THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2059 Session of 2019

INTRODUCED BY RIGBY, NOVEMBER 19, 2019

REFERRED TO COMMITTEE ON URBAN AFFAIRS, NOVEMBER 19, 2019

AN ACT

Amending the act of December 20, 2000 (P.L.724, No.99), entitled "An act requiring purchasers of real estate with buildings 2 thereon to bring the buildings into compliance with municipal codes; providing for nuisance abatement; and imposing 3 4 penalties," further providing for definitions, for issuance 5 of use and occupancy certificate, for applicability and for 6 compliance requirement. 7 8 The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: Section 1. The definitions of "temporary access certificate" 10 and "temporary use and occupancy certificate" in section 2 of 11 the act of December 20, 2000 (P.L.724, No.99), known as the 12 13 Municipal Code and Ordinance Compliance Act, are amended to 14 read: 15 Section 2. Definitions. 16 The following words and phrases when used in this act shall 17 have the meanings given to them in this section unless the 18 context clearly indicates otherwise: 19 20 ["Temporary access certificate." A certificate issued by a municipality as a result of the municipal inspection of a 2.1

- 1 property incident to the resale of the property that identifies
- 2 at least one substantial violation, and the purpose of the
- 3 certificate is to authorize the purchaser to access the property
- 4 for the purpose of correcting substantial violations pursuant to
- 5 the maintenance and repair provisions of this act. No person may
- 6 occupy a property during the term of a temporary access
- 7 certificate, but the owner shall be permitted to store
- 8 personalty that is related to the proposed use or occupancy of
- 9 the property or is needed to repair the substantial violations
- 10 during the time of the temporary access certificate.]
- "Temporary use and occupancy certificate." A certificate
- 12 issued by a municipality as a result of the municipal inspection
- 13 of a property incident to the resale of the property that
- 14 reveals a violation [but no substantial violation], and the
- 15 purpose of the certificate is to authorize the purchaser to
- 16 fully utilize or reside in the property while correcting
- 17 violations pursuant to the maintenance and repair provisions of
- 18 this act.
- 19 * * *
- Section 2. Sections 2.1(a) and 2.2(a) of the act are amended
- 21 to read:
- 22 Section 2.1. Issuance of use and occupancy certificate.
- 23 (a) General rule. -- A municipality requiring a use and
- 24 occupancy certificate shall issue the certificate in the
- 25 following manner:
- 26 (1) If the municipal inspection reveals no violations.
- 27 (2) If the municipal inspection reveals at least one
- violation, but no substantial violations, the municipality
- 29 shall issue a temporary use and occupancy certificate.
- 30 (3) If the municipal inspection reveals at least one

- 1 substantial violation, the municipality shall [specifically
- 2 note those items on the inspection report and shall issue a
- 3 temporary access certificate.] note the violation in the
- 4 <u>inspection report and may, at its discretion with regard to</u>
- 5 <u>human habitability, either:</u>
- 6 (i) withhold a use and occupancy certificate for the
- 7 <u>property until the substantial violation is corrected; or</u>
- 8 (ii) allow the occupants to remain in the property
- 9 <u>with a temporary use and occupancy permit while the</u>
- 10 <u>violation is corrected within the time period specified</u>
- in section 3(a), or another time period deemed by the
- municipality as reasonable for the correction of the
- 13 violation.
- 14 Nothing in this subsection shall be construed to prohibit a
- property owner or a property owner's designee from accessing
- the property for the purpose of correcting a violation in
- compliance with section 3(a).
- 18 * * *
- 19 Section 2.2. Applicability.
- 20 (a) Applicability. -- Except as set forth in subsection (b),
- 21 this act shall not apply to, and a municipality may not require,
- 22 a certificate of occupancy[,] or a temporary use and occupancy
- 23 certificate [or a temporary access certificate] for a real
- 24 estate transfer, including a residential or nonresidential
- 25 transfer, as provided under 68 Pa.C.S. § 7103(b)(2) (relating to
- 26 application of part), to any of the following which take title
- 27 to property for the purpose of holding the property for sale to
- 28 offset losses incurred on a loan or other obligation in default
- 29 secured by a mortgage, deed of trust or other lien on the
- 30 property:

- 1 (1) Bank.
- 2 (2) Savings association.
- 3 (3) Credit union.
- 4 (4) Mortgage lender.
- 5 (5) Financial institution similar to an institution
- 6 listed in paragraphs (1) through (4).
- 7 (6) Subsidiary of a financial institution listed in
- 8 paragraphs (1) through (5).
- 9 * * *
- 10 Section 3. Section 3(a) and (a.2)(2) of the act are amended
- 11 and the section is amended by adding a subsection to read:
- 12 Section 3. Compliance requirement.
- 13 (a) General rule. -- Within 12 months of the date of purchase,
- 14 the purchaser of a property known to be in violation or
- 15 <u>substantial violation</u> of a municipal code or ordinance shall, at
- 16 his option, either:
- 17 (1) bring the property into compliance with municipal
- 18 codes or ordinances; or
- 19 (2) demolish the building or structure in accordance
- 20 with law.
- 21 * * *
- 22 (a.2) Reinspection of property.--
- 23 * * *
- 24 (2) If [a temporary access permit has been issued and
- reinspection indicates that] the noted substantial violations
- 26 have been corrected but other cited violations have not yet
- been corrected, and no other violation that makes the
- 28 property unfit for human habitation exists on the property,
- the municipality shall issue a temporary use and occupancy
- 30 permit to be valid for the time remaining on the original

1 temporary access permit.

2 * * *

3 (a.3) Suspension of duty to pay rent.--

agreement, whether oral or in writing, to the contrary, whenever a municipality finds a substantial violation or certifies a dwelling as unfit for human habitation, the duty of a tenant of the dwelling to pay, and the right of the landlord to collect, rent shall be suspended without affecting any other term or condition of the landlord-tenant relationship until the dwelling is certified as fit for human habitation or the tenancy is terminated for a reason other than nonpayment of rent.

- (2) During a period when the duty to pay rent is suspended and the tenant continues to occupy the dwelling, the rent withheld shall be deposited by the tenant in an escrow account in a bank or trust company approved by the municipality and shall be paid to the landlord when the dwelling is certified as fit for human habitation at any time within six months from the date on which the dwelling was certified as unfit for human habitation.
- (3) If, at the end of six months after the certification of a dwelling as unfit for human habitation, the dwelling has not been certified as fit for human habitation, any money deposited in escrow on account of continued occupancy shall be payable to the depositor, except that any money deposited in escrow may be used, for the purpose of making the dwelling fit for human habitation and paying utility services for which the landlord is obligated but which the landlord refuses or is unable to pay.

- 1 (4) No tenant may be evicted for any reason while rent
- 2 <u>is deposited in escrow in accordance with this subsection.</u>
- 3 * * *
- 4 Section 4. This act shall take effect in 60 days.