
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 372 Session of
2021

INTRODUCED BY A. DAVIS, GUENST, HILL-EVANS, SCHLOSSBERG,
SANCHEZ, PISCIOTTANO, HOHENSTEIN, LEE AND CIRESI,
FEBRUARY 3, 2021

REFERRED TO COMMITTEE ON URBAN AFFAIRS, FEBRUARY 3, 2021

AN ACT

1 Providing for foreclosed property maintenance; imposing powers
2 and duties on the Department of Community and Economic
3 Development and municipalities; and prescribing penalties.

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

6 Section 1. Short title.

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

9 Section 2. Definitions.

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

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

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

1 property.

2 "Foreclosure proceeding." Legal action taken by a mortgagee
3 under section 403-C of the act of December 3, 1959 (P.L.1688,
4 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 proceedings.

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

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 the 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 agent, executor, administrator, trustee or guardian

1 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 foreclosure proceedings.

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 service company lender in a
14 mortgage agreement and an agent, officer or employee of the
15 mortgagee, or a successor in interest and assignee of the
16 mortgagee's rights, interests or obligations under the
17 mortgage agreement;

18 (2) a party contracted by an 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 a 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.--A foreclosed property
4 registration application must 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 certification shall include the following:

14 (i) If the property is vacant, the owner shall
15 designate and retain a local responsible party to secure
16 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 not vacant or legally
26 occupied, the owner shall provide proof that the property
27 is legally occupied in the form of a rent or lease
28 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 proceedings.

2 (c) Registrations.--A foreclosed property registration shall
3 be 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 foreclosed property is sold, becomes legally occupied or is
13 transferred to another party.

14 (e) Transfers.--If the foreclosed property is transferred to
15 another party, the new party shall reregister the property with
16 the 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 property.

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

27 (c) Adherence to applicable codes.--The owner or responsible
28 party shall maintain a 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 foreclosed property shall be secured
3 from outside entry by unauthorized persons or pests. Doors,
4 windows and other avenues for entry shall remain locked, and
5 exterior walls and 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 immediately
15 secure a vacant foreclosed 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 of
21 foreclosed property shall satisfy the following duties in
22 accordance with applicable statutes, codes and ordinances:

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

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

1 swill, filth or other waste materials located in or on the
2 vacant property.

3 (3) If the foreclosed property is vacant, the owner
4 shall properly maintain the police protection alarm systems
5 in operating condition.

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

13 (j) Electrical.--Electrical service lines, wiring, outlets
14 and fixtures of a foreclosed property that are not installed or
15 maintained in accordance with codes shall be repaired, removed
16 or the electrical services terminated in accordance with
17 applicable codes.

18 (k) Lighting.--Exterior lighting fixtures of a foreclosed
19 property shall be maintained in good repair, and illumination
20 shall be provided to the building and all walkways in the same
21 manner as provided at the time the building was last legally
22 occupied.

23 (l) Heating.--Heating systems in a foreclosed property that
24 is vacant shall be removed, rendered inoperable or maintained in
25 accordance with applicable codes.

26 (m) Termination of utilities.--

27 (1) For safety reasons, municipalities may require the
28 termination of utility services to a foreclosed property that
29 is vacant, including water, sewer, electricity or gas
30 service.

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

4 (3) Utility service required to be terminated or
5 disconnected by the municipality shall not be reconnected or
6 restored without prior consent of the municipality.

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

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

12 (n) Exterior maintenance.--The owner or responsible party of
13 a foreclosed property shall comply with all applicable exterior
14 property maintenance statutes, codes and ordinances, including,
15 but not limited to, the following:

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

18 (2) Vegetation shall be regularly maintained.

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

21 (4) Refuse shall be properly stored and removed from the
22 property.

23 (5) All animals and pests shall be removed from the
24 property.

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

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

28 (8) Swimming pools shall be maintained in good operating
29 condition, treated to prevent pest harborage or properly
30 drained and emptied and, if the foreclosed property is

1 vacant, shall be secured from entry.

2 Section 5. Inspection responsibilities.

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

7 Section 6. Emergency abatement.

8 In addition to the instances listed in section 4, a
9 municipality may authorize immediate abatement of a foreclosed
10 property that is a public nuisance or maintenance item if the
11 municipality deems the property an immediate threat to the
12 public health and safety.

13 Section 7. Municipal maintenance agreement.

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

23 (b) Municipal maintenance agreements.--Municipal maintenance
24 agreements shall be signed by both the municipal code officer
25 and the owner or responsible party for the foreclosed property.
26 The municipal maintenance agreement shall include the following
27 information:

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

30 (2) The name, telephone number and non-post office box

1 mailing address for a locally based responsible party.

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

4 (c) Terms of agreement.--A municipal maintenance agreement
5 shall be valid for not more than one year from the initial date
6 of filing. Subsequent municipal maintenance agreements must be
7 signed within 30 days of the expiration of the existing
8 municipal maintenance agreement.

9 (d) Limitations.--

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

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

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

19 (f) Records and notification.--

20 (1) A municipality shall maintain accurate records of
21 maintenance work completed in accordance with the municipal
22 maintenance agreement.

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

26 Section 8. Duties of department.

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

30 (b) Department notification.--

1 (1) The department shall make the foreclosure
2 registration application and municipal maintenance agreement
3 available to municipalities and owners or responsible parties
4 by request.

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

9 (c) Fees.--Ten percent of the annual registration
10 application fee shall be transferred by the municipality to the
11 department for administrative costs incurred by the department
12 under this act.

13 (d) Regulations.--The department may promulgate rules and
14 regulations necessary to administer the department's duties
15 under this act.

16 Section 9. Public records.

17 The department and municipalities shall retain completed
18 registration applications and municipal maintenance agreements
19 and maintain all records in accordance with the act of February
20 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

21 Section 10. Penalties.

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

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

27 (2) A violation of section 4 shall be punishable by a
28 fine of not more than \$1,000 for the first offense and no
29 more than an additional \$500 for every five calendar-day
30 period the violation is not reconciled by the owner or

1 responsible party.

2 (b) Limitations.--A municipality may not fine an owner or
3 responsible party of a foreclosed property for violations of
4 section 4(n)(1), (2), (3), (4), (5), (6) and (7) when a
5 municipal maintenance agreement exists between the municipality
6 and the owner or responsible party of the foreclosed property.
7 Section 11. Effective date.

8 This act shall take effect in 60 days.