

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1095 Session of 2024

INTRODUCED BY DILLON, CAPPELLETTI, SAVAL, FONTANA, SCHWANK,
HAYWOOD, COLLETT, KANE, STREET AND KEARNEY, MARCH 11, 2024

REFERRED TO URBAN AFFAIRS AND HOUSING, MARCH 11, 2024

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," in preliminary provisions, providing for
6 residential rental property rate increases; and establishing
7 the Rent Control Advisory Board.

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

10 Section 1. The act of April 6, 1951 (P.L.69, No.20), known
11 as The Landlord and Tenant Act of 1951, is amended by adding a
12 section to read:

13 Section 106. Residential Rental Property Rate Increases.--

14 (a) A lessor of a residential rental property of a tenant may
15 not increase the gross rental amount for the residential rental
16 property of the tenant by an amount greater than ten per cent
17 above the lowest gross rental amount charged for the residential
18 rental property at any time during the twelve-month period prior
19 to the effective date of the increase in the gross rental amount
20 or by a rate greater than the percentage increase in the annual

1 area median income of the county in which the residential rental
2 property is located, whichever is greater. The following apply:

3 (1) In determining the lowest gross rental amount, any rent
4 discount, incentive, concession or credit offered by the lessor
5 and accepted by the tenant shall be excluded.

6 (2) The gross rental amount and any rent discount,
7 incentive, concession or credit shall be separately listed and
8 identified in the rental agreement, and in any amendment of the
9 rental agreement, of the tenant.

10 (3) If the same tenant remains in occupancy of a residential
11 rental property over any twelve-month period, the lessor may not
12 increase the gross rental amount more than once during that
13 twelve-month period unless stipulated in the rental agreement.

14 (b) The following apply to notice of an increase in the
15 gross rental amount for a tenant by a lessor:

16 (1) The lessor shall provide the tenant with written notice
17 of the increase at least ninety days prior to the effective date
18 of the increase.

19 (2) The written notice of the increase must specify all of
20 the following:

21 (i) The amount of the increase.

22 (ii) The new gross rental amount.

23 (iii) The facts supporting an exception authorized under
24 subsection (h) for any increase exceeding the limitations under
25 subsection (a), if applicable.

26 (iv) The date on which the increase becomes effective.

27 (c) A lessor may not increase the gross rental amount for a
28 new tenant more than fifteen per cent above the gross rental
29 amount paid by the tenant who occupied the residential rental
30 property immediately prior to the occupancy of the new tenant.

1 The lessor shall disclose the gross rental amount paid by the
2 previous tenant to the new tenant before or at the time of the
3 execution of the rental agreement by the new tenant.

4 (d) A lessor that increases gross rental amounts in
5 violation of this section is liable to the tenant in an amount
6 equal to three months' rent of the tenant plus actual damages
7 suffered by the tenant.

8 (e) Nothing in this section shall be construed to affect or
9 impair the right of a tenant to pursue a private cause of action
10 or seek other relief.

11 (f) The Rent Control Advisory Board is established to
12 administer this section. The following apply:

13 (1) The appointment of members of the board shall be as
14 follows:

15 (i) The Governor shall appoint as a member of the board an
16 individual representing tenants.

17 (ii) The President pro tempore of the Senate shall appoint
18 the following as members of the board:

19 (A) An individual representing the Department of Military
20 and Veterans Affairs.

21 (B) An individual representing recipients of low-income
22 housing.

23 (iii) The Minority Leader of the Senate shall appoint the
24 following as members of the board:

25 (A) An individual representing developers.

26 (B) An individual representing persons with disabilities.

27 (iv) The Speaker of the House of Representatives shall
28 appoint the following as members of the board:

29 (A) An individual representing the building or construction
30 trades.

1 (B) An individual representing the Housing Alliance of
2 Pennsylvania.

3 (v) The Minority Leader of the House of Representatives
4 shall appoint the following as members of the board:

5 (A) An individual representing the Pennsylvania Housing
6 Finance Agency.

7 (B) An individual representing lessors.

8 (2) The members of the board shall be appointed as follows:

9 (i) Except as provided in subparagraph (ii), members of the
10 board shall be appointed for a term of three years and may be
11 reappointed.

12 (ii) Members of the board first appointed shall be appointed
13 for staggered terms so that the terms of no more than four
14 members shall expire at the same time thereafter. The following
15 apply:

16 (A) The members of the board listed in paragraph (1)(i)
17 shall initially be appointed for a one-year term.

18 (B) The members of the board listed in paragraph (1)(ii) and
19 (iii) shall initially be appointed for a two-year term.

20 (C) The members of the board listed in paragraph (1)(iv) and
21 (v) shall initially be appointed for a three-year term.

22 (3) The members of the board shall serve without pay.

23 (4) A vacancy on the board that occurs other than by the
24 expiration of the term of the board member shall be filled for
25 the unexpired term in the same manner as the original
26 appointment.

27 (5) The appointing authority may remove any of its members
28 of the board for misconduct or malfeasance in office, incapacity
29 or neglect of duty.

30 (6) A member of the board must be a resident of this

1 Commonwealth.

2 (7) The board shall meet at least every six months to
3 discuss the effects of the measures under this section as they
4 relate to lessors, tenants, residential rental property and
5 other related matters.

6 (8) The members of the board shall choose a chairperson and
7 vice chairperson of the board.

8 (9) A majority of the members of the board shall constitute
9 a quorum to conduct the official business of the board.

10 (10) The Office of the Governor shall ensure that reasonable
11 staff and support are made available to the board to carry out
12 its duties.

13 (11) The following apply to reports:

14 (i) No later than one year after the effective date of this
15 section and annually thereafter, the board shall issue a report
16 of its findings and recommendations regarding the effects of the
17 measures under this section as they relate to lessors, tenants,
18 residential rental property and other related matters.

19 (ii) Each report under this paragraph shall be submitted to:

20 (A) The Governor.

21 (B) The President pro tempore of the Senate.

22 (C) The Speaker of the House of Representatives.

23 (D) The Minority Leader of the Senate.

24 (E) The Minority Leader of the House of Representatives.

25 (F) The chairperson and minority chairperson of the Urban
26 Affairs and Housing Committee of the Senate.

27 (G) The chairperson and minority chairperson of the Housing
28 and Community Development Committee of the House of
29 Representatives.

30 (12) On an annual basis, the board shall ascertain the area

1 median income and the percentage increase in the area median
2 income for each county in this Commonwealth and shall transmit
3 that information to the Legislative Reference Bureau for
4 publication in the next available issue of the Pennsylvania
5 Bulletin.

6 (g) A lessor may evict a tenant from a residential rental
7 property only for good cause.

8 (h) A lessor may file an action with the magisterial
9 district judge with jurisdiction over the location in which the
10 residential rental property is located to appeal the
11 prohibition under subsection (a) or (c). The following apply:

12 (1) The appeal must be based on financial hardship that:

13 (i) is caused by the prohibition;

14 (ii) is caused through no fault of the lessor; and

15 (iii) constitutes severe or irreparable economic or
16 financial burden on the part of the lessor and not merely the
17 lack of profitability.

18 (2) The remedy sought under the appeal regarding subsection
19 (a) shall constitute a one-time exemption from the prohibition
20 under subsection (a), with the new cap not to exceed twenty per
21 cent of the amount specified under subsection (a).

22 (3) The remedy sought under the appeal regarding subsection
23 (b) shall be an upward adjustment of the gross rental amount not
24 to exceed fifteen per cent.

25 (i) This section does not apply in any of the following
26 cases:

27 (1) The residential rental property has been newly
28 constructed and issued a certificate of occupancy as a result of
29 its completion, less than ten years from the effective date of
30 the increase in the gross rental amount.

1 (2) The residential rental property is regulated or
2 certified as affordable housing by a Federal, State or local
3 government and the change in rent:

4 (i) does not increase the tenant's portion of the rent; or

5 (ii) is required by program eligibility requirements or by a
6 change in the tenant's income.

7 (3) Except as provided in subsection (c), the lessor is
8 entering into a new rental agreement in which no tenant from the
9 prior rental agreement remains in lawful possession of the
10 residential rental property. In such a case, the following
11 apply:

12 (i) Subsection (a) shall not apply to the establishment by
13 the lessor of the initial gross rental amount of the residential
14 rental property.

15 (ii) Subsection (a) shall apply to any subsequent increase
16 in the gross rental amount after the establishment of the
17 initial gross rental amount under this subsection.

18 (4) The residential rental property is the subject of a
19 countywide revision of reassessment regarding real property
20 taxes during the period of the rental agreement.

21 (5) The lessor is a small landlord.

22 (6) The residential rental property is a dormitory.

23 (j) This section shall not apply on or after the date that
24 is fifteen years after the effective date of this subsection.

25 (k) As used in this section, the following words and phrases
26 shall have the meanings given to them in this subsection:

27 "Area median income." The midpoint of a specific area's
28 household income distribution, as calculated on an annual basis
29 by the United States Department of Housing and Urban
30 Development.

1 "Board." The Rent Control Advisory Board established under
2 subsection (f).

3 "Dormitory." A building constructed and maintained in
4 connection with an institution of higher education for the use
5 and occupancy of students in attendance at the institution of
6 higher education.

7 "Good cause." Any of the following:

8 (1) Failure of the tenant to pay the gross rental amount.

9 (2) Violation by the tenant of a material term of the rental
10 agreement, after being given a written notice to correct the
11 violation.

12 (3) Criminal activity by the tenant on the residential
13 rental property, including any common area, or criminal activity
14 or criminal threat on or off the residential rental property
15 that is directed at the lessor or an agent of the lessor.

16 (4) Failure of the tenant to vacate the residential rental
17 property after the termination of the rental agreement or the
18 end of the rental period under the rental agreement.

19 "Gross rental amount." As follows:

20 (1) The monthly amount of money paid by a tenant for rent
21 for a residential rental property, as specified in the rental
22 agreement of the tenant.

23 (2) The term does not include fees, penalties or the costs
24 of utilities for the residential rental property.

25 "Institution of higher education." As defined in section
26 118(c) of the act of March 10, 1949 (P.L.30, No.14), known as
27 the Public School Code of 1949.

28 "Lessor." A person, who is a landlord, with an ownership
29 stake in owning, controlling, leasing, operating or managing a
30 residential rental property of a tenant.

1 "Rental agreement." As follows:

2 (1) A contract or other agreement under which a lessor
3 allows a tenant to use and occupy a residential rental property.

4 (2) The term includes a lease or sublease.

5 "Residential rental property." A dwelling, or unit within a
6 dwelling, that is used or intended to be used as a place of
7 human habitation and is the subject of a rental agreement.

8 "Small landlord." A lessor, who is a landlord, with an
9 ownership stake in owning, controlling, leasing, operating or
10 managing fewer than fifteen units in a residential rental
11 property or in multiple residential rental properties.

12 "Tenant." An individual who lawfully occupies or intends to
13 lawfully occupy a residential rental property.

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