

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2656 Session of
1994

INTRODUCED BY BUXTON, ROEBUCK, ROBINSON, MUNDY, STEIGHNER, COY,
HENNESSEY, SERAFINI, LAUGHLIN, RICHARDSON, VEON, TRELLO,
THOMAS, CESSAR, TOMLINSON AND VAN HORNE, APRIL 6, 1994

REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT,
APRIL 6, 1994

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 placement escrow
6 funds; and authorizing the Attorney General to obtain certain
7 information from financial institutions regarding escrow
8 funds.

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

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

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

1 institution regulated by the Federal Reserve Board, the Federal
2 Home Loan Bank Board, Comptroller of the Currency, or the
3 Pennsylvania Department of Banking and located in Pennsylvania.

4 When any funds are deposited in any escrow account, interest-
5 bearing or noninterest-bearing, the lessor shall thereupon
6 notify in writing each of the tenants making any such deposit,
7 giving the name and address of the banking institution in which
8 such deposits are held, and the amount of such deposits.

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

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

20 (d) For just cause, upon request of the Office of Attorney
21 General, the financial institution in which escrow funds have
22 been deposited shall provide any and all information concerning
23 the escrow accounts of tenants.

24 Section 2. This act shall take effect immediately.