substantial step." An affirmative action on the part of a
2 property owner or managing agent, as determined by the
3 municipality, to remedy a violation of a housing, building,
4 property maintenance or fire safety code, including, but not
5 limited to, physical improvements or reparations to the
6 property.

7 "Tax delinquent property." Tax delinquent real property as
8 defined under the act of July 7, 1947 (P.L.1368, No.542), known
9 as the Real Estate Tax Sale Law, located in any municipality in
10 this Commonwealth.

11 SUBCHAPTER B

12 ACTIONS AGAINST OWNER OF BLIGHTED PROPERTY

13 Sec.

14 6111. Building, housing and health code violations.

15 6112. Actions.

16 6113. Asset attachment.

17 6114. Duty of out-of-State owners of real estate in this
18 Commonwealth.

19 6115. Duty of corporate owners.

20 § 6111. Building, housing and health code violations.

21 (a) Cause of action.--Where a building, structure,
22 landscaping or land is or is proposed to be erected,
23 constructed, reconstructed, altered, converted, maintained or
24 used in violation of any building, housing or health ordinance
25 enacted pursuant to law by a municipality, the governing body of
26 the municipality or, with the approval of the governing body, an
27 officer of the municipality, or an aggrieved owner or tenant of
28 real property who shows that his property or person will be
29 substantially affected by the alleged violation, in addition to
30 other remedies, may institute an action or proceeding to

1 prevent, restrain, correct or abate such building, structure,
2 landscaping or land or to prevent, in or about such premises,
3 any act, conduct, business or use constituting a violation. When
4 any such action is instituted by a landowner or tenant, notice
5 of the action shall be served upon the municipality at least 30
6 days prior to the time the action is begun by serving a copy of
7 the complaint on the governing body of the municipality. No such
8 action may be maintained until such notice has been given.

9 (b) Jurisdiction.--Except as provided under 42 Pa.C.S. §
10 1143(a)(3) (relating to jurisdiction and venue), magisterial
11 district judges shall have jurisdiction of actions instituted
12 pursuant to this section.

13 § 6112. Actions.

14 In addition to other remedies, a municipality may institute
15 the following actions against the legal owner or owner of record
16 of any building, housing or land in serious violation of an
17 ordinance regarding a building or housing code:

18 (1) An in personam action may be initiated for a
19 continuing violation for which the legal owner of record
20 takes no substantial step to correct within 60 days following
21 notification of any violation.

22 (2) An action against an owner of record shall be for an
23 amount equal to any penalties imposed against the owner and
24 for the amount expended by the municipality to abate the
25 violation.

26 (3) A proceeding in equity.

27 § 6113. Asset attachment.

28 A lien may be placed against the assets of an owner of
29 unremediated blighted real property after a legal action
30 initiated under section 6112 (relating to actions) is concluded

1 with a finding against the legal owner or owner of record of the
2 property.

3 § 6114. Duty of out-of-State owners of real estate in this
4 Commonwealth.

5 A person who lives or has a principal place of residence
6 outside this Commonwealth, who owns real estate in this
7 Commonwealth against which municipal housing code violations
8 have been cited under 18 Pa.C.S. § 7510 (relating to municipal
9 housing code avoidance), and who has been properly notified of
10 the violations may be extradited to this Commonwealth to face
11 criminal prosecution.

12 § 6115. Duty of corporate owners.

13 (a) Means of identification.--A deed or other instrument of
14 writing involving transfer of title to a corporate owner or
15 corporate officer shall include an attachment setting forth the
16 name and address of each officer of the corporation and a
17 photographic copy of the current driver's license or other photo
18 identification from the state in which anyone who is an officer
19 of the corporation is licensed to drive.

20 (b) Means of service.--Mailing a notice or citation for any
21 property maintenance code violation for any property owned by a
22 corporation to the mailing address of any corporate officer
23 shall constitute good service by the municipality.

24 SUBCHAPTER C

25 RESPONSIBILITIES OF MORTGAGE LENDERS

26 Sec.

27 6121. Business or commercial mortgages.

28 6122. Code compliance.

29 6123. Residential mortgages.

30 § 6121. Business or commercial mortgages.

This subchapter shall apply to mortgage loans made for residential, business or commercial purposes.

§ 6122. Code compliance.

(a) Liability assumed.--Thirty days following the foreclosure of a building due to the owner of record's default on a mortgage loan, the mortgage lender or Federal insurer in possession of the building shall assume legal responsibility and liability as the owner of record for all exterior municipal housing, building and property maintenance code requirements representing the following:

(1) Serious violations.

(2) Violations which contribute to blight in a neighborhood due to their negative effect on the aesthetic appearance of the structure or the neighborhood.

(b) Time period.--The time period provided for under subsection (a) shall be extended to 120 days following the foreclosure of a property due to the owner of record's default on a mortgage loan in cases where the mortgage lender or Federal insurer has executed a contract to sell the property in question.

§ 6123. Residential mortgages.

Entities that may grant or insure residential mortgages or participate in related activities for purposes of this subchapter shall include, but not be limited to, the following:

(1) A State-chartered bank, bank and trust company, savings bank, private bank or national bank, a federally chartered or State-chartered savings and loan association, a federally chartered savings bank or a federally chartered or State-chartered credit union.

(2) An attorney authorized to practice law in this

1 Commonwealth who acts as a mortgage broker in negotiating or
2 placing a mortgage loan in the normal course of legal
3 practice.

4 (3) A person licensed under the act of February 19, 1980
5 (P.L.15, No.9), known as the Real Estate Licensing and
6 Registration Act, who is principally engaged in a third-party
7 real estate brokerage business, but only to the extent that
8 the person provides information, verbal or written, to or
9 negotiates or places a mortgage loan for a buyer of real
10 estate and is not compensated by the buyer or any other
11 person for providing such information or negotiating or
12 placing such mortgage loan. If the person is compensated for
13 providing the information or negotiating or placing a
14 mortgage loan, the person shall be subject to sections 308,
15 310, 311 and 314(b) of the act of December 22, 1989 (P.L.687,
16 No.90), known as the Mortgage Bankers and Brokers and
17 Consumer Equity Protection Act.

18 (4) A seller of a dwelling if the person has resided in
19 the dwelling at least one year and as part of the purchase
20 price receives a first mortgage executed by the purchaser.

21 (5) A person who either originates or negotiates fewer
22 than 12 mortgage loans in a calendar year in this
23 Commonwealth.

24 (6) Builders, when obtaining mortgages for their own
25 construction or for the sale of their own construction.

26 (7) An agency or instrumentality of the Federal
27 Government or a corporation otherwise created by an act of
28 Congress, including, but not limited to, the Federal National
29 Mortgage Association, the Department of Veterans Affairs, the
30 Federal Home Loan Mortgage Corporation and the Federal

1 Housing Administration.

2 (8) The Pennsylvania Housing Finance Agency.

3 (9) A licensee under the act of April 8, 1937 (P.L.262,
4 No.66), known as the Consumer Discount Company Act, except
5 that a licensee who makes a mortgage loan other than under
6 the provisions of the Consumer Discount Company Act shall be
7 subject to the provisions of sections 304(b)(2) and (3), 308,
8 310 and 314(b) of the Mortgage Bankers and Brokers and
9 Consumer Equity Protection Act, excluding section 308(a)(1).

10 (10) Except for a licensee described under paragraph
11 (9), a subsidiary or affiliate of the following institutions:

12 (i) State-chartered banks, bank and trust companies,
13 savings banks, private banks, savings and loan
14 associations and credit unions.

15 (ii) National banks.

16 (iii) Federally chartered savings and loans
17 associations.

18 (iv) Federally chartered savings banks.

19 (v) Federally chartered credit unions.

20 A subsidiary or affiliate set forth under this paragraph
21 shall be subject to the provisions of sections 308,
22 309(a)(3), 310 and 314(b) of the Mortgage Bankers and Brokers
23 and Consumer Equity Protection Act, excluding section
24 308(a)(1), and shall deliver annually to the Department of
25 Banking copies of financial reports made to all supervisory
26 agencies.

27 (11) An employee of a licensee or a person designated to
28 act on behalf of his employer.

29 (12) An insurance company, association or exchange
30 authorized to transact business in this Commonwealth under

1 the act of May 17, 1921 (P.L.682, No.284), known as The
2 Insurance Company Law of 1921, and any subsidiaries and
3 affiliates thereof. A subsidiary or affiliate shall:

4 (i) be subject to the provisions of sections 308,
5 309(a)(3), 310 and 314(b) of the Mortgage Bankers and
6 Brokers and Consumer Equity Protection Act, excluding
7 section 308(a)(1); and

8 (ii) deliver annually to the Insurance Department
9 copies of financial reports made to all supervisory
10 agencies.

11 SUBCHAPTER D

12 CONSERVATORSHIP

13 Sec.

14 6131. Initiation of action.

15 6132. Appointment of conservator.

16 6133. Powers and duties of conservator.

17 6134. Ownership of property.

18 6135. Incurring indebtedness.

19 6136. Sale of property.

20 6137. Termination of conservatorship.

21 § 6131. Initiation of action.

22 (a) Filing of petition.--A petition for the appointment of a
23 conservator to take possession and to undertake the
24 rehabilitation of a building may be filed by a party in interest
25 in a court in the county in which the building is located.

26 (b) Contents.--The petition submitted to the court shall
27 include a concise statement of the reasons a conservator should
28 be appointed and, to the extent available to the petitioner:

29 (1) A copy of any citation charging the owner with being
30 in violation of municipal code requirements or declaring the

1 building to be a public nuisance.

2 (2) A recommendation as to which person or entity should
3 be appointed conservator.

4 (3) A preliminary plan with initial cost estimates for
5 rehabilitation of the building to bring it into compliance
6 with all municipal codes and duly adopted plans for the area
7 in which the building is located and anticipated funding
8 sources.

9 (c) Notification of owner and lienholders.--

10 (1) Upon filing the petition with the court, the
11 petitioner shall notify the current owner of the property and
12 all lienholders of the filing by registered or certified mail
13 to the last known address of each and by posting a copy of
14 the notice on the building.

15 (2) In the event the registered or certified mail is
16 returned with notation by the postal authorities that the
17 recipient refused to accept the mail, the petitioner may mail
18 a copy to the recipient at the same address by ordinary mail
19 with the return address of the petitioner appearing thereon.

20 (3) Service by ordinary mail shall be presumed complete
21 if the mail is not returned to the petitioner within 15 days
22 after mailing.

23 (4) In the event the registered or certified mail is
24 returned with the notation by the postal authorities that it
25 was unclaimed, the notice shall be personally served.

26 (5) In the event that the personal service is not able
27 to be made after two such attempts, the petitioner shall mail
28 the petition to the recipient at the same address by ordinary
29 mail with the return address of the petitioner appearing
30 thereon with service by ordinary mail deemed complete if the

1 mail is not returned to the petitioner within 15 days after
2 the mailing.

3 (6) The petitioner shall also notify the owner and each
4 lienholder of the hearing date and provide notice that the
5 owner and lienholders may petition to intervene in the
6 action.

7 § 6132. Appointment of conservator.

8 (a) General rule.--The court shall act upon a petition
9 submitted by holding a hearing within 90 days of receipt of the
10 petition and rendering a decision no later than 30 days after
11 completion of the hearing.

12 (b) Intervention.--Subject to the court's discretion, a
13 party in interest may intervene in the proceeding and be heard
14 with respect to the petition, the requested relief or any other
15 matter which may come before the court in connection with the
16 proceeding.

17 (c) Hearing.--At the hearing, any party in interest shall be
18 permitted to present evidence to support or contest the
19 petition.

20 (d) Conditions for conservatorship.--If a petition is filed
21 under section 6131 (relating to initiation of action), the court
22 may appoint a conservator if the building has not been legally
23 occupied for at least the previous 12 months and has not been
24 actively marketed during the 60 days prior to the date of the
25 petition and the court finds at least two of the following:

26 (1) The building or physical structure is a public
27 nuisance.

28 (2) The building is in need of substantial
29 rehabilitation and no rehabilitation has taken place during
30 the previous 12 months.

1 (3) The building is unfit for human habitation,
2 occupancy or use.

3 (4) The condition and vacancy of the building materially
4 increases the risk of fire to the building and to adjacent
5 properties.

6 (5) The building is subject to unauthorized entry
7 leading to potential health and safety hazards and:

8 (i) the owner has failed to take reasonable and
9 necessary measures to secure the building; or

10 (ii) the municipality has secured the building in
11 order to prevent such hazards after the owner has failed
12 to do so.

13 (6) The property is an attractive nuisance to children,
14 including, but not limited to, the presence of abandoned
15 wells, shafts, basements, excavations and unsafe structures.

16 (7) The presence of vermin or the accumulation of
17 debris, uncut vegetation or physical deterioration of the
18 structure or grounds has created potential health and safety
19 hazards and the owner has failed to take reasonable and
20 necessary measures to remove the hazards.

21 (8) The dilapidated appearance or other condition of the
22 building negatively affects the economic well-being of
23 residents and businesses in close proximity to the building,
24 including decreases in property value and loss of business,
25 and the owner has failed to take reasonable and necessary
26 measures to remedy appearance or the condition.

27 (e) Appointment.--

28 (1) If the court determines after a hearing that the
29 property has met the conditions of subsection (d), the court
30 may appoint a conservator and grant such other relief as may

1 be just and appropriate.

2 (2) The court may appoint a nonprofit corporation or
3 other competent entity. In appointing a conservator, the
4 court shall consider any recommendations contained in the
5 petition or otherwise presented by a party in interest.

6 (f) Conditional relief.--

7 (1) If the court finds after a hearing that the
8 conditions for conservatorship set forth under subsection (d)
9 have been established, but the owner represents that the
10 violations or nuisance or emergency condition will be abated
11 in a reasonable period, the court may allow the owner to
12 proceed to remedy the conditions.

13 (2) If the conditions set forth under paragraph (1) have
14 been satisfied, the court shall enter an order providing
15 that, in the event that the violations or nuisance or
16 emergency conditions are not abated by the owner by a
17 specific date or that other specified remedial activities
18 have not occurred by a specific date or dates, an order
19 granting the relief requested in the petition shall be
20 entered.

21 (3) The court may also require the owner to post a bond
22 in the amount of the repair costs estimated in the petition
23 as a condition to retaining possession of the building.

24 (g) Hearing on conservator's final plan for abatement.--At
25 the time the court appoints a conservator, the court shall set a
26 date for a hearing on the conservator's final plan for abatement
27 to be held within 120 days.

28 (h) Conservator's lien.--The conservator shall file a lien
29 against the property in an amount based on the estimated costs
30 to be incurred during the conservatorship. The lien amount may

1 be adjusted from time to time.

2 (i) Immediate possession.--The conservator shall promptly
3 take possession of the building and other property subject to
4 the conservatorship and shall immediately be authorized to
5 exercise all powers of this act.

6 (j) Removal by court.--A conservator may be removed by the
7 court at any time upon the request of the conservator or upon a
8 showing by a party to the action that the conservator is not
9 carrying out its responsibilities under this chapter.

10 § 6133. Powers and duties of conservator.

11 (a) Full powers and duties.--The conservator shall have all
12 powers and duties necessary or desirable, from time to time, for
13 the efficient operation, management and improvement of the
14 building in order to bring it into compliance with all municipal
15 building and housing code requirements and to fulfill the
16 conservator's responsibilities under this chapter. Such powers
17 and duties shall include, but not be limited to, the power to:

18 (1) Take possession and control of the building,
19 appurtenant land and any personal property of the owner used
20 with respect to the building, including any bank or operating
21 account for the building.

22 (2) Collect outstanding accounts receivable.

23 (3) Pursue all claims or causes of action of the owner
24 with respect to the building and all other property subject
25 to the conservator.

26 (4) Contract for the repair and maintenance of the
27 building. The contracts shall be appropriately documented and
28 included in the reports and accounting which the conservator
29 is required to submit or file under the provisions of this
30 chapter.

1 (5) Borrow money and incur credit in accordance with
2 section 6135 (relating to incurring indebtedness).

3 (6) Contract and pay for the maintenance and restoration
4 of utilities to the building.

5 (7) Purchase materials, goods and supplies to accomplish
6 repairs and operate the building.

7 (8) With the court's approval, enter into new rental
8 contracts and leases for a period not to exceed one year.

9 (9) Affirm, renew or enter into contracts providing for
10 insurance coverage on the building.

11 (10) Engage and pay legal, accounting, appraisal and
12 other professionals to aid the conservator in the conduct of
13 the conservatorship.

14 (11) Apply for and receive public grants or loans.

15 (12) Sell the building in accordance with section 6136
16 (relating to sale of property).

17 (13) Exercise all authority that an owner of the
18 building would have to improve, maintain and otherwise manage
19 the building.

20 (b) Affirmative duty.--While in possession of the building,
21 the conservator shall:

22 (1) Maintain, safeguard and insure the building.

23 (2) Apply all revenue generated from the building
24 consistent with the provisions of this chapter.

25 (3) Develop a final plan for abatement of the conditions
26 which caused the petition to be granted or, if no such
27 feasible final plan can be developed, develop alternatives,
28 including the closing, sealing or demolition of all or part
29 of the building.

30 (4) Implement the final plan referred to under paragraph

1 (3) upon approval by the court.

2 (5) Submit a status report to the court and parties to
3 the action annually or more frequently as the court may deem
4 appropriate. The status report shall include:

5 (i) A copy of any contract entered into by the
6 conservator regarding the improvement of the building.

7 (ii) An account of the disposition of all revenue
8 generated from the building.

9 (iii) An account of all expenses and improvements.

10 (iv) The status of developing and implementing the
11 final plan pursuant to this subsection.

12 (v) A description of any proposed actions to be
13 taken in the next six months to improve the building.

14 (c) Submission of final plan.--

15 (1) The final plan referred to under subsection (b)(3)
16 shall be submitted to the court and to all parties to the
17 action.

18 (2) After notice and an opportunity for a hearing, the
19 court may amend the final plan.

20 (d) Accounting.--Upon the implementation of the final plan
21 approved by the court, the conservator shall file with the court
22 a full accounting of all income and expenditures during the
23 period of time it took to implement the final plan.

24 § 6134. Ownership of property.

25 (a) Ownership interest of conservator.--A conservator
26 appointed under section 6132 (relating to appointment of
27 conservator) shall be deemed to have an ownership interest in
28 and legal control of the property for the purposes of filing
29 plans with public agencies and boards, seeking and obtaining
30 construction permits and other approvals and submitting

applications for financing or other assistance to public or private entities.

(b) Liability of owner.--Notwithstanding the appointment of a conservator under section 6132, nothing in this chapter shall be construed to relieve the owner of any civil or criminal liability or of any obligation to pay taxes, municipal liens and charges, mortgages, private liens or other fees or charges, whether incurred before or after the appointment of the conservator.

§ 6135. Incurring indebtedness.

(a) Borrowing.--From time to time a conservator may borrow money or incur indebtedness in order to cover the cost of rehabilitation, improvement, preservation, insurance, management or operation of the building or to otherwise fulfill the conservator's obligations under this chapter.

(b) Liens.--In order to facilitate the borrowing of funds for the rehabilitation of the building, the court may grant a lien or security interest with priority over all other liens with the exception of municipal or other governmental liens, provided, however, that prior to granting a priority lien, the court has found that:

(1) The conservator sought to obtain the necessary financing from the senior lienholder, but the lienholder declined to provide financing on reasonable terms.

(2) Lien priority is necessary in order to induce another lender to provide financing on reasonable terms.

§ 6136. Sale of property.

(a) Sale by owner or lienholder.--If a property subject to conservatorship is sold by the owner or foreclosed upon by a lienholder or if any interest in the property is transferred,

1 such sale, foreclosure or transfer shall be subject to the
2 conservatorship.

3 (b) Sale by conservator.--Upon application of the
4 conservator, the court may order the sale of the property if the
5 court finds that:

6 (1) Notice was given to each record owner of the
7 building and each lienholder of record.

8 (2) The conservator has been in control of the building
9 for more than six months and the owner has not successfully
10 petitioned to terminate the conservatorship under section
11 6137 (relating to termination of conservatorship).

12 (c) Sale free and clear.--

13 (1) The court may authorize the conservator to sell the
14 building free and clear of all liens, claims and
15 encumbrances, provided that the proceeds of the sale are
16 distributed pursuant to subsection (d) at settlement.

17 (2) In the event that the proceeds of the sale are
18 insufficient to pay all existing liens, claims and
19 encumbrances, the proceeds shall be distributed according to
20 the priorities set forth under subsection (d), and all unpaid
21 liens, claims or encumbrances shall be extinguished.

22 (d) Distribution.--The proceeds of the sale shall be applied
23 in accordance with the following priorities to:

24 (1) All court costs.

25 (2) Municipal or other governmental liens.

26 (3) Costs and expenses of sale.

27 (4) Principal and interest on any borrowing or
28 incurrence of indebtedness granted priority over existing
29 liens and security interest under section 6135(b) (relating
30 to incurring indebtedness).

1 (5) Costs of rehabilitation and any fees and expenses
2 incurred by the conservator in connection with the sale or
3 the safeguarding, insuring or maintaining of the property.

4 (6) Valid liens and security interests in accordance
5 with their priority.

6 (7) Any unpaid obligations of the conservator.

7 (8) Costs incurred by the petitioner in requesting the
8 court to place the property in conservatorship.

9 (9) The owner.

10 § 6137. Termination of conservatorship.

11 Upon request of a party in interest or the conservator, the
12 court may order the termination of the conservatorship if it
13 determines:

14 (1) the conditions that were the grounds for the
15 petition and all other code violations have been abated or
16 corrected, the obligations, expenses and improvements of the
17 conservatorship, including all fees and expenses of the
18 conservator, have been fully paid or provided for and the
19 purposes of the conservatorship have been fulfilled;

20 (2) the owner, mortgagee or lienholder has requested the
21 conservatorship be terminated and has provided adequate
22 assurances to the court that the conditions that constituted
23 grounds for the petition will be promptly abated, all
24 obligations, expenses and improvements of the
25 conservatorship, including all fees and expenses of the
26 conservator, have been fully paid or provided for and the
27 purposes of the conservatorship have been fulfilled;

28 (3) the building has been sold by the conservator and
29 the proceeds distributed in accordance with section 6136(d)
30 (relating to sale of property); or

1 (4) the conservator has been unable after diligent
2 effort to present a plan that could be approved under section
3 6133(b)(3) (relating to powers and duties of conservator) or
4 implement a previously approved plan or, for any reason, the
5 purposes of the conservatorship cannot be fulfilled.

6 SUBCHAPTER E

7 STATE AND LOCAL GOVERNMENT PERMIT DENIALS

8 Sec.

9 6141. State permit denials.

10 6142. Municipal permit denial.

11 § 6141. State permit denials.

12 (a) General rule.--A department, board or commission may
13 deny an applicant a State permit, certification, license or
14 approval for contemplated action requiring such approval, if the
15 applicant owns any real property in this Commonwealth and any of
16 the following apply:

17 (1) The applicant owns real property in a municipality
18 for which taxes, water or sewer or refuse collection charges
19 are delinquent.

20 (2) The applicant owns real property in this
21 Commonwealth that has been determined to be in serious
22 violation of applicable State or municipal housing, building,
23 property maintenance or fire safety code requirements and has
24 not taken substantial steps to bring the property into code
25 compliance.

26 (3) The real property is in violation of an applicable
27 State or municipal housing, building, property maintenance or
28 fire safety code requirement and the property owner has taken
29 no substantial steps to correct within 60 days following
30 notification of the violation.

1 (b) Proof of compliance.--

2 (1) A State permit, certification, license or approval
3 may be withheld until the applicant obtains a letter from the
4 appropriate State agency, municipality or school district
5 which indicates the following:

6 (i) The property in question is not presently tax
7 delinquent or does not owe sewer, water or refuse
8 collection charges.

9 (ii) The property in question is now in code
10 compliance.

11 (iii) The property owner of the property in question
12 has taken substantial steps to bring the property into
13 code compliance.

14 (2) Letters required under this subsection shall be
15 verified by the appropriate State officials before the
16 official may issue the applicant a State permit,
17 certification, license or approval.

18 (c) Availability of information.--Information contained in
19 the property maintenance code violation report shall be subject
20 to the provisions of the act of February 14, 2008 (P.L. ,
21 No.3), known as the Right-to-Know Law.

22 § 6142. Municipal permit denial.

23 (a) Denial.--A municipality may deny issuing to an applicant
24 a building permit, zoning permit, zoning variance, municipal
25 license, municipal permit or municipal approval for contemplated
26 action that requires the approval of the municipality, if any of
27 the following apply:

28 (1) The applicant owns real property in any municipality
29 for which taxes or water, sewer or refuse collection charges
30 are delinquent.

1 (2) The applicant owns any property in any municipality
2 that has been determined to be in serious violation of
3 applicable State or municipal housing, building, property
4 maintenance or fire safety code requirements and has not
5 taken substantial steps to bring the property into code
6 compliance.

7 (3) The applicant owns any property in any municipality
8 which is in violation of an applicable State or municipal
9 housing, building, property maintenance or fire safety code
10 requirement and has taken no substantial steps to correct the
11 violation within six months following notification of the
12 violation.

13 (b) Proof of compliance.--

14 (1) All municipal variances, approvals, permits or
15 licenses may be withheld until an applicant obtains a letter
16 from the appropriate State agency, municipality or school
17 district indicating the following:

18 (i) The property in question is not presently tax
19 delinquent.

20 (ii) The property in question is now in code
21 compliance.

22 (iii) The owner of the property in question has
23 taken substantial steps to bring the property into code
24 compliance.

25 (2) Letters required under this subsection shall be
26 verified by the appropriate municipal officials before
27 issuing to the applicant a municipal variance, approval,
28 permit or license.

29 SUBCHAPTER F

30 STATE BLIGHT DATA COLLECTION SYSTEM

1 Sec.

2 6151. Property Maintenance Code Violations Registry.

3 6152. Property maintenance code violation reports.

4 6153. Dissemination of information by department.

5 6154. Expungement.

6 6155. Administrative requirements.

7 6156. Audit.

8 6157. Imposition of surcharge.

9 § 6151. Property Maintenance Code Violations Registry.

10 (a) Establishment.--The Property Maintenance Code Violations
11 Registry is hereby established. The department shall implement
12 and administer the registry.

13 (b) Purpose.--The registry shall contain property
14 maintenance code violation reports filed by municipalities under
15 section 6152 (relating to property maintenance code violation
16 reports).

17 § 6152. Property maintenance code violation reports.

18 (a) Municipalities to file.--A municipality shall file a
19 property maintenance code violation report for any person who
20 owns real property within that municipality with current
21 property maintenance code violations that have gone unabated for
22 90 days or more.

23 (b) Forms provided.--Property maintenance code violation
24 reports may be made on forms provided by the department or may
25 be made electronically.

26 (c) Information included.--Property maintenance code
27 violation reports shall include the following information:

28 (1) The name of the convicted property maintenance code
29 violator.

30 (2) Where owned by a corporation, the information on

1 record at the Department of Transportation in connection with
2 the individual drivers' licenses for each officer of the
3 corporation.

4 (3) The legal description of the real property which is
5 in violation of the municipal property maintenance code.

6 (4) A description of the condition of the real property
7 which resulted in the property maintenance code violation.

8 (5) The date of the original property maintenance code
9 violation.

10 (6) The amount of penalties owed or liens attached to
11 the property with maintenance code violations.

12 (7) The name of the municipality filing the report.

13 (d) Duty of municipality.--A municipality that files a
14 property maintenance code violation report shall follow the
15 guidelines for expungement under section 6154 (relating to
16 expungement).

17 § 6153. Dissemination of information by department.

18 (a) Availability of information.--Information contained in
19 the property maintenance code violation report shall be subject
20 to the provisions of the act of February 14, 2008 (P.L. ,
21 No.3), known as the Right-to-Know Law.

22 (b) Requests by municipalities.--

23 (1) Municipalities may request a copy of a property
24 maintenance code violation report on any pending applicant
25 for a municipal permit by submitting a property maintenance
26 code violation report request form to the department or
27 requesting the form electronically.

28 (2) The department shall disseminate all property
29 maintenance code violation reports relating to a municipal
30 permit applicant to the requesting municipality within two

1 weeks of receipt of a property maintenance code violation
2 report request from that municipality.

3 (3) The municipality shall notify an applicant in
4 writing of the reasons for a decision which denies the
5 applicant a municipal permit if the decision is based in
6 whole or in part on information contained in the Property
7 Maintenance Code Violations Registry.

8 (c) Requests by Commonwealth.--

9 (1) Commonwealth agencies may request a copy of any
10 property maintenance code violation report on any pending
11 applicant for licensing or certification by submitting a
12 property maintenance code violation report request form to
13 the department or requesting the form electronically.

14 (2) The department shall disseminate all property
15 maintenance code violation reports relating to a State
16 license or certification applicant to a requesting
17 Commonwealth agency within two weeks of receipt of a property
18 maintenance code violation report request from the agency.

19 (3) The Commonwealth agency shall notify an applicant in
20 writing of the reasons for a decision which denies the
21 licensing or certification requested by that applicant if the
22 decision is based in whole or in part on information
23 contained in the Property Maintenance Code Violations
24 Registry.

25 (d) Hearing.--If requested by an applicant, a hearing shall
26 be scheduled to appeal a decision made as a result of municipal
27 property maintenance code violation convictions under subsection
28 (b)(3) or (c)(3). If the applicant can show cause why the
29 municipal property maintenance code violation convictions should
30 not be considered, the State shall reevaluate any request by the

1 applicant for a State license or certification, and the
2 municipality shall likewise reevaluate any request by the
3 applicant for a municipal permit.

4 (e) Record of dissemination.--The department shall maintain
5 a listing of Commonwealth agencies and all municipalities that
6 have requested information on a particular real property owner
7 and the date on which the information was disseminated. This
8 listing shall be maintained separate from the registry.

9 (f) Fee.--There shall be no fee assessed for the
10 dissemination of property maintenance code violation
11 information.

12 § 6154. Expungement.

13 A municipality that files a report with the department shall
14 subsequently notify the department when the real property is
15 brought into code compliance. Upon notification by the
16 municipality, the department shall include the information as
17 part of the official record for the specific property and
18 violation.

19 § 6155. Administrative requirements.

20 (a) Regulations.--The department shall establish procedures
21 for the completeness and accuracy of information in the registry
22 and shall promulgate the regulations necessary to carry out its
23 duty of maintaining the registry.

24 (b) Forms.--The department shall develop property
25 maintenance code violation report forms and property maintenance
26 code violation report request forms, as well as procedures to
27 obtain the information electronically.

28 (c) Security requirements.--The department shall ensure the
29 confidentiality and security of the information contained in the
30 registry by providing that:

1 (1) Procedures have been instituted to reasonably
2 protect the registry from theft, fire, sabotage, flood, wind
3 or other natural or manmade disasters.

4 (2) All personnel authorized to have access to registry
5 information are selected, supervised and trained accordingly.

6 § 6156. Audit.

7 (a) Duty of Auditor General.--The Auditor General shall
8 conduct annual performance audits of registry operations.

9 (b) Access to records.--The department shall provide
10 auditors with access to all records, reports and listings
11 required to conduct an audit of property maintenance code
12 violations record information. Persons having supervision of or
13 authorized to receive registry information shall cooperate with
14 auditors and provide requested information.

15 (c) Contents of audit.--The audit shall report in writing
16 any deficiencies and any recommendations for correcting the
17 deficiencies. The department shall respond to the audit
18 recommendations within a reasonable period of time unless the
19 audit report is appealed to the Auditor General and the appeal
20 is upheld.

21 (d) Modification of recommendations.--Upon appeal of the
22 audit recommendations by the department, the Auditor General may
23 modify corrective measures recommended by auditors.

24 § 6157. Imposition of surcharge.

25 There is imposed on each property owner who is in violation
26 of a municipal property maintenance code a surcharge in the
27 amount of \$100 for each municipal property maintenance code
28 violation. This surcharge shall be in addition to any other
29 applicable fees or charges lawfully collected by the
30 municipality and court. The municipality shall collect the

1 surcharge and remit all funds to the department on a quarterly
2 basis. Funds generated by the surcharge shall be used to finance
3 the Statewide implementation of the Property Maintenance Code
4 Violations Registry and to conduct training of the judiciary in
5 accordance with section 6192 (relating to education and training
6 programs for judges).

7 SUBCHAPTER G

8 GRANTS

9 Sec.

10 6161. Municipal Code Enforcement Grant Program.

11 6162. Regulations.

12 § 6161. Municipal Code Enforcement Grant Program.

13 (a) Establishment.--The department shall issue grants to
14 eligible municipalities for the purpose of reducing blighted
15 property conditions.

16 (b) Purpose.--The purpose of the Municipal Code Enforcement
17 Grant Program is to encourage the establishment of special code
18 enforcement programs to address blighted property and the hiring
19 and training of code enforcement personnel in those
20 municipalities with an existing code enforcement program.

21 (c) Eligibility.--In order to receive a grant under this
22 subchapter, a municipality must submit an application to the
23 department and satisfy the eligibility criteria established by
24 the department.

25 (d) Matching funds.--A municipality shall provide its own
26 funds or in-kind contributions, approved by the department as
27 determined by regulations promulgated by the department under
28 section 6162 (relating to regulations) equal to the amount of
29 the grant provided and shall dedicate and expend those funds for
30 the purpose for which the grant was awarded.

1 (e) Limitation.--Grants provided under this section shall
2 not be provided to the same recipient for more than three
3 consecutive years.

4 § 6162. Regulations.

5 Within 90 days following the effective date of this
6 subchapter, the department shall promulgate rules and
7 regulations to carry out the provisions of this subchapter. The
8 regulations to implement section 6161(b) (relating to Municipal
9 Code Enforcement Grant Program) may include, but not be limited
10 to:

11 (1) The age of the existing housing in the municipality.

12 (2) The municipality's existing tax base.

13 (3) The existing financial condition of the
14 municipality.

15 SUBCHAPTER H

16 SALE OF BLIGHTED AND ABANDONED PROPERTIES

17 Sec.

18 6165. Applicability.

19 6166. Tax sales.

20 6167. Requirements for purchaser of abandoned property.

21 § 6165. Applicability.

22 The provisions of this subchapter shall be in addition to the
23 provisions of the act of July 7, 1947 (P.L.1368, No.542), known
24 as the Real Estate Tax Sale Law. If there is a conflicting
25 provision, this subchapter and not the Real Estate Tax Sale Law
26 shall prevail where the tax sale affects blighted or abandoned
27 property.

28 § 6166. Tax sales.

29 (a) Publication of tax sale properties.--At least 60 days
30 prior to the date scheduled for a tax sale, the county shall

make public a list of properties to be offered at the sale. The county shall provide a copy of the list to the mayor, or comparable municipal official, of any municipality in which property scheduled for sale is located.

(b) Notification about abandoned properties.--Within 30 days following receipt of the list, the municipality shall notify the county of any properties within its jurisdiction which are abandoned properties. Not less than 15 days prior to the scheduled tax sale, the county shall make public a revised list of properties to be offered for sale indicating which are abandoned.

§ 6167. Requirements for purchaser of abandoned property.

In addition to requirements under the act of May 16, 1923 (P.L.207, No.153), referred to as the Municipal Claim and Tax Lien Law, the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, or the act of October 11, 1984 (P.L.876, No.171), known as the Second Class City Treasurer's Sale and Collection Act, a purchaser of an abandoned property shall:

(1) Enter into a redevelopment agreement with the municipality in which the property is located, obligating the purchaser to redevelop the property in accordance with all municipal codes and any officially adopted plans for the geographic area in which the property is located. The redevelopment agreement shall include, at a minimum:

(i) A specified time by which the redevelopment must be completed, which time shall not be less than 12 months.

(ii) A description of the redevelopment work to be completed.

1 (iii) Remedies for noncompliance, including the
2 right of the municipality to acquire title to the
3 property if the redevelopment is not completed by the
4 agreed-upon date.

5 (2) Post a bond to ensure compliance with the
6 redemption agreement, naming the municipality as the
7 beneficiary.

8 SUBCHAPTER I

9 MISCELLANEOUS PROVISIONS

10 Sec.

11 6191. Unfair insurance practices.

12 6192. Education and training programs for judges.

13 6193. County housing courts.

14 § 6191. Unfair insurance practices.

15 In addition to the provisions of section 5 of the act of July
16 22, 1974 (P.L.589, No.205), known as the Unfair Insurance
17 Practices Act, the act of refusing to issue or renew an
18 insurance policy on real property on the basis of the condition
19 of surrounding properties or because surrounding properties are
20 unoccupied is prohibited as an unfair method of competition and
21 unfair insurance practices.

22 § 6192. Education and training programs for judges.

23 Funds provided under section 6157 (relating to imposition of
24 surcharge) shall be used to develop and implement annual and
25 ongoing education and training programs for judges, including
26 magisterial district judges, regarding the laws of this
27 Commonwealth relating to blighted and abandoned property and the
28 economic impact that blighted and abandoned properties have upon
29 municipalities. The education and training programs shall
30 include, but not be limited to:

1 (1) The importance and connection of municipal housing
2 code violations and crime.

3 (2) Time-in-fact violations as they relate to property
4 maintenance code violations.

5 (3) Conduct of witnesses in prosecuting property
6 maintenance code violations.

7 (4) Limiting continuances in property maintenance code
8 violations.

9 (5) Use of indigency hearings in the prosecution of
10 property maintenance code violations.

11 § 6193. County housing courts.

12 Upon a request or approval of a resolution by the county
13 commissioners, the president judge of a county may establish a
14 housing court to hear and decide matters arising under this
15 chapter and other laws relating to real property matters.

16 Section 2. This act shall take effect in 90 days.