

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 900 Session of  
2009

---

INTRODUCED BY ARGALL, YAW, PIPPY, ERICKSON, RAFFERTY, KASUNIC,  
WONDERLING, COSTA, O'PAKE, BROWNE, BAKER, FERLO, WASHINGTON,  
ALLOWAY, BOSCOLA, STACK, EARLL, EICHELBERGER, WILLIAMS, WARD,  
TOMLINSON AND LOGAN, JUNE 17, 2009

---

REFERRED TO URBAN AFFAIRS AND HOUSING, JUNE 17, 2009

---

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

10 RECLAMATION AND REVITALIZATION

11 Subchapter

12 A. Preliminary Provisions

13 B. Actions Against Owner of Blighted Property

14 C. Responsibilities of Mortgage Lenders

15 D. Permit Denials by Municipalities

16 E. Miscellaneous Provisions

17 SUBCHAPTER A

1 PRELIMINARY PROVISIONS

2 Sec.

3 6101. Short title of chapter.

4 6102. Legislative findings and declaration of policy.

5 6103. Definitions.

6 § 6101. Short title of chapter.

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

9 § 6102. Legislative findings and declaration of policy.

10 The General Assembly finds and declares as follows:

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

26 (2) Pennsylvania's communities are important to this  
27 Commonwealth's economic health and provide a focal point for  
28 businesses and services. They also contribute to this  
29 Commonwealth's quality of life with their rich histories,  
30 culture, heritage and diversity, along with their parks,

1 recreational attributes and historic buildings and  
2 architecture. Many of these communities, however, are  
3 presently being negatively affected by blighted properties  
4 that either are in use in spite of their deteriorated state  
5 or have been abandoned.

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

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

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

25 (6) Providing a legislative mechanism to transform  
26 abandoned and blighted properties into productive reuse  
27 provides an opportunity for communities in Pennsylvania to be  
28 revitalized while improving the quality of life for  
29 individuals who live there. This revitalization includes  
30 clearing sites of blighted properties and replacing them with

1 new housing, as well as rehabilitating structurally sound  
2 blighted properties.

3 § 6103. Definitions.

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

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

10 "Blighted property." Any of the following:

11 (1) Premises which, because of physical condition or  
12 use, have been declared by a court of competent jurisdiction  
13 as a public nuisance at common law or have been declared a  
14 public nuisance in accordance with the local housing,  
15 building, plumbing, fire and related codes and ordinances,  
16 including nuisance and dangerous building ordinances.

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

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

28 (4) A structure which is a fire hazard or is otherwise  
29 dangerous to the safety of persons or property.

30 (5) A structure from which the utilities, plumbing,

1 heating, water, sewage or other facilities have been  
2 disconnected, destroyed, removed or rendered ineffective so  
3 that the property is unfit for its intended use.

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

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

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

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

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

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

26 "Competent entity." A person or entity, including a  
27 governmental unit, with experience in the rehabilitation of  
28 residential, commercial or industrial buildings and the ability  
29 to provide or obtain the necessary financing for such  
30 rehabilitation.

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

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

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

14 "Department." The Department of Community and Economic  
15 Development of the Commonwealth.

16 "Electronically." Utilizing procedures promulgated by the  
17 Department of Community and Economic Development to file forms  
18 and obtain information electronically, provided the information  
19 is available to the requester under the act of February 14, 2008  
20 (P.L.6, No.3), known as the Right-to-Know Law.

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

29 "License." A permit granted by the Commonwealth or one of  
30 its agencies which gives permission to the applicant, excluding

1 individuals and businesses regulated by the Bureau of  
2 Professional and Occupational Affairs, to participate in a  
3 certain activity or exercise a certain privilege.

4 "Licensing" or "certification." The issuance of a license or  
5 the formal assertion in writing of some fact or qualification  
6 from the Commonwealth or one of its agencies, excluding the  
7 Bureau of Professional and Occupational Affairs.

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 "Property maintenance code." A municipal ordinance which

1 regulates the maintenance or development of real property. The  
2 term includes, but is not limited to, building codes, housing  
3 codes and public safety codes.

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

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

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

13 "Residential building." Real property that consists of not  
14 less than one nor more than four residential dwelling units.

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

19 "Substantial step." An affirmative action as determined by a  
20 municipality on the part of a property owner or managing agent,  
21 as determined by the municipality, to remedy a violation of a  
22 housing, building, property maintenance or fire safety code,  
23 including, but not limited to, physical improvements or  
24 repairs to the property.

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

29 SUBCHAPTER B

30 ACTIONS AGAINST OWNER OF BLIGHTED PROPERTY



1 Sec.

2 6111. Actions.

3 6112. Asset attachment.

4 6113. Duty of out-of-State owners of real estate in this

5 Commonwealth.

6 6114. Duty of corporate owners.

7 § 6111. Actions.

8 In addition to other remedies, a municipality may institute  
9 the following actions against the legal owner or owner of record  
10 of any building, housing or land in serious violation of an  
11 ordinance regarding a building or housing code:

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

16 (2) An action against an owner of record shall be for an  
17 amount equal to any penalties imposed against the owner and  
18 for the amount expended by the municipality to abate the  
19 violation.

20 (3) A proceeding in equity.

21 § 6112. Asset attachment.

22 A lien may be placed against the assets of an owner of  
23 unremediated blighted real property after a judgment, decree or  
24 order is entered by a court of competent jurisdiction against  
25 the legal owner or owner of record of the property.

26 § 6113. Duty of out-of-State owners of real estate in this

27 Commonwealth.

28 A person who lives or has a principal place of residence  
29 outside this Commonwealth, who owns real estate in this  
30 Commonwealth against which municipal housing code violations

1 have been cited under 18 Pa.C.S. § 7510 (relating to municipal  
2 housing code avoidance), and who has been properly notified of  
3 the violations may be extradited to this Commonwealth to face  
4 criminal prosecution.

5 § 6114. Duty of corporate owners.

6 Mailing a notice or citation for any property maintenance  
7 code violation for any property owned by a corporation to the  
8 mailing address used for real estate tax collection purposes  
9 shall constitute good service by the municipality.

10 SUBCHAPTER C

11 RESPONSIBILITIES OF MORTGAGE LENDERS

12 Sec.

13 6121. Residential, business or commercial mortgages.

14 6122. Code compliance.

15 6123. Residential mortgages.

16 § 6121. Residential, business or commercial mortgages.

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

19 § 6122. Code compliance.

20 (a) Liability assumed.--Sixty days following the entry of a  
21 foreclosure order or upon surrender of the right to possession  
22 by a delinquent borrower of a building due to the owner of  
23 record's default on a mortgage loan, the mortgage lender or  
24 Federal insurer in possession of the building shall assume legal  
25 responsibility and liability as the owner of record for all  
26 exterior municipal housing, building and property maintenance  
27 code requirements representing the following:

28 (1) Serious violations.

29 (2) Violations which contribute to blight in a  
30 neighborhood due to their negative effect on the aesthetic

1 appearance of the structure or the neighborhood.

2 (b) Time period.--The time period provided for under  
3 subsection (a) shall be extended to 120 days following the  
4 foreclosure of a property due to the owner of record's default  
5 on a mortgage loan in cases where the mortgage lender or Federal  
6 insurer has executed a contract to sell the property in question  
7 or until final action regarding a petition for appointment of a  
8 conservator filed under the act of November 26, 2008 (P.L.1672,  
9 No.135), known as the Abandoned and Blighted Property  
10 Conservatorship Act.

11 (c) Exception.--

12 (1) A mortgage lender or Federal insurer in possession  
13 of a building shall not be subject to subsection (a) if the  
14 mortgage lender or Federal insurer files a notice with the  
15 county recorder of deeds assigning the right to possession of  
16 the property, provided that there is:

17 (i) an acceptance of the assignment by the assignee;

18 (ii) a foreclosure sale or other disposition of  
19 property by the mortgage lender or Federal insurer to the  
20 city, borough, township or incorporated town within which  
21 the property is located to a municipal housing or  
22 redevelopment authority organized by the municipality or  
23 to a nonprofit community organization designated by the  
24 municipality or a municipal housing or redevelopment  
25 authority organized by the municipality; and

26 (iii) a lien upon the property which takes priority  
27 over the mortgage lender's or Federal insurer's interest  
28 in the property to reimburse the municipality, authority  
29 or nonprofit community organization for the costs of  
30 bringing the property into compliance with exterior

1 housing, building and property maintenance code  
2 requirements necessary to comply with subsection (a)  
3 together with any other reasonable and necessary costs  
4 incurred by the municipality, authority or community  
5 development organization to protect or preserve the  
6 property pending its sale or disposition.

7 (2) The notice of assignment shall provide the  
8 municipality, authority or community development organization  
9 possession of the property for the purpose of bringing it  
10 into compliance with property maintenance code requirements  
11 necessary to comply with subsection (a) and to protect and  
12 preserve the property pending its final sale or disposition.

13 (3) The notice need not be accompanied by a signature,  
14 acknowledgment or other indication of acceptance of the  
15 assignment and lien by the municipality, authority or  
16 community development organization.

17 § 6123. Residential mortgages.

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

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

26 (2) An attorney authorized to practice law in this  
27 Commonwealth who acts as a mortgage broker in negotiating or  
28 placing a mortgage loan in the normal course of legal  
29 practice.

30 (3) A person licensed under the act of February 19, 1980

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

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

17 (5) A person who either originates or negotiates fewer  
18 than 12 mortgage loans in a calendar year in this  
19 Commonwealth.

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

22 (7) An agency or instrumentality of the Federal  
23 Government or a corporation otherwise created by an act of  
24 Congress, including, but not limited to, the Federal National  
25 Mortgage Association, the Department of Veterans Affairs, the  
26 Federal Home Loan Mortgage Corporation and the Federal  
27 Housing Administration.

28 (8) The Pennsylvania Housing Finance Agency.

29 (9) A licensee under the act of April 8, 1937 (P.L.262,  
30 No.66), known as the Consumer Discount Company Act, except

1 that a licensee who makes a mortgage loan other than under  
2 the provisions of the Consumer Discount Company Act shall be  
3 subject to the provisions of sections 304(b)(2) and (3), 308,  
4 310 and 314(b) of the Mortgage Bankers and Brokers and  
5 Consumer Equity Protection Act, excluding section 308(a)(1).

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

8 (i) State-chartered banks, bank and trust companies,  
9 savings banks, private banks, savings and loan  
10 associations and credit unions.

11 (ii) National banks.

12 (iii) Federally chartered savings and loan  
13 associations.

14 (iv) Federally chartered savings banks.

15 (v) Federally chartered credit unions.

16 A subsidiary or affiliate set forth under this paragraph  
17 shall be subject to the provisions of sections 308, 309(a)  
18 (3), 310 and 314(b) of the Mortgage Bankers and Brokers and  
19 Consumer Equity Protection Act, excluding section 308(a)(1),  
20 and shall deliver annually to the Department of Banking  
21 copies of financial reports made to all supervisory agencies.

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

24 (12) An insurance company, association or exchange  
25 authorized to transact business in this Commonwealth under  
26 the act of May 17, 1921 (P.L.682, No.284), known as The  
27 Insurance Company Law of 1921, and any subsidiaries and  
28 affiliates thereof. A subsidiary or affiliate shall:

29 (i) be subject to the provisions of sections 308,  
30 309(a)(3), 310 and 314(b) of the Mortgage Bankers and

1 Brokers and Consumer Equity Protection Act, excluding  
2 section 308(a)(1); and  
3 (ii) deliver annually to the Insurance Department  
4 copies of financial reports made to all supervisory  
5 agencies.

6 SUBCHAPTER D

7 PERMIT DENIALS BY MUNICIPALITIES

8 Sec.

9 6131. Municipal permit denial.

10 § 6131. Municipal permit denial.

11 (a) Denial.--

12 (1) A municipality may deny issuing to an applicant a  
13 building permit, zoning permit, zoning variance, municipal  
14 license, municipal permit or municipal approval for  
15 contemplated action that requires the approval of the  
16 municipality, if any of the following final and unappealable  
17 tax, water, sewer or refuse collection delinquencies or code  
18 violations apply:

19 (i) The applicant owns real property in any  
20 municipality for which taxes, water, sewer or refuse  
21 collection charges are delinquent.

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

28 (iii) The applicant owns any property in any  
29 municipality which is in violation of an applicable State  
30 or municipal housing, building, property maintenance or

1 fire safety code requirement and has taken no substantial  
2 steps to correct within six months following notification  
3 of the violation.

4 (2) Letters required under this subsection shall be  
5 verified by the appropriate municipal officials before  
6 issuing to the applicant a municipal variance, approval,  
7 permit or license.

8 (3) The municipal permit denial shall not apply to an  
9 applicant's action to correct a violation of an applicable  
10 State or municipal housing, building, property maintenance or  
11 fire safety code for which the building permit, zoning  
12 permit, zoning variance, municipal license, municipal permit  
13 or municipal approval for contemplated action requiring such  
14 approval is required.

15 (4) The municipal permit denial shall not apply to an  
16 applicant's delinquency on taxes, water, sewer or refuse  
17 collection charges that are under appeal or otherwise  
18 contested through a court or administrative process.

19 (b) Proof of compliance.--

20 (1) All municipal variances, approvals, permits or  
21 licenses may be withheld until an applicant obtains a letter  
22 from the appropriate State agency, municipality or school  
23 district indicating the following:

24 (i) The property in question is not presently tax  
25 delinquent.

26 (ii) The property in question is now in code  
27 compliance.

28 (iii) The owner of the property in question has  
29 taken substantial steps to bring the property into code  
30 compliance.





1 and the economic impact that blighted and abandoned properties  
2 have upon municipalities. The education and training programs  
3 shall include, but not be limited to:

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

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

8 (3) Conduct of witnesses in prosecuting property  
9 maintenance code violations.

10 (4) Limiting continuances in property maintenance code  
11 violations.

12 (5) Use of indigency hearings in the prosecution of  
13 property maintenance code violations.

14 § 6143. County housing courts.

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

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