



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1549

PRINTER'S NO. 2724

PRIME SPONSOR: Madsen

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	\$0	\$0

SUMMARY:

House Bill 1549 amends the Landlord and Tenant Act to require a landlord to pay a relocation payment to a permanently displaced tenant if the rental property is condemned or deemed unfit for human habitation. The landlord is also to provide the tenant with alternative, temporary housing.

ANALYSIS:

This bill makes multiple changes to Act 20 of 1951 (The Landlord and Tenant Act of 1951). First, it amends section 502-A to outline that a landlord has a duty to provide a tenant a habitable dwelling. Second, it adds Article V-C, titled Tenant Relocation. Section 501-C of this article outlines definitions, including displaced tenant, permanently displaced tenant, and temporarily displaced tenant. Section 502-C (Temporary Displacement), requires a landlord to comply with this section within 60 hours of the posting of condemnation of rental housing. This section outlines:

- A landlord may offer a temporarily displaced tenant an alternative dwelling unit of comparable size and rental price for the tenant and their belongs for the full temporarily displace period, and if the tenant accepts this offer, the landlord has no other requirements during the temporary displacement period under this article.
- A temporary displacement period shall not exceed 60 days.
- At the beginning of a temporary displacement period, a landlord shall pay for the immediate relocation of the temporarily displaced tenant and their belongings. The tenant may give written approval for the landlord to move the tenant's belongings at the landlord's expense. The inverse shall apply at the end of a temporary displacement period.
- If a temporarily displaced tenant returns to the tenant's original housing, all lease provisions shall remain in place for the remainder of the lease in effect at the time of the tenant's displacement.

Third, the bill adds section 503-C (Permanent Displacement). If a tenant has been displaced for more than 60 days, the tenant is considered permanently displaced. Within 72 hours of the 60th day of displacement, the landlord shall pay, by check or money order, to the permanently displaced tenant:

- The tenant's security deposit with interest; and
- Any pro rata rent for the remainder of the month.

This section also outlines that any unpaid debts or arrearages owed to the landlord prior to the rental unit becoming uninhabitable may be paid from the permanently displaced tenant's security deposit. The remainder of the security deposit shall be returned to the tenant.

Fourth, the bill adds section 506-C (First Right to Reoccupy). This section outlines that a landlord shall provide the permanently displaced tenant with the first right to reoccupy the unit once the unit becomes habitable. In addition:

- The landlord is to supply the permanently displaced tenant written notice of the first right to reoccupy, which shall include the landlord's current address and telephone number;
- The permanently displaced tenant is to supply the landlord with their current address and telephone number to be used for notification;
- The written notice to the permanently displaced tenant informing them that the housing is habitable shall be given via certified mail;
- The permanently displaced tenant shall notify the landlord of the tenant's intent to reoccupy the rental no later than five days after receiving the certified letter and must reoccupy the unit within 30 days of notifying the landlord of the tenant's intent to reoccupy; and
- The permanently displaced tenant may waive the right to reoccupy at any time after displacement.

Finally, this bill adds section 507-C (Applicability). This section outlines that this article shall not apply to a landlord or managing agent who:

- Resides in the Commonwealth and operates less than 15 residential dwelling units within the Commonwealth;
- Employs an on-site property management team;
- Employs an on-site property maintenance team; or
- Has entered into an agreement with a third-party property management company or property maintenance team.

It also outlines that this article shall not apply if the rental housing is condemned to:

- Events that are beyond the control of the landlord, including fire, water damage, natural disasters, or acts of God; or
- Damages that are the result of the lack of maintenance, neglect, failure to pay utility bills, or other preventative action that could have been taken by the tenant.

This bill will take effect in one year upon enactment.

FISCAL IMPACT:

This bill would have no impact on Commonwealth funds.

PREPARED BY: Chris Fetterman, Special Advisor
House Appropriations Committee (D)

DATE: March 26, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.