
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 795 Session of
2015

INTRODUCED BY DAVIS, KINSEY, COHEN, CALTAGIRONE, SCHLOSSBERG,
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MARCH 17, 2015

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 17, 2015

AN ACT

1 Providing for foreclosed property maintenance; and imposing
2 penalties.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Foreclosed
7 Property Maintenance Act.

8 Section 2. Definitions.

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

12 "Agreement." A municipal maintenance agreement.

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

15 "Foreclosed property." Any real property consisting of
16 buildings or grounds that, as a result of default by a purchaser

1 of a financial agreement between a lender and purchaser, has
2 been placed in the legal process by the lender to recover the
3 property.

4 "Foreclosure proceedings." Legal actions taken by a
5 mortgagee under section 403-C of the act of December 3, 1959
6 (P.L.1688, No.621), known as the Housing Finance Agency Law.

7 "Legal occupant." A person renting or leasing a foreclosed
8 property from the owner under a rental or lease contract or a
9 party to a mortgage agreement in which the owner has initiated
10 foreclosure proceedings and allows the occupants to continue to
11 inhabit the foreclosed property during the mitigation process.

12 "Legally occupied." The rental or lease of a foreclosed
13 property by an owner or agreed habitation during the foreclosure
14 mitigation process.

15 "Locally based." Residing within or maintaining one's
16 primary place of business within the same municipality as, or
17 within 20 miles of, the property being registered.

18 "Municipal maintenance agreement." A contractual agreement
19 between an owner or responsible party of a foreclosed property
20 and a municipality in which the owner or responsible party
21 compensates a municipality to maintain the foreclosed property
22 in accordance with section 7(a).

23 "Owner." A person, entity, service company, property manager
24 or real estate broker who alone or severally with others:

25 (1) has legal or equitable title to any dwelling,
26 dwelling unit, mobile dwelling unit or parcel of land, vacant
27 or otherwise, including a mobile home park;

28 (2) has care, charge or control of any dwelling,
29 dwelling unit, mobile dwelling unit or parcel of land, vacant
30 or otherwise, including a mobile home park, in any capacity,

1 including, but not limited to, agent, executor,
2 administrator, trustee or guardian or holder of legal title;

3 (3) is a mortgagee in possession of property;

4 (4) is an officer or trustee of the association of unit
5 owners of a condominium;

6 (5) is an operator or proprietor of a rooming house; or

7 (6) is a trustee who holds, owns or controls mortgage
8 loans for mortgage-backed securities transactions and has
9 initiated the foreclosure process.

10 "Residential property." A property that contains one or more
11 dwelling units used, intended or designed to be occupied as a
12 primary residence.

13 "Responsible party." Any of the following:

14 (1) a creditor, including, but not limited to, service
15 companies, lenders in a mortgage agreement and any agent,
16 officer or employee of the mortgagee, or any successor in
17 interest and assignee of the mortgagee's rights, interests or
18 obligations under the mortgage agreement;

19 (2) a party contracted by the owner to manage the
20 property or to act as an agent for the owner; or

21 (3) a legal occupant.

22 "Secure" or "securing." Rendering a property inaccessible to
23 unauthorized persons and the maintaining of the property or area
24 surrounding any building, including landscaping and rodent and
25 pest mitigation.

26 "Vacant." Not currently legally occupied.

27 Section 3. Foreclosed property registration.

28 (a) General rule.--The owner of a foreclosed property shall
29 register the property with the municipality in which the
30 property is located within seven calendar days of initiating

1 foreclosure proceedings on an application developed by the
2 department, but provided by the municipality or obtained from
3 the department's Internet website.

4 (b) Registration applications.--Foreclosed property
5 registration applications shall be signed by both the municipal
6 code officer and the owner or responsible party for the
7 foreclosed property. The application shall include the following
8 information:

9 (1) The owner's name, telephone number and a mailing
10 address that is a non-post office box number.

11 (2) The name, telephone number and non-post office box
12 address for a locally based responsible party.

13 (3) Certification that the property was inspected and is
14 secure.

15 (i) If a property is certified as vacant, the owner
16 shall designate and retain a local responsible party to
17 secure and maintain the property. This designation shall
18 include:

19 (A) The responsible party's name.

20 (B) The responsible party's telephone number.

21 (C) The responsible party's local non-post
22 office box mailing address.

23 (D) A plan detailing regular maintenance of the
24 property, including landscaping, rodent and pest
25 mitigation and security checks.

26 (ii) If a property is certified as not vacant or
27 legally occupied, the owner shall provide proof that the
28 property is legally occupied in the form of a rent or
29 lease agreement. Proof is not required if the property is
30 occupied by a party to the mortgage agreement with the

1 consent of the owner or initiator of foreclosure
2 proceedings during the foreclosure mitigation process.

3 (c) Registrations.--Foreclosed property registrations are
4 valid for one year from the date of the initial filing. An
5 annual registration fee of \$100 and a certified copy of the deed
6 to the property shall accompany the registration application.
7 Subsequent annual registrations and fees shall be due within 30
8 days of the expiration of the previous registration and shall
9 certify whether the foreclosing or foreclosed property is or
10 remains vacant.

11 (d) Municipal notification.--The owner or responsible party
12 shall notify the municipality within 15 days of closing if the
13 property is sold, becomes legally occupied or is transferred to
14 another party.

15 (e) Transfers.--If the property is transferred to another
16 party, the new party shall reregister the property with the
17 municipality within 15 calendar days of the transfer.

18 (f) Fees.--Except as provided under section 8(c), all
19 application fees, fines and penalties shall be payable to the
20 municipality to be used at the discretion of the municipality.
21 Section 4. Maintenance requirements.

22 (a) General rule.--The owner or responsible party of a
23 foreclosed property shall satisfy the requirements for securing
24 and maintaining the foreclosed property.

25 (b) Monthly inspection of property.--The owner or
26 responsible party shall maintain the property on a monthly basis
27 while the property is vacant.

28 (c) Adherence to applicable codes.--The owner or responsible
29 party shall maintain the foreclosed property in accordance with
30 local sanitary codes, building codes and other local laws,

1 ordinances and regulations concerning external and visible
2 maintenance.

3 (d) Securing.--Vacant property shall be secured from outside
4 entry by unauthorized persons or pests. Doors, windows and other
5 avenues for entry shall remain locked, and exterior walls and
6 roofs shall remain intact and without holes.

7 (e) Posting of contact information.--The name and 24-hour
8 contact telephone number of the local responsible party or the
9 owner of the foreclosed property shall be posted on the front
10 door of the property so that it is clearly visible.

11 (f) Temporary securing.--Untreated plywood or similar
12 structural panels or temporary construction fencing may be used
13 to temporarily secure doors, windows and other openings for a
14 maximum period of 14 days.

15 (g) Emergency securing.--The municipality may take steps to
16 immediately secure a vacant property at its discretion in
17 emergency circumstances. If emergency repairs are deemed
18 necessary, the municipality shall receive full reimbursement
19 within 60 days of the completion of the repairs from the owner
20 or responsible party.

21 (h) Fire safety and security systems.--An owner shall
22 satisfy the following duties in accordance with applicable
23 statutes, codes and ordinances:

24 (1) The owner of a nonresidential vacant building shall
25 maintain all fire protection systems, appliances and
26 assemblies in operating condition and maintain underwriter
27 laboratories monitoring of all systems.

28 (2) An owner of vacant property shall remove and
29 properly dispose of all hazardous materials and hazardous
30 refuse that could present a fire hazard or contribute to the

1 spread of fire as well as all garbage, swill, filth or other
2 waste materials located in or on the vacant property.

3 (3) An owner of vacant property shall properly maintain
4 all police protection alarm systems in operating condition.

5 (i) Plumbing fixtures.--Plumbing fixtures connected to a
6 water system, sewage system or natural gas utility system shall
7 be installed and be maintained in sound condition and good
8 repair or removed and the service terminated in adherence with
9 applicable codes. The water system of a vacant building shall be
10 protected against freezing.

11 (j) Electrical.--Electrical service lines, wiring, outlets
12 and fixtures not installed or maintained in accordance with
13 codes shall be repaired, removed or the electrical services
14 terminated in accordance with applicable codes.

15 (k) Lighting.--Exterior lighting fixtures shall be
16 maintained in good repair, and illumination shall be provided to
17 the building and all walkways in the same manner as provided at
18 the time the building was last legally occupied.

19 (l) Heating.--Heating systems in vacant buildings shall be
20 removed, rendered inoperable or maintained in accordance with
21 applicable codes.

22 (m) Termination of utilities.--

23 (1) For safety reasons, municipalities may require the
24 termination of utility services to a vacant property,
25 including water, sewer, electricity or gas service.

26 (2) Prior to the termination of any utility service, the
27 municipality shall provide the owner or responsible party
28 with written notice.

29 (3) Utility service required to be terminated or
30 disconnected by the municipality shall not be reconnected or

1 restored without prior consent of the municipality.

2 (4) An owner or responsible party may request that
3 utilities be terminated or disconnected as part of a
4 submitted and approved maintenance plan.

5 (5) The municipality may authorize immediate termination
6 of utility services in emergency circumstances.

7 (n) Exterior maintenance.--The owner or responsible party
8 shall comply with all applicable exterior property maintenance
9 statutes, codes and ordinances, including, but not limited to,
10 the following:

11 (1) Any and all activity on the property that
12 constitutes a public nuisance shall be eliminated.

13 (2) Vegetation shall be regularly maintained.

14 (3) Abandoned vehicles and vehicles without a valid
15 registration shall be removed from the property.

16 (4) Refuse shall be properly stored and removed from the
17 property.

18 (5) All animals and pests shall be removed from the
19 property.

20 (6) Any diseased, dead or hazardous trees or branches
21 shall be removed from the property.

22 (7) Graffiti shall be removed from the property.

23 (8) Swimming pools shall be maintained in good operating
24 condition, treated to prevent pest harborage or properly
25 drained and emptied. All swimming pools on foreclosed
26 properties shall be secured.

27 Section 5. Inspection responsibilities.

28 A municipal code official, as defined under the act of
29 November 10, 1999 (P.L.491, No.45), known as the Pennsylvania
30 Construction Code Act, may conduct inspections to ensure

1 compliance with this act.

2 Section 6. Emergency abatement.

3 In addition to the instances listed in section 4, a
4 municipality may authorize immediate abatement of any public
5 nuisance or maintenance item if the municipality deems the
6 property an immediate threat to the public health and safety.

7 Section 7. Municipal maintenance agreement.

8 (a) General rule.--An owner or responsible party may enter
9 into a municipal maintenance agreement, developed by the
10 department and provided by the municipality or on the
11 department's Internet website, with the municipality in which a
12 foreclosed property is located to compensate the municipality
13 for performing the exterior maintenance required under section
14 4(n) (1), (2), (3), (4), (5), (6) or (7) in accordance with
15 applicable statutes, codes and ordinances.

16 (b) Municipal maintenance agreements.--Municipal maintenance
17 agreements shall be signed by both the municipal code officer
18 and the owner or responsible party for the foreclosed property.
19 The agreement shall include the following information:

20 (1) The name, telephone number and non-post office box
21 mailing address.

22 (2) The name, telephone number and non-post office box
23 mailing address for a locally based responsible party.

24 (3) The municipality's responsibilities in accordance
25 with this act.

26 (c) Terms of agreement.--A municipal maintenance agreement
27 is valid for one year from the initial date of filing.
28 Subsequent municipal maintenance agreements must be signed
29 within 30 days of the expiration of the existing agreement.

30 (d) Limitations.--

1 (1) An owner or responsible party entering into a
2 municipal maintenance agreement shall be limited to one
3 registered property per agreement.

4 (2) Nothing in this act shall be construed to prevent an
5 owner or responsible party from entering into multiple
6 municipal maintenance agreements with a municipality.

7 (e) Fees.--A municipal maintenance agreement shall require
8 the owner or responsible party to pay a fee to the municipality
9 as determined by the municipality.

10 (f) Records and notification.--

11 (1) A municipality shall maintain accurate records of
12 all maintenance work completed in accordance with the
13 municipal maintenance agreement.

14 (2) A municipality shall notify the owner or responsible
15 party of all maintenance work performed in accordance with a
16 municipal maintenance agreement within 15 days of completion.

17 Section 8. Duties of department.

18 (a) General rule.--The department shall create a standard
19 foreclosure registration application and standard municipal
20 maintenance agreement in accordance with this act.

21 (b) Department notification.--

22 (1) The department shall make the foreclosure
23 registration application and municipal maintenance agreement
24 available to municipalities and owners or responsible parties
25 by request.

26 (2) A municipality shall submit a copy of each completed
27 registration application to the department within 30 calendar
28 days of receipt of the application from the owner or
29 responsible party.

30 (c) Fees.--Ten percent of the annual registration

1 application fee shall be directed to the department by the
2 municipality for administrative costs incurred under this act.

3 (d) Regulations.--The department may promulgate rules and
4 regulations necessary to administer its duties under this act.

5 Section 9. Public records.

6 The department and municipalities shall retain completed
7 registration applications and municipal maintenance agreements
8 and maintain all records in accordance with the act of February
9 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

10 Section 10. Penalties.

11 (a) Municipal authority.--In addition to the penalties under
12 any other law, a municipality may impose the following fines for
13 violations of this act:

14 (1) A violation of section 3 shall be punishable by a
15 fine of not more than \$500.

16 (2) A violation of section 4 shall be punishable by a
17 fine of not more than \$1,000 for the first offense and no
18 more than an additional \$500 for every five calendar-day
19 period the violation is not reconciled by the owner or
20 responsible party.

21 (b) Limitations.--A municipality may not fine an owner or
22 responsible party of a foreclosed property for violations of
23 section 4(n)(1), (2), (3), (4), (5), (6) and (7) when a
24 municipal maintenance agreement exists between the municipality
25 and the owner or responsible party of the foreclosed property.

26 Section 11. Effective date.

27 This act shall take effect in 60 days.