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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2124 Session of  
2019

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INTRODUCED BY A. DAVIS, KINSEY, YOUNGBLOOD, FREEMAN,  
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DECEMBER 16, 2019

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REFERRED TO COMMITTEE ON URBAN AFFAIRS, DECEMBER 16, 2019

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

14 "Foreclosed property." Any real property consisting of  
15 buildings or grounds that, as a result of default by a purchaser  
16 of a financial agreement between a lender and purchaser, has  
17 been placed in the legal process by the lender to recover the

1 property.

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

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

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

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

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

21 "Owner." An individual, entity, service company, property  
22 manager or real estate broker who alone or severally with  
23 others:

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

27 (2) has care, charge or control of a dwelling, dwelling  
28 unit, mobile dwelling unit or parcel of land, vacant or  
29 otherwise, including a mobile home park, in any capacity,  
30 including, but not limited to, agent, executor,

1 administrator, trustee or guardian or holder of legal title;

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

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

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

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

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

12 "Responsible party." Any of the following:

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

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

20 (3) a legal occupant.

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

25 "Vacant." Not currently legally occupied.

26 Section 3. Foreclosed property registration.

27 (a) General rule.--The owner of a foreclosed property shall  
28 register the property with the municipality in which the  
29 property is located within seven calendar days of initiating  
30 foreclosure proceedings on an application developed by the

1 department, but provided by the municipality or obtained from  
2 the department's Internet website.

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

8 (1) The owner's name, telephone number and a mailing  
9 address that is not a post office box number.

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

12 (3) Certification that the property was inspected and is  
13 secure. The following apply:

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

18 (A) The responsible party's name.

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

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

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

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

1 proceedings during the foreclosure mitigation process.

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

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

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

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

20 Section 4. Maintenance requirements.

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

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

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

1 maintenance.

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

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

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

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

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

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

27 (2) An owner of vacant property shall remove and  
28 properly dispose of all hazardous materials and hazardous  
29 refuse that could present a fire hazard or contribute to the  
30 spread of fire as well as all garbage, swill, filth or other

1 waste materials located in or on the vacant property.

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

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

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

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

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

21 (m) Termination of utilities.--

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

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

28 (3) Utility service required to be terminated or  
29 disconnected by the municipality shall not be reconnected or  
30 restored without prior consent of the municipality.

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

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

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

10 (1) Activity on the property that constitutes a public  
11 nuisance shall be eliminated.

12 (2) Vegetation shall be regularly maintained.

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

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

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

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

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

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

26 Section 5. Inspection responsibilities.

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



1 Section 6. Emergency abatement.

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

6 Section 7. Municipal maintenance agreement.

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

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

1 (d) Limitations.--

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

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

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

11 (f) Records and notification.--

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

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

18 Section 8. Duties of department.

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

22 (b) Department notification.--

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

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

1 (c) Fees.--Ten percent of the annual registration  
2 application fee shall be directed to the department by the  
3 municipality for administrative costs incurred under this act.

4 (d) Regulations.--The department may promulgate rules and  
5 regulations necessary to administer the department's duties  
6 under this act.

7 Section 9. Public records.

8 The department and municipalities shall retain completed  
9 registration applications and municipal maintenance agreements  
10 and maintain all records in accordance with the act of February  
11 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

12 Section 10. Penalties.

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

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

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

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

28 Section 11. Effective date.

29 This act shall take effect in 60 days.