

# *Certificates of Compliance and Real Estate Transfers – Guidelines*

## **City of Johnstown, Pennsylvania**

### Overview

Ordinance No. 5220 was enacted by City Council on February 8, 2017. The Ordinance mandates pressure testing of laterals for all real property having structures to determine if illegal storm or surface water is connected to the City sanitary sewer system. The major reason this Ordinance was enacted was to comply with the requirements of a Consent Order and Agreement with the Pennsylvania Department of Environmental Protection. The Ordinance requires pressure testing of laterals for any of the following qualifying events:

- At the time of any transfer of ownership of property; or
- At the time of any significant repair or alteration to the private sewer system serving the property; or
- At the time a significant defect is discovered in the private sewer system serving the property; or
- At a time of any significant repair, reconstruction or alteration to the public sewer system receiving sewage from affected properties.

Conformance with City requirements must be documented by the issuance of a Certificate of Compliance, which in turn requires successfully passing a lateral pressure test.

### Testing for Real Estate Transfers

Ordinance No. 5220 notes that it shall be unlawful for any person to sell or transfer improved and sewerred real property located in the City without having obtained and delivered to the buyer or transferee, at or prior to closing or transfer, a (1) Certificate of Compliance or (2) Temporary Certificate of Compliance for the property being sold or transferred.

### Application Timeframe

*At least 21 days prior to the date of closing or transfer of any improved real property* the seller or transferor or its agent must submit an Application for Certificate of Compliance or Temporary Certificate of Compliance to the City Ordinance Compliance Officer.

### Certificate of Compliance

A Certificate of Compliance verifies that there are no connections of surface storm water to the sanitary sewer system. If the property passes the underground lateral pressure test and all fees have been paid, a Certificate of Compliance will be issued within ten (10) days of application. If there are one or more underground surface connections to the sanitary sewer system, the Certificate cannot be issued until a lateral pressure test verifies that underground surface water connections have been removed and all fees are paid.

### Temporary Certificate of Compliance

When an underground surface storm water connection to the sanitary sewer system is discovered and the necessary work to remove the connection would require a length of time such as to create a hardship in a transfer of ownership, the seller or applicant may apply for a Temporary

Certificate of Compliance at least *21 days prior to the date of closing or transfer of any improved real property*. The applicant must submit all of the following as attachments to the application:

- A bona fide executed contract with a qualified contractor requiring the contractor to complete the remedial work necessary to the removal of the connections of underground surface storm water to the sanitary sewer system and granting the Municipality the right and power to enforce the contract. **Include the Pennsylvania Contractor or the City of Johnstown Contractor License Number and Expiration Date with the bid;**
- Proof of cash security in an amount equal to one hundred ten (110%) percent of the contract described above. If/when an escrow account is established at the time of closing on the sale or transfer, the applicant must provide proof of the escrow account having been established and funded within two (2) business days following the date of closing;
- Agreement of the purchaser to be responsible for cost overruns related to the remedial work, with permission for the City to enter upon the property to complete the remedial work in case of default by the contractor or the applicant;
- When the subject property contains a structure that is going to be demolished, the applicant must provide a bona fide executed contract with a qualified contractor that includes the anticipated date the demolition will be completed, a completed Temporary Certificate of Compliance Application and application fee;
- The filing fee of \$25.

After meeting the above requirements, the application may be amended in situations where pressure testing confirming compliance prior to the closing date is not possible due to sudden adverse weather conditions. Ordinance No. 5220 provides for the following additional required submissions or acknowledgements by the seller or applicant:

- Cash security in the amount of One Thousand (\$1,000.00) Dollars.
- The written, signed agreement of the purchaser or transferee to correct, at the purchaser's or transferee's sole expense, any surface storm water connections to the sanitary sewer system disclosed by the subsequent lateral test, together with a license from the purchaser or transferee to the Municipality, its agents, contractors, and employees, to enter upon the property to conduct the lateral testing should the applicant fail to do so.
- The filing fee noted above (No additional fee required).

The Temporary Certificate of Compliance shall be effective *for one hundred eighty (180) days*. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the cash security shall be forfeited and the City may use the funds to complete the remedial work for the lateral testing.

The City Manager and Ordinance Compliance Officer shall have the option and authority to extend this period up to ninety (90) days after the City has completed the installation of the sanitary sewer system within the City's right of way and/or easement that would correspond to the applicant's street address.

The following shall also apply:

i) If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, as provided for in subsection (4) and (5) hereof, the applicant can either request an additional extension at the fee of \$25 per request. Otherwise, the cash security shall be forfeited.

ii) The Municipality may use the funds to complete the remedial work for the lateral testing.

iii) Those that have been issued a Temporary Certificate of Compliance before December 28, 2016 have the option to request an additional extension at no cost, in order to complete the pressure testing and receive a Certificate of Compliance.

#### Expiration of Certificate

A Certificate of Compliance shall be valid until December 31, 2022.

**APPLICATION FOR TEMPORARY CERTIFICATE OF COMPLIANCE  
CITY OF JOHNSTOWN, CAMBRIA COUNTY, PENNSYLVANIA**

**APPLICATION DATE:** \_\_\_/\_\_\_/\_\_\_\_\_

Property Location: \_\_\_\_\_ Johnstown, PA 1590\_\_  
(street address)

City Ward: \_\_\_\_\_ Tax Assessment Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

The Undersigned parties note the following:

1. The undersigned recognizes that the above referenced property is subject to the rules and regulation as promulgated in Ordinance No. 5220 as periodically amended, which requires lateral testing of all real property with structures located thereon to determine if illegal storm, surface and/or ground water is connected to the public sanitary sewer collection/interceptor system.
2. The undersigned understands that the subject property may require replacement of and/or improvements to the sewer lateral for the subject property to pass the required lateral testing and obtain the issuance of a *Certificate of Sewage Compliance*.
3. The undersigned also requests the issuance of a *Temporary Certificate of Compliance* so that the transfer of ownership may proceed while the City is given assurance that the subject property will be ultimately compliant with Ordinance No. 5220 as periodically amended.
4. The undersigned parties agree that the Temporary Certificate of Compliance shall be effective for one hundred and eighty (180) days and shall expire on the date noted below. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, as provided for in subsection (4) and (5) hereof, the applicant can either request an additional extension at the fee of \$25 per request. Otherwise, the cash security shall be forfeited. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the cash security shall be forfeited and the City may use the funds to complete the remedial work for the lateral testing.

**1. Real Estate Transfers \_\_\_\_\_ Closing Date: \_\_\_/\_\_\_/\_\_\_\_\_**

In accordance with the requirements of Ordinance No. 5220 as periodically amended, the following are included, with certain attachments marked as exhibits:

1. A bona fide executed contract with a qualified contractor requiring the contractor to complete the remedial work necessary to the removal of the connections of underground surface storm water to the sanitary sewer system. (***Contract is Exhibit A***)
2. The undersigned grant the City the right and power to enforce the contract noted in requirement 1. above.
3. Proof of cash security/escrow in an amount equal to one hundred ten (110%) percent of the contract amount as per requirement 1. above. If/when an escrow account is established at the time of closing on the sale or transfer, the applicant must provide proof of the escrow account having been established and funded within two (2) business days following the date of closing (***Proof of cash security is Exhibit B***)
4. The undersigned Purchaser/Buyer/Transferee acknowledges that she/he shall be responsible for cost overruns related to the remedial work, and grants permission for the City to enter upon the property to complete the remedial work in case of default by the contractor or the Seller/Transferor/Applicant; and

5. When the subject property contains a structure that is going to be demolished, the applicant must provide a bona fide executed contract with a qualified contractor that includes the anticipated date the demolition will be completed, a completed Temporary Certificate of Compliance Application and application fee; and
6. The filing fee. *(Check or receipt for \$25 is Exhibit C)*

***Seller/Transferor/Applicant***

***Buyer/Purchaser/Transferee***

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
(Date)

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
(Date)

Phone No: \_\_\_\_\_

Phone No: \_\_\_\_\_

***Action by the City of Johnstown Ordinance Compliance Officer***

\_\_\_\_\_ Approval                      Date \_\_\_\_/\_\_\_\_/\_\_\_\_  
**Temporary Certificate Expiration Date** \_\_\_\_/\_\_\_\_/\_\_\_\_  
**Sudden/Adverse Weather Expiration Extension** \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_ Disapproval                      Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
(Printed Name - Ordinance Compliance Officer)

\_\_\_\_\_  
(Signature - Ordinance Compliance Officer)

\_\_\_\_\_  
(Printed Name – City Manager)

\_\_\_\_\_  
(Signature – City Manager)

**APPLICATION FOR TEMPORARY CERTIFICATE OF COMPLIANCE (con't)**  
**CITY OF JOHNSTOWN, CAMBRIA COUNTY, PENNSYLVANIA**  
**APPLICATION DATE: \_\_\_/\_\_\_/\_\_\_\_\_**

**2. Sudden/Adverse Weather Conditions \_\_\_ (If Applicable)**

In accordance with the requirements of Ordinance No. 5220 as periodically amended, the following are included to facilitate the transfer of ownership caused solely by adverse weather conditions, with certain attachments marked as exhibits:

1. Proof of cash security in the amount of One Thousand (\$1,000.00) Dollars. (*Proof of cash security is Exhibit D*)
2. The filing fee (**Refer to Exhibit C**)
3. The undersigned buyer/purchaser/transferee agrees to correct, at his/her sole expense, any underground surface storm water connections to the sanitary sewer system disclosed by the subsequent lateral test that exceed the cash security amount. It is understood that nothing in this subsection shall prohibit any buyer/purchaser/transferee from requiring the Seller/Transferor/Applicant to reimburse the buyer/purchaser/transferee for any costs incurred in connection with such remedial work; provided.
4. The undersigned buyer/purchaser/transferee licenses the City, its agents, contractors, and employees, to enter upon the property to conduct the lateral testing should the seller/transferor/applicant fail to do so by the Expiration Extension noted below.

*Seller/Transferor/Applicant*

*Buyer/Purchaser/Transferee*

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_/\_\_\_/\_\_\_  
(Date)

\_\_\_/\_\_\_/\_\_\_  
(Date)

Phone No: \_\_\_\_\_

Phone No: \_\_\_\_\_

*Action by the City of Johnstown Ordinance Compliance Officer*

\_\_\_\_\_ Approval                      Date \_\_\_/\_\_\_/\_\_\_

**Temporary Certificate Expiration Date** \_\_\_/\_\_\_/\_\_\_

**Sudden/Adverse Weather Expiration Extension** \_\_\_/\_\_\_/\_\_\_

\_\_\_\_\_ Disapproval                      Date \_\_\_/\_\_\_/\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name - Ordinance Compliance Officer)

\_\_\_\_\_  
(Signature - Ordinance Compliance Officer)

\_\_\_\_\_  
(Printed Name – City Manager)

\_\_\_\_\_  
(Signature – City Manager)

**Exhibit A**

**Executed Contract for Remedial Work**

**Required – PA Contractor License Number or City of Johnstown Contractor License Number and the Expiration Date of the License.**

**Exhibit B**

**Proof of Cash Security – 110% of Executed Contract**

**Required**

**Exhibit C**

**Proof of Paid Fee**

**Required**

**Exhibit D**

**Proof of \$1,000 Cash Security for Lateral Testing delayed due to Sudden Adverse Weather**

**Required**