PA STATUTES TO ADDRESS BLIGHTED PROPERTIES

STATUTE	TAB
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TAB A

Act 90 of 2010

Neighborhood Blight Reclamation and Recovery Act

JUDICIAL CODE (42 PA.C.S.) AND GENERAL LOCAL GOVERNMENT CODE (53 PA.C.S.) - COURTS OF COMMON PLEAS, AUTHORIZING HOUSING COURTS, DETERIORATED REAL PROPERTY EDUCATION AND TRAINING PROGRAM FOR JUDGES AND NEIGHBORHOOD BLIGHT RECLAMATION AND REVITALIZATION

Act of Oct. 27, 2010, P.L. 875, No. 90 Cl. 42

Session of 2010
No. 2010-90

SB 900

AN ACT

Amending Titles 42 (Judiciary and Judicial Procedure) and 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in organization and jurisdiction of courts of common pleas, authorizing housing courts; in Administrative Office of Pennsylvania Courts, providing for deteriorated real property education and training program for judges; and providing for neighborhood blight reclamation and revitalization.

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

Section 1. Title 42 of the Pennsylvania Consolidated Statutes is amended by adding sections to read:

§ 917. Housing courts.

(a) Establishment.--The court of common pleas of a judicial district may establish, from available funds, a housing court which shall have jurisdiction as provided under subsection (d). The court may adopt local rules for the administration of housing courts and their related services such as housing clinics to counsel code violators on their responsibilities and procedures to bring properties into code compliance. The local rules may not be inconsistent with this section or any rules established by the Supreme Court.

(b) Statewide housing courts coordinator.--To the extent that funds are available, the Supreme Court may appoint a Statewide housing courts coordinator who may be assigned other responsibilities by the Supreme Court. The coordinator may:

(1) Encourage and assist in the establishment of housing courts in each judicial district where the caseload justifies the establishment of such courts.

(2) Identify sources of funding for housing courts and their related services, including the availability of grants.

(3) Provide coordination and technical assistance for grant applications.

(4) Develop model guidelines for the administration of housing courts and their related services.

(5) Establish procedures for monitoring housing courts and their related services and for evaluating the effectiveness of housing courts and their related services.

(c) Advisory committee.--The Supreme Court may establish, from available funds, an interdisciplinary and interbranch advisory committee to advise and assist the Statewide housing courts coordinator in monitoring and administering housing courts Statewide.

(d) Jurisdiction of housing court.--In a court of common pleas which has established a housing court pursuant to this section, the exclusive jurisdiction of the following matters may be vested in the housing court:

(1) Criminal and civil actions arising within the county under any other general or special law, ordinance, rule or regulation concerned with the health, safety or welfare of an occupant of a place used or intended for use as a place of human habitation.

(2) Land use decisions appealed to the court of common pleas in accordance with Article X-A of the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, provided they relate to single-family and multifamily properties, or proceedings appealed to court in accordance with the act of June 13, 1961 (P.L.282, No.167), relating to the establishment of historic districts.

(3) Appeals from government agencies under the former act of December 2, 1968 (P.L.1133, No.353), known as the Local Agency Law, or otherwise, relating to the housing, building, safety, plumbing, mechanical, electrical, health or fire ordinances and regulations of a municipal corporation within the county or of the county itself.

(4) Matters arising under the act of April 6, 1951 (P.L.69, No.20), known as The Landlord and Tenant Act of 1951, which involve a place used or intended for use as a place of human habitation.

(5) Matters arising under the act of November 10, 1999 (P.L.491, No.45), known as the Pennsylvania Construction Code Act, which involve a place used, or intended for use, as a place of human habitation.

§ 1907. Deteriorated real property education and training program for judges.

The Administrative Office of Pennsylvania Courts may develop and implement annual and ongoing education and training programs for judges, including magisterial district judges, regarding the laws of this Commonwealth relating to deteriorated real property and the economic impact that such properties have upon municipalities. The education and training program shall include, but not be limited to:

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

(2) Time-in-fact violations as they relate to code violations.

(3) Conduct of witnesses in prosecuting code violations.

(4) Limiting continuances in code violations.

(5) Use of indigency hearings in the prosecution of code violations.

Section 2. Title 53 is amended by adding a chapter to read:

CHAPTER 61
NEIGHBORHOOD BLIGHT RECLAMATION AND REVITALIZATION

Subchapter

A. Preliminary Provisions

B. Actions Against Owner of Property with Serious Code Violations

C. Permit Denials by Municipalities

D. Miscellaneous Provisions

SUBCHAPTER A
PRELIMINARY PROVISIONS

Sec.

6101. Short title of chapter.

6102. Legislative findings and purpose.

6103. Definitions.

§ 6101. Short title of chapter.

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

§ 6102. Legislative findings and purpose.

The General Assembly finds and declares as follows:

(1) There are deteriorated properties located in all municipalities of this Commonwealth as a result of neglect by their owners in violation of applicable State and municipal codes.

(2) These deteriorated properties create public nuisances which have an impact on crime and the quality of life of our residents and require significant expenditures of public funds in order to abate and correct the nuisances.

(3) In order to address these situations, it is appropriate to deny certain governmental permits and approvals in order:

(i) To prohibit property owners from further extending their financial commitments so as to render themselves unable to abate or correct the code, statutory and regulatory violations or tax delinquencies.

(ii) To reduce the likelihood that other municipalities will have to address the owners' neglect and resulting deteriorated properties.

(iii) To sanction the owners for not adhering to their legal obligations to the Commonwealth and its municipalities, as well as to tenants, adjoining property owners and neighborhoods.

§ 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:

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

"Code." A building, housing, property maintenance, fire, health or other public safety ordinance enacted by a municipality. The term does not include a subdivision and land development ordinance or a zoning ordinance enacted by a municipality.

"Court." The appropriate court of common pleas.

"Mortgage lender." A business association defined as a "banking institution" or "mortgage lender" under 7 Pa.C.S. Ch. 61 (relating to mortgage loan industry licensing and consumer protection) that is in possession of or holds title to real property pursuant to, in enforcement of or to protect rights arising under a mortgage, mortgage note, deed of trust or other transaction that created a security interest in the real property.

"Municipality." A city, borough, incorporated town, township or home rule, optional plan or optional charter municipality or municipal authority in this Commonwealth and any entity formed pursuant to Subchapter A of Chapter 23 (relating to intergovernmental cooperation).

"Municipal permits." Privileges relating to real property granted by a municipality, including, but not limited to, building permits, exceptions to zoning ordinances and occupancy permits. The term includes approvals pursuant to land use ordinances other than decisions on the substantive validity of a zoning ordinance or map or the acceptance of a curative amendment.

"Owner." A holder of the title to residential, commercial or industrial real estate, other than a mortgage lender, who possesses and controls the real estate. The term includes, but is not limited to, heirs, assigns, beneficiaries and lessees, provided this ownership interest is a matter of public record.

"Public nuisance." Property which, because of its physical condition or use, is regarded as a public nuisance at common law or has been declared by the appropriate official a public nuisance in accordance with a municipal code.

"Serious violation." A violation of a State law or a code that poses an imminent threat to the health and safety of a dwelling occupant, occupants in surrounding structures or a passersby.

"State law." A statute of the Commonwealth or a regulation of an agency charged with the administration and enforcement of Commonwealth law.

"Substantial step." An affirmative action as determined by a property code official or officer of the court on the part of a property owner or managing agent to remedy a serious violation of a State law or municipal code, including, but not limited to, physical improvements or repairs to the property, which affirmative action is subject to appeal in accordance with applicable law.

"Tax delinquent property." Tax delinquent real property as defined under:

(1) the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law;

(2) the act of May 16, 1923 (P.L.207, No. 153), referred to as the Municipal Claim and Tax Lien Law; or

(3) the act of October 11, 1984 (P.L.876, No.171), known as the Second Class City Treasurer's Sale and Collection Act, located in any municipality in this Commonwealth.

SUBCHAPTER B
ACTIONS AGAINST OWNER OF
PROPERTY WITH SERIOUS CODE VIOLATIONS

Sec.
6111. Actions.
6112. Asset attachment.
6113. Duty of out-of-State owners of property in this Commonwealth.
6114. Duty of association and trust owners.

§ 6111. Actions.

In addition to any other remedy available at law or in equity, a municipality may institute the following actions against the owner of any real property that is in serious violation of a code or for failure to correct a condition which causes the property to be regarded as a public nuisance:

(1) (i) An in personam action may be initiated for a continuing violation for which the owner takes no substantial step to correct within six months following receipt of an order to correct the violation, unless the order is subject to a pending appeal before the administrative agency or court.

(ii) Notwithstanding any law limiting the form of action for the recovery of penalties by a municipality for the violation of a code, the municipality may recover, in a single action under this section, an amount equal to any penalties imposed against the owner and any costs of remediation lawfully incurred by or on behalf of the municipality to remedy any code violation.

(2) A proceeding in equity.

§ 6112. Asset attachment.

(a) General rule.--A lien may be placed against the assets of an owner of real property that is in serious violation of a code or is regarded as a public nuisance after a judgment, decree or order is entered by a court of competent jurisdiction against the owner of the property for an adjudication under section 6111 (relating to actions).

(b) Construction.--Nothing in this section shall be construed to authorize, in the case of an owner that is an association or trust, a lien on the individual assets of the general partner or trustee, except as otherwise allowed by law, limited partner, shareholder, member or beneficiary of the association or trust.

§ 6113. Duty of out-of-State owners of property in this Commonwealth.

A person who lives or has a principal place of residence outside this Commonwealth, who owns property in this Commonwealth against

which code violations have been cited and the person is charged under 18 Pa.C.S. (relating to crimes and offenses), and who has been properly notified of the violations may be extradited to this Commonwealth to face criminal prosecution to the full extent allowed and in the manner authorized by 42 Pa.C.S. Ch. 91 (relating to detainers and extradition).

§ 6114. Duty of association and trust owners.

Where, after reasonable efforts, service of process for a notice or citation for any code violation for any real property owned by an association or trust cannot be accomplished by handing a copy of the notice or citation to an executive officer, partner or trustee of the association or trust or to the manager, trustee or clerk in charge of the property, the delivery of the notice or citation may occur by registered, certified or United States Express mail, accompanied by a delivery confirmation:

(1) To the registered office of the association or trust.

(2) Where the association or trust does not have a registered office, to the mailing address used for real estate tax collection purposes, if accompanied by the posting of a conspicuous notice to the property and by handing a copy of the notice or citation to the person in charge of the property at that time.

SUBCHAPTER C
PERMIT DENIALS BY MUNICIPALITIES

Sec.
6131. Municipal permit denial.

§ 6131. Municipal permit denial.

(a) Denial.--

(1) A municipality or a board under subsection (c) may deny issuing to an applicant a municipal permit if the applicant owns real property in any municipality for which there exists on the real property:

(i) a final and unappealable tax, water, sewer or refuse collection delinquency on account of the actions of the owner; or

(ii) a serious violation of State law or a code and the owner has taken no substantial steps to correct the violation within six months following notification of the violation and for which fines or other penalties or a judgment to abate or correct were imposed by a magisterial district judge or municipal court, or a judgment at law or in equity was imposed by a court of common pleas. However, no denial shall be permitted on the basis of a property for which the judgment, order or decree is subject to a stay or supersedeas by an order of a court of competent jurisdiction or automatically allowed by statute or rule of court until the stay or supersedeas is lifted by the court or a higher court or the stay or supersedeas expires as otherwise provided by law. Where a stay or supersedeas is in effect, the property owner shall so advise the municipality seeking to deny a municipal permit.

(2) A municipality or board shall not deny a municipal permit to an applicant if the municipal permit is necessary to correct a violation of State law or a code.

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

(4) In issuing a denial of a permit based on an applicant's delinquency in real property taxes or municipal charges or for failure to abate a serious violation of State law or a code on real property that the applicant owns in this Commonwealth, the municipality or board shall indicate the street address,

municipal corporation and county in which the property is located and the court and docket number for each parcel cited as a basis for the denial. The denial shall also state that the applicant may request a letter of compliance from the appropriate State agency, municipality or school district, in a form specified by such entity as provided in this section.

(b) Proof of compliance.--

(1) All municipal permits denied in accordance with this subsection may be withheld until an applicant obtains a letter from the appropriate State agency, municipality or school district indicating the following:

(i) the property in question has no final and unappealable tax, water, sewer or refuse delinquencies;

(ii) the property in question is now in State law and code compliance; or

(iii) the owner of the property has presented and the appropriate State agency or municipality has accepted a plan to begin remediation of a serious violation of State law or a code. Acceptance of the plan may be contingent on:

(A) Beginning the remediation plan within no fewer than 30 days following acceptance of the plan or sooner, if mutually agreeable to both the property owner and the municipality.

(B) Completing the remediation plan within no fewer than 90 days following commencement of the plan or sooner, if mutually agreeable to both the property owner and the municipality.

(2) In the event that the appropriate State agency, municipality or school district fails to issue a letter indicating tax, water, sewer, refuse, State law or code compliance or noncompliance, as the case may be, within 45 days of the request, the property in question shall be deemed to be in compliance for the purpose of this section. The appropriate State agency, municipality or school district shall specify the form in which the request for a compliance letter shall be made.

(3) Letters required under this section shall be verified by the appropriate municipal officials before issuing to the applicant a municipal permit.

(4) (i) Municipal permits may be denied by a board in accordance with the requirements of this section to the extent that approval of the municipal permit is within the jurisdiction of the board. For purposes of this section, "board" shall mean a zoning hearing board or other body granted jurisdiction to render decisions in accordance with the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, or a similar board in municipalities not subject to that act.

(ii) In any proceeding before a board other than the governing body of the municipality, the municipality may appear to present evidence that the applicant is subject to a denial by the board in accordance with this section.

(iii) For purposes of this subsection, a municipal permit may only be denied to an applicant other than an owner if:

(A) the applicant is acting under the direction or with the permission of an owner; and

(B) the owner owns real property satisfying the conditions of subsection (a).

(c) Applicability of other law.--A denial of a permit shall be subject to the provisions of 2 Pa.C.S. Chs. 5 Subch. B (relating to practice and procedure of local agencies) and 7 Subch. B (relating to judicial review of local agency action) or the Pennsylvania Municipalities Planning Code, for denials subject to the act.

SUBCHAPTER D
MISCELLANEOUS PROVISIONS

Sec.
6141. (Reserved).
6142. (Reserved).
6143. Conflict with other law.
6144. Relief for inherited property.
6145. Construction.

§ 6141. (Reserved).

§ 6142. (Reserved).

§ 6143. Conflict with other law.

In the event of a conflict between the requirements of this chapter and Federal requirements applicable to demolition, disposition or redevelopment of buildings, structures or land owned by or held in trust for the Government of the United States and regulated pursuant to the United States Housing Act of 1937 (50 Stat. 888, 42 U.S.C. § 1437 et seq.) and the regulations promulgated thereunder, the Federal requirements shall prevail.

§ 6144. Relief for inherited property.

Where property is inherited by will or intestacy, the devisee or heir shall be given the opportunity to make payments on reasonable terms to correct code violations or to enter into a remediation agreement under section 6131(b)(1)(iii) (relating to municipal permit denial) with a municipality to avoid subjecting the devisee's or heir's other properties to asset attachment or denial of permits and approvals on other properties owned by the devisee or heir.

§ 6145. Construction.

Nothing in this chapter shall be construed to abridge or alter the remedies now existing at common law or by statute, but the provisions of this chapter are in addition to such remedies.

Section 3. This act shall take effect in 180 days.

APPROVED--The 27th day of October, A.D. 2010.

EDWARD G. RENDELL

TAB B

Act 101 of 2020

Municipality Condemnation Order Act

MUNICIPALITY CONDEMNATION ORDER ACT - ENACTMENT

Act of Oct. 29, 2020, P.L. 1043, No. 101 **Cl. 53**

An Act

Providing for filing and recording by municipalities of condemnation orders and for statements of vacated condemnation orders.

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

Section 1. Short title.

This act shall be known and may be cited as the Municipality Condemnation Order Act.

Section 2. Definitions.

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

"Condemnation order." A declaration by an authorized official of a municipality that a dwelling, building, structure or premises is unfit for human habitation or other use or conditions exist that are dangerous or injurious to the health or safety of the occupants of the dwelling, building, structure or premises, the occupants of neighboring dwellings or other residents of the municipality and which declaration includes a demand for the owner to take corrective action to the dwelling, building, structure or premises.

"Municipality." A city, borough, incorporated town, township, home rule municipality, optional plan municipality, optional charter municipality or similar general purpose unit of government that may be created or authorized by statute.

Section 3. Filing and recording of condemnation orders.

(a) General rule.--A municipality that issues a condemnation order on a property may record the condemnation order with the office of recorder of deeds of the county in which the property is located.

(b) Constructive notice.--If recorded, the condemnation order shall be constructive notice to all purchasers and other persons who are responsible for the property.

Section 4. Cost of recording.

A municipality may recover the cost of recording a condemnation order on a property from the tax sale proceeds or directly from the purchaser of the property.

Section 5. Validity of condemnation order.

Notwithstanding section 612(a) of the act of July 7, 1947 (P.L.1368, No.542), known as the Real Estate Tax Sale Law, a properly recorded condemnation order shall be a lien on the property and shall not be affected by an upset sale, a judicial sale or a repository sale of the property.

Section 6. Statement of vacated condemnation order.

After a condemnation order on a property has been recorded under this section, if the municipality vacates the condemnation order, the municipality shall, within 15 days of the condemnation order being vacated, record with the office of recorder of deeds a statement indicating that the condemnation order has been vacated.

Section 7. Effective date.

This act shall take effect in 60 days.

TAB C

Act 171 of 2006

Amends Decedents, Estates and Fiduciaries Law

PROBATE, ESTATES AND FIDUCIARIES CODE (20 PA.C.S.) - GRANT OF LETTERS OF ADMINISTRATION AND ADMINISTRATION OF ESTATES

Act of Nov. 29, 2006, P.L. 1536, No. 171 **Cl. 20**

Session of 2006

No. 2006-171

HB 665

AN ACT

Amending Title 20 (Decedents, Estates and Fiduciaries) of the Pennsylvania Consolidated Statutes, further providing for the grant of letters of administration and for the administration of estates.

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

Section 1. Sections 3155 and 3311 of Title 20 of the Pennsylvania Consolidated Statutes are amended to read:

§ 3155. Persons entitled.

(a) Letters testamentary.--Letters testamentary shall be granted by the register to the executor designated in the will, whether or not he has declined a trust under the will.

(b) Letters of administration.--Letters of administration shall be granted by the register, in such form as the case shall require, to one or more of those hereinafter mentioned and, except for good cause, in the following order:

(1) Those entitled to the residuary estate under the will.

(2) The surviving spouse.

(3) Those entitled under the intestate law as the register, in his discretion, shall judge will best administer the estate, giving preference, however, according to the sizes of the shares of those in this class.

(4) The principal creditors of the decedent at the time of his death.

(5) Other fit persons.

(6) If anyone of the foregoing shall renounce his right to letters of administration, the register, in his discretion, may appoint a nominee of the person so renouncing in preference to the persons set forth in any succeeding paragraph.

(7) A guardianship support agency serving as guardian of an incapacitated person who dies during the guardianship administered pursuant to Subchapter F of Chapter 55 (relating to guardianship support).

(8) A redevelopment authority formed pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.

(c) Time limitation.--Except with the consent of those enumerated in paragraphs (1), (2) and (3), no letters shall be issued to those enumerated in [paragraphs (4) and (5)] **paragraph (4), (5) or (8)** of subsection (b) until [seven] **30** days after the decedent's death.

(d) Death charges.--Notwithstanding the provisions of subsections (a) and (b), the register shall not grant letters testamentary or letters of administration to any person charged, whether by indictment, information or otherwise, by the United States, the Commonwealth or any of the several states, with voluntary manslaughter or homicide, except homicide by vehicle, in connection with a decedent's death unless and until the charge is withdrawn, dismissed or a verdict of not guilty is returned.

§ 3311. Possession of real and personal estate; exception.

(a) **Personal representative.**--A personal representative shall have the right to and shall take possession of, maintain and administer all the real and personal estate of the decedent, except real estate occupied at the time of death by an heir or devisee with the consent of the decedent. He shall collect the rents and income from each asset in his possession until it is sold or distributed, and, during the administration of the estate, shall have the right to maintain any action with respect to it and shall make all reasonable expenditures necessary to preserve it. The court may direct the personal representative to take possession of, administer and maintain real estate so occupied by an heir or a devisee if this is necessary to protect the rights of claimants or other parties. Nothing in this section shall affect the personal representative's power to sell real estate occupied by an heir or devisee.

(b) Redevelopment authority.--A redevelopment authority granted letters of administration shall have the power to take, clear, combine or transfer title to real property of the estate as necessary to return such property to productive use, and upon payment of fair market value of the property in its current state, to the estate.

Section 2. This act shall take effect in 60 days.

APPROVED--The 29th day of November, A. D. 2006.

EDWARD G. RENDELL

TAB D

Act 61 of 2020

Tax Exemption and Mixed-Use Incentive Program Act

TAX EXEMPTION AND MIXED-USE INCENTIVE PROGRAM ACT - ENACTMENT

Act of Jul. 14, 2020, P.L. 631, No. 61 **Cl. 72**

An Act

Authorizing local taxing authorities to provide for tax exemption incentives for certain deteriorated industrial, commercial, business and residential property and for new construction in deteriorated areas of communities; providing for an exemption schedule; and establishing standards and qualifications.

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

Section 1. Short title.

This act shall be known and may be cited as the Tax Exemption and Mixed-Use Incentive Program Act.

Section 2. Construction.

This act shall be construed to authorize local taxing authorities to provide for tax exemption incentives for new construction in deteriorated areas of communities and improvements to certain deteriorated industrial, commercial, business and residential property. In addition, this act shall be construed to allow for mixed-use housing and development in accordance with zoning ordinances within designated areas. This act supplements the act of July 9, 1971 (P.L.206, No.34), known as the Improvement of Deteriorating Real Property or Areas Tax Exemption Act, and the act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax Assistance Act, which implement section 2(b)(iii) of Article VIII of the Constitution of Pennsylvania.

Section 3. Definitions.

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

"Adult entertainment." As defined in 68 Pa.C.S. § 5502 (relating to definitions).

"Blighted property." The term includes:

(1) A premises:

(i) ascertained to be a public nuisance due to physical condition or use, regarded as a public nuisance at common law and deemed to be a danger to public health, safety and welfare or public nuisance as regulated by a locally adopted property maintenance code or, if no such code exists, any compatible code enacted by the act of November 10, 1999 (P.L.491, No.45), known as the Pennsylvania Construction Code Act; or

(ii) the condition of which contains an attractive nuisance created by physical condition, use or occupancy, including abandoned water wells, shafts, basements, excavations and unsafe fences or other structures, or which contains an unauthorized entry, unsafe equipment or other safety risk.

(2) A dwelling that has been condemned or otherwise deemed unfit for occupancy or use by the local authority having jurisdiction due to dilapidated, unsanitary, unsafe or vermin-infested condition or that is lacking in the facilities and equipment as required by the Pennsylvania Construction Code Act.

(3) A structure determined by the local authority having jurisdiction to be a fire hazard or otherwise that could easily

catch fire or cause a fire and endanger public health, safety and welfare.

(4) A vacant or unimproved lot or parcel of ground located in a predominantly developed neighborhood that has become a place for the accumulation of trash and debris or haven for rodents and other vermin by reason of neglect or lack of maintenance.

(5) A property that is vacant and has not been rehabilitated within one year from receipt of notice for corrective action as issued by the local authority having jurisdiction, except a property where a valid construction permit is in place.

(6) A vacant or unimproved lot or parcel of ground that is subject to a municipal lien for the cost of demolition of a structure previously located on the property and for which no payments on the lien have been made for a period of 12 months.

(7) A vacant or unimproved lot or parcel of ground on which the total municipal liens for delinquent real estate and property tax or any other type of municipal claim are greater than 150% of the fair market value of the property as established by the board of assessment appeals or other body with legal authority to determine the taxable value of the property.

(8) A property that has been declared abandoned in writing by the owner, including an estate that is in possession of the property.

"Deteriorated area." An area designated by a municipal corporation to consist of blighted property. The term includes an impoverished area.

"Exemption schedule." The tax exemption schedule under section 5.

"Impoverished area." Any area in this Commonwealth which is certified as an impoverished area by the Department of Community and Economic Development and the certification of which is approved by the Governor. Certification shall be made on the basis of Federal census studies and current indices of social and economic conditions.

"Improvement." Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a blighted property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

"Local taxing authority." A county, city, borough, incorporated town, township, institution district or school district having authority to levy real property taxes.

"Mixed-use housing and development." Any urban, suburban, village development or single building that combines residential, commercial, cultural, institutional or industrial uses to provide more efficiency for the community in terms of space, transportation and economic development.

"Municipal corporation." A city, borough, incorporated town or township.

"Property maintenance code." A municipal ordinance which regulates the maintenance or development of real property. The term includes a building code, housing code and public safety code.

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

Section 4. Deteriorated areas.

(a) Real property tax exemption.--

(1) A local taxing authority may by ordinance or resolution exempt from real property taxation the assessed valuation of improvements to blighted properties and the assessed valuation of new construction within a deteriorated area in the amounts and in accordance with the provisions and limitations specified in this act.

(2) If a deteriorated area is zoned for mixed-use housing and development, improvements shall incorporate mixed-use housing and development that benefit the efficiency and economy of the community.

(3) The ordinance or resolution shall specify a description of each deteriorated area, as well as the cost of improvements per unit to be exempted, and the schedule or taxes exempted as provided in this act.

(b) Boundaries.--Prior to the adoption of the ordinance or resolution authorizing the granting of tax exemptions, the municipal corporation must affix the boundaries of the deteriorated area, wholly or partially located within its jurisdiction, if any.

(c) Public hearing.--

(1) At least one public hearing shall be held by the municipal corporation for the purpose of determining the boundaries of a deteriorated area.

(2) At the public hearing the local taxing authorities, planning commission or redevelopment authority and other public and private agencies and individuals, knowledgeable and interested in the improvement of deteriorated areas, shall present their recommendations concerning the location of boundaries of a deteriorated area for the guidance of the municipal corporation. The recommendations shall take into account the criteria required to establish an impoverished area or blighted property.

(3) The public hearing shall be held in accordance with 65 Pa.C.S. Ch. 7 (relating to open meetings).

(d) Adjacent property inclusions.--Property adjacent to a deteriorated area may be included within the deteriorated area if the local taxing authority determines that new construction on the property would encourage, enhance or accelerate improvement of the blighted properties within the deteriorated area.

(e) Municipal cooperation.--

(1) Two or more municipal corporations may join together for the purpose of determining the boundaries of a deteriorated area and establishing the uniform maximum cost per unit, and the municipal corporations shall cooperate fully with each other for the purpose of implementing this act.

(2) The local taxing authorities may, by implementing ordinances or resolutions, agree to adopt tax-exemption schedules contingent upon the similar adoption by an adjacent local taxing authority or by a local taxing authority with mutual jurisdiction, within the limitations provided under this act.

(f) Rescinding blighted area designation.--A local taxing authority may rescind an ordinance or resolution adopted under subsection (a) if the local taxing authority determines that the tax exemption in the deteriorated area within the boundaries established under subsection (b) has accomplished the goal of revitalizing the deteriorated area. Property granted tax exemption within the boundaries of the deteriorated area prior to the ordinance or resolution being rescinded shall continue to receive the tax exemption granted until the tax exemption is terminated under section 5(b).

Section 5. Exemption schedule.

(a) General rule.--A local taxing authority granting a tax exemption under this act may provide for tax exemption on the assessment attributable to the actual cost of new construction or improvements or up to any maximum cost uniformly established by the municipal corporation. The maximum cost shall uniformly apply to all eligible blighted property in the deteriorated area within the local taxing authority's jurisdiction.

(b) Schedule.--Whether or not the assessment eligible for exemption is based upon actual cost or a maximum cost, the actual amount of taxes exempted shall be in accordance with the following:

(1) For the first, second and third years for which new construction or improvements would otherwise be taxable, 100% of the eligible assessment shall be exempted.

(2) For the fourth year for which new construction or improvements would otherwise be taxable, 90% of the eligible assessment shall be exempted.

(3) For the fifth year for which new construction or improvements would otherwise be taxable, 75% of the eligible assessment shall be exempted.

(4) For the sixth year for which new construction or improvements would otherwise be taxable, 60% of the eligible assessment shall be exempted.

(5) For the seventh year for which new construction or improvements would otherwise be taxable, 45% of the eligible assessment shall be exempted.

(6) For the eighth year for which new construction or improvements would otherwise be taxable, 30% of the eligible assessment shall be exempted.

(7) For the ninth year for which new construction or improvements would otherwise be taxable, 15% of the eligible assessment shall be exempted.

(8) For the tenth year for which new construction or improvements would otherwise be taxable, 10% of the eligible assessment shall be exempted.

(9) After the tenth year, the exemption shall terminate.

(c) Limitation.--The exemption from taxes shall be limited to the additional assessment valuation attributable to the actual costs of new construction or improvements to blighted property or not in excess of the maximum cost per unit established by a municipal corporation.

(d) Sale or exchange.--The exemption from taxes shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

(e) Estimate.--A local taxing authority shall provide upon request an estimate of the amount of assessment exempted for each eligible property based on the exemption schedule under subsection (b).

(f) Repayment.--

(1) A local taxing authority shall be entitled to a return of its proportional share of taxes exempted under the provisions of this act if, within five years following completion of the new construction or improvements, there exists on the property a serious violation of a State law or a property maintenance code and the owner has taken no substantial steps to correct the violation within six months following notification of the violation and for which fines or other penalties or a judgment to abate or correct were imposed by a magisterial district judge or municipal court, or a judgment at law or in equity was imposed by a court of common pleas.

(2) At the time the agreement is entered into between a local taxing authority and the person who desires tax

exemption, if the person has completed all requirements under section 6, the local taxing authorities shall file a lien against the tax-exempt properties at the rate of the estimated amount of assessment under subsection (b). The lien shall be forgiven by the local taxing authority at the end of the fifth year following the completion of the new construction or improvements if there have been no serious violations against the property that have not been corrected. The lien on the property shall transfer under subsection (d) in cases of sale or exchange of the property.

Section 6. Procedure for obtaining exemption incentives.

(a) Notification.--A person desiring tax exemption authorized by an ordinance or resolution adopted under this act shall notify the local taxing authority granting the exemption in writing on an application form provided by the local taxing authority, submitted at the time the person secures the building permit or, if no building permit or other notification of new construction or improvement is required, at the time the person commences construction. The application shall include the following information:

(1) Statement of tax obligations, signed by the applicant and the local taxing authority and notarized.

(2) Outline of specifications for the new construction or improvement, indicating with as much specificity as practicable the materials to be used for exterior and interior finishes.

(3) An itemized cost estimate for the new construction or improvement. The itemization must:

(i) Be on contractor letterhead.

(ii) Indicate the property address of the project.

(iii) Be signed by the applicant.

(4) Preliminary architectural drawings or blueprints for the new construction or improvement.

(5) A recent appraisal of the property, if available.

(6) An applicable building permit application or building permit.

(7) An income and expense report for the property, which income and expense report should be submitted directly to the county assessment office in order to protect the confidentiality of the information.

(8) The final decision of the zoning authority or other regulatory agency granting relief, if applicable.

(9) The signature of the applicant and the date of signing.

(b) Estimate.--The amount of assessment deemed eligible for tax exemption under subsection (c) shall be available for public inspection and copying so that any subsequent purchaser is informed of the amount of taxes to be paid after the 10-year exemption period.

(c) County assessment office.--

(1) A copy of the exemption request shall be forwarded to the county assessment office. The county assessment office shall, after completion of the new construction or improvement, assess separately the new construction or improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the local taxing authorities and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption.

(2) Appeals from the reassessment and the amounts eligible for the exemption may be taken by the taxpayer or the local taxing authorities as provided by law.

(d) Amendment of ordinance.--The cost of new construction or improvements to be exempted and the schedule of taxes exempted

existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendment to the ordinance, if any, shall not apply to requests initiated prior to adoption of the amendment.

Section 7. Eligibility requirements.

(a) General rule.--The completed new construction or improvement must:

(1) Conform to zoning ordinance requirements. However, if mixed-use development is permitted in a designated deteriorated area, any improvement must meet any applicable mixed-use housing and development standards.

(2) Increase the value of the property by at least 25%.

(3) Correct all code violations, if applicable.

(b) Ineligibility.--A property is ineligible for tax exemption under section 5(a) if:

(1) The property receives other property tax abatement or exemption incentives for new construction or improvement.

(2) The property receives tax relief through a State program, except as provided in subsection (d).

(3) The property owner or developer is delinquent on property taxes related to the subject property, unless the delinquent taxes are paid prior to construction or payment of delinquent taxes has been arranged with the local taxing authority in accordance with an installment plan.

(4) The property owner has a legal or equitable interest in other property for which property taxes are delinquent, unless the delinquent taxes are paid prior to construction or payment of delinquent taxes has been arranged with the local taxing authority in accordance with an installment plan.

(5) New construction or improvement has commenced prior to filing an application under section 6.

(6) The property includes an improvement under subsection (c) that poses a health or safety risk to an individual residing above the first floor.

(c) Restriction.--For an improvement under this act that involves mixed-use housing and development, certain establishments may not be sited on the first floor for health and safety reasons. The establishments include, but are not limited to, the following:

(1) Gas stations or automobile service stations.

(2) Drive-through establishments.

(3) Adult entertainment establishments.

(4) Storage trailers and outdoor storage of goods associated with commercial use unless use of the structure is necessary during construction.

(5) Junkyards.

(6) Recycling service centers.

(7) Animal hospitals and animal sales.

(8) Heavy manufacturing.

(9) Establishments that utilize biohazards.

(10) Establishments that sell firearms and other weapons, unless the occupant is the owner of the establishment.

(d) Exception.--The amount of assessment eligible for exemption under this act shall be offset by the amount of property tax rebate received under Chapter 13 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

(e) Limitations.--The property qualifying for and receiving a tax exemption under the program shall be ineligible for or receive an additional tax exemption under this program for a minimum of 15 years from the date the property received a tax exemption under the program.

(f) Prohibitions.--For the period of time that a property receives a tax exemption under the program, no purchase or sale of the property or any portion thereof shall be structured in a

manner that excludes or exempts the transaction from a realty transfer tax due to a taxing authority that would otherwise not be excluded or exempt, except in the following cases:

(1) a sheriff sale or tax claim bureau sale;

(2) a corrective deed;

(3) a transfer by the mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure;

(4) a transfer to a judicial sale in which the successful bidder is the bona fide holder of a mortgage; or

(5) any other transaction excluded from the realty transfer tax under Article XI-C of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

Section 8. Effective date.

This act shall take effect in 60 days.

TAB E

Act 34 of 2015

Amends Crimes Code/ Municipalities Code

CRIMES CODE (18 PA.C.S.) AND MUNICIPALITIES CODE (53 PA.C.S.) - REPEALING MUNICIPAL HOUSING CODE AVOIDANCE, NEIGHBORHOOD BLIGHT RECLAMATION AND REVITALIZATION, AND FAILURE TO COMPLY WITH A CODE REQUIREMENT

Act of Jul. 10, 2015, P.L. 162, No. 34 **Cl. 18**

Session of 2015
No. 2015-34

SB 330

AN ACT

Amending Titles 18 (Crimes and Offenses) and 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in other offenses, repealing the offense of municipal housing code avoidance; and, in neighborhood blight reclamation and revitalization, providing for failure to comply with a code requirement.

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

Section 1. Section 7510 of Title 18 of the Pennsylvania Consolidated Statutes is repealed:

[§ 7510. Municipal housing code avoidance.

(a) Offense defined.--A person commits the crime of municipal housing code avoidance if:

(1) the person has been convicted of a fourth or subsequent violation of the same subsection of a municipal housing code for the same property;

(2) the violation has been continual and uncorrected;

(3) the violation poses a threat to the public's health, safety or property; and

(4) no reasonable attempt has been made by the person to correct the violation.

(b) Grading.--Municipal housing code avoidance shall constitute a:

(1) Misdemeanor of the second degree when the offense is a fourth conviction of a violation of the same subsection under a municipal housing code relating to the same property.

(2) Misdemeanor of the first degree when the offense is based on five or more convictions of violations of the same subsection under a municipal housing code relating to the same property.

(c) Definition.--As used in this section, the term "municipal housing code" means any municipality's building, housing or property maintenance code or ordinance.]

Section 2. Title 53 is amended by adding a section to read:

§ 6115. Failure to comply with a code requirement.

(a) Offense defined.--The owner of real property commits the offense of failure to comply with a code requirement if all of the following apply:

(1) The owner of real property has been convicted of a second or subsequent serious violation of the same provision of a municipal code for the same property.

(2) The violation poses a threat to the public's health, safety or property and the owner has not taken a substantial step to correct the violation.

(3) The violation is considered a public nuisance and the owner has not made a reasonable attempt to correct the

violation.

(b) Grading.--Failure to comply with a code requirement shall constitute a:

(1) Misdemeanor of the second degree if the offense is a second conviction of a serious violation of the same provision of a municipal code relating to the same property.

(2) Misdemeanor of the first degree if the offense is based on three or more convictions of serious violations of the same provision of a municipal code relating to the same property.

(c) Definition.--As used in this section, "code requirement" shall mean a building, housing or property maintenance code or ordinance of a municipality.

Section 3. All acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 4. This act shall take effect in 60 days.

APPROVED--The 10th day of July, A.D. 2015.

TOM WOLF