SUMMARY OF THE ACT:

HB 653 provides for an accelerated and less expensive Sheriff’s Sale process for properties declared vacant and abandoned. To receive that designation, properties must be nominated by an eligible party, including a municipality, a conservator, a creditor, or a purchaser, and must meet certain criteria regarding the condition. Once a property is designated as vacant and abandoned, it can go through a faster, more secure, and cheaper Sheriff’s Sale process. Owners have the right to object to the designation before it is conferred, but once a property has been declared vacant and abandoned, they lose their right to object in court or to purchase the property out of the Sheriff’s Sale.

VACANT AND ABANDONED PROPERTY DESIGNATION:

A property can be declared vacant and abandoned through two methods. First, creditors can request that a municipal code enforcement official make a determination that a property meets the criteria to be considered vacant and abandoned. Second, a creditor or a purchaser can request that a prothonotary issue a rule to show cause that a property meets the criteria to be considered vacant and abandoned. In both cases, owners and other obligors have the opportunity to file an objection and appear at a hearing to contest the designation.

Any property that a creditor or potential purchaser seeks to have declared vacant and abandoned must meet at least three items on a list of indicators of abandonment included in the law, and also must be able to be determined vacant according to a list of indicators included in the law.

CHANGES TO THE SHERIFF’S SALE:

Once a property has been declared vacant and abandoned, it shall not be subject to mediation, conciliation, diversion, or any other program by a court designed to encourage resolution of owner-occupied mortgage foreclosures. An accelerated sale fee of $500 may be paid, which requires the sheriff to schedule the property to go through a sale no later than 60 days after the fee is paid, and a sheriff’s deed to be recorded no more than 30 days later.

FOR PROPERTY OWNERS AND OTHER OBLIGORS:

Whether the municipal certification process is followed or the judicial certification process is followed, property owners have the opportunity to contest the designation. However, they must respond promptly to any service from a creditor or purchaser seeking to declare a house vacant and abandoned. For municipal certification, owners have 30 days to respond; for judicial certification, owners have 20 days to respond. Owners must also respond specifically to property condition issues addressed in the legislation. Additional payments may be made to the sheriff to execute a writ of possession faster.

Fees charged by the sheriff to put a property declared vacant and abandoned into a sheriff sale will not be due unless the property is sold. The sheriff will also not be entitled to their commission if the sale of the property is stayed, cancelled, withdrawn, or postponed.

FOR COMMUNITY GROUPS:

The increased speed and decreased costs associated with the Sheriff’s Sale process may make it more cost effective. The increased protection for the process may make it easier for mortgage holders, or community groups, to acquire vacant, abandoned houses which would be held up in court as the system was before. In addition, the risk of being charged a fee for requesting a property be put into the sheriff’s sale even if the property does not go into the sale is eliminated.

##