

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 662 Session of  
1993

INTRODUCED BY PISTELLA, HALUSKA, OLASZ, PESCI, MELIO,  
E. Z. TAYLOR, DALEY, FARGO, BELFANTI, PRESTON, STAIRS,  
TRELLO, GERLACH AND FAJT, MARCH 22, 1993

REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT,  
MARCH 22, 1993

AN ACT

1 Amending the act of April 6, 1951 (P.L.69, No.20), entitled "An  
2 act relating to the rights, obligations and liabilities of  
3 landlord and tenant and of parties dealing with them and  
4 amending, revising, changing and consolidating the law  
5 relating thereto," further providing for interest payments to  
6 tenants from security deposit funds.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 511.2 of the act of April 6, 1951  
10 (P.L.69, No.20), known as The Landlord and Tenant Act of 1951,  
11 added December 29, 1972 (P.L.1698, No.363), is amended to read:

12 Section 511.2. Interest on Escrow Funds Held More Than [Two  
13 Years] One Year.--(a) [Except as otherwise provided in this  
14 section, all funds over one hundred dollars (\$100)] All funds  
15 deposited with a lessor to secure the execution of a rental  
16 agreement on residential property in accordance with section  
17 511.1 and pursuant to any lease newly executed or reexecuted  
18 after the effective date of this act shall be deposited in an  
19 escrow account of an institution regulated by the Federal

1 Reserve Board, the Federal Home Loan Bank Board, Comptroller of  
2 the Currency, or the Pennsylvania Department of Banking. When  
3 any funds are deposited in any escrow account, interest-bearing  
4 or noninterest-bearing, the lessor shall thereupon notify in  
5 writing each of the tenants making any such deposit, giving the  
6 name and address of the banking institution in which such  
7 deposits are held, and the amount of such deposits.

8 (b) [Whenever any money is required to be deposited in an  
9 interest-bearing escrow savings account, in accordance with  
10 section 511.1, then the lessor shall be entitled to receive as  
11 administrative expenses, a sum equivalent to one per cent per  
12 annum upon the security money so deposited, which shall be in  
13 lieu of all other administrative and custodial expenses. The  
14 balance of the] The interest paid shall be the money of the  
15 tenant making the deposit and will be paid to said tenant  
16 annually upon the anniversary date of the commencement of his  
17 lease.

18 (c) The provisions of this section shall apply only after  
19 the [second] first anniversary of the deposit of escrow funds.

20 Section 2. This act shall take effect in 60 days.