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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 506 Session of  
2023

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INTRODUCED BY GUENST, HILL-EVANS, MADDEN, SMITH-WADE-EL,  
NEILSON, BURGOS, KRAJEWSKI, OTTEN, McNEILL, CERRATO AND  
N. NELSON, MARCH 17, 2023

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REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,  
MARCH 17, 2023

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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," providing for limitations on rent  
6 increases; and imposing penalties.

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

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

12 ARTICLE V-C

13 LIMITATIONS ON RENT INCREASES

14 Section 501-C. Definitions.

15 The following words and phrases when used in this article  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 "Duplex." A structure of one or more stories, including any  
19 land appurtenant to the structure, in which exactly two units of

1 residential dwelling space are occupied, or are intended to be  
2 occupied by two or more persons who live independently of each  
3 other.

4 "Dwelling unit." A structure, or a room or group of rooms  
5 within a structure, used or intended for use, in whole or in  
6 part, for residential purposes.

7 "Percentage change in the cost of living." The term shall  
8 include:

9 (1) the percentage change from February 1 of the prior  
10 year to February 1 of the current year in the regional  
11 Consumer Price Index for the region where the dwelling unit  
12 is located, as published by the United States Bureau of Labor  
13 Statistics; or

14 (2) any alternative source for determining the  
15 percentage change in the cost of living that the secretary  
16 deems necessary to effectuate the provisions of this article.

17 "Secretary." The Secretary of Labor and Industry of the  
18 Commonwealth.

19 "Single family dwelling unit." A building or structure of  
20 one or more stories, including any land appurtenant to the  
21 structure, in which exactly one unit of residential dwelling  
22 space is occupied, or intended to be occupied, by one or more  
23 persons.

24 "Tenancy." The lawful occupation of a dwelling unit to  
25 include a lease or sublease.

26 Section 502-C. Limitations on rent increases.

27 (a) Rent increase limitation.--Except as provided in section  
28 503-C, residential landlords are prohibited from increasing rent  
29 on a dwelling unit by more than 5% plus the percentage change in  
30 the cost of living or 10%, whichever is lower, of the lowest

1 rental rate charged for the dwelling unit at any time during the  
2 12 months prior to the date when the increase takes effect.

3 (b) Sublease limitation.--A tenant of residential real  
4 property subject to this section may not enter into a sublease  
5 that results in a rental rate for the dwelling unit that exceeds  
6 the allowable rental rate under subsection (a). Nothing in this  
7 subsection authorizes a tenant to sublet or assign the tenant's  
8 interest where otherwise prohibited.

9 Section 503-C. Exceptions and notice requirements.

10 The following apply:

11 (1) The rent and sublease limitations under section 502-  
12 C shall not apply to the following:

13 (i) Nonresidential real property.

14 (ii) A dwelling unit restricted by deed, regulatory  
15 restriction contained in an agreement with a government  
16 agency or other recorded document as affordable housing  
17 for persons and families of very low, low or moderate  
18 income.

19 (iii) A dormitory constructed and maintained in  
20 connection with an institution of higher education for  
21 the use and occupancy of students in attendance at the  
22 institution.

23 (iv) A dwelling unit that has been newly constructed  
24 and issued a certificate of occupancy within the previous  
25 15 years.

26 (v) A single family dwelling unit to which the  
27 following apply:

28 (A) A real estate investment trust, as defined  
29 in 26 U.S.C. § 856 (relating to definition of real  
30 estate investment trust).

1                   (B) A corporation.

2                   (C) A limited liability company in which at  
3                   least one member is a corporation.

4                   (vi) A duplex in which the landlord occupies one of  
5                   the units as the landlord's principal place of residence  
6                   at the beginning of the tenancy.

7                   (vii) A new tenancy in which no tenant from the  
8                   prior tenancy remains in lawful possession of the  
9                   dwelling unit.

10                  (2) The tenant shall be provided written notice that the  
11                  dwelling unit is exempt from the requirements of section 502-  
12                  C using the following statement:

13                         This property is not subject to the rent limits  
14                         imposed in section 502-C(a) of Article V-C of the  
15                         Landlord and Tenant Act of 1951. The landlord is  
16                         not any of the following: (1) a real estate  
17                         investment trust; (2) a corporation; or (3) a  
18                         limited liability company in which at least one  
19                         member is a corporation.

20                  (3) For a tenancy for a single family dwelling unit in  
21                  existence prior to the first day of the third month following  
22                  the effective date of this paragraph, the notice required  
23                  under paragraph (2) is not required to be provided in the  
24                  rental agreement.

25                  (4) For a tenancy for a single family dwelling unit  
26                  commenced or renewed on or after the first day of the third  
27                  month following the effective date of this paragraph, the  
28                  notice required under paragraph (2) must be provided in the  
29                  rental agreement.

30    Section 504-C. Preemption.

1 The following shall apply:

2 (1) The provisions of this article shall not preempt an  
3 ordinance, rule, regulation or other law regarding rent  
4 control, rent leveling or rent subsidization adopted by the  
5 governing body of a municipality that would result in a lower  
6 permitted rent increase on a dwelling unit over the course of  
7 a 12-month period.

8 (2) The provisions of this article shall preempt an  
9 ordinance, rule, regulation or other law regarding rent  
10 control, rent leveling or rent stabilization adopted by the  
11 governing body of a municipality that would result in a  
12 higher permitted rent increase on a dwelling unit over the  
13 course of a 12-month period.

14 Section 505-C. Violations and remedies.

15 (a) Violation.--A violation of this article constitutes an  
16 unlawful practice under the act of December 17, 1968 (P.L.1224,  
17 No.387), known as the Unfair Trade Practices and Consumer  
18 Protection Law, and shall subject the offending landlord to all  
19 remedies and penalties available to an aggrieved consumer under  
20 the act.

21 (b) Termination of lease.--A tenant may petition a court of  
22 competent jurisdiction to terminate a lease containing a  
23 provision in violation of this article.

24 (c) Defense to eviction.--A tenant may assert a violation of  
25 this article as a defense to an eviction action.

26 Section 506-C. Rules and regulations.

27 The secretary is authorized to promulgate rules and  
28 regulations necessary to effectuate the purposes of this  
29 article.

30 Section 507-C. Applicability.

1        This article shall apply to rental contracts and rent  
2 increases implemented on or after January 1, 2024.

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