
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1983 Session of
2021

INTRODUCED BY GAYDOS, CIRESI, HILL-EVANS AND INNAMORATO,
OCTOBER 19, 2021

REFERRED TO COMMITTEE ON URBAN AFFAIRS, OCTOBER 19, 2021

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 recovery of possession, providing for
6 fee in lieu of escrow funds.

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 a
11 section to read:

12 Section 511.4. Fee in Lieu of Escrow Funds.--(a)
13 Notwithstanding any other provision of law, a landlord may
14 choose to waive an escrow funds payment and a tenant may choose
15 to pay a fee in lieu of escrow funds. The payment of the fee in
16 lieu of escrow funds shall discharge the landlord's escrow fund
17 requirement and the tenant's escrow fund payment obligation.

18 (b) A fee in lieu of escrow funds:

19 (1) May be entirely or partially nonrefundable. If the fee
20 is not refundable, the landlord shall disclose that information

1 in the lease and have it separately acknowledged by the tenant.

2 (2) May be utilized by the landlord to purchase insurance
3 coverage for unpaid rent or unit damage.

4 (3) May be a recurring monthly fee or payable on a schedule
5 in an amount upon which the landlord and tenant agree.

6 (4) May not be considered by a court, arbitrator, mediator
7 or another dispute resolution adjudicator to be escrow funds as
8 described in sections 511.1, 511.2 and 511.3 or other laws of
9 this Commonwealth or local codes governing escrow funds or
10 security deposits.

11 (c) If a landlord chooses to waive an escrow funds payment,
12 the landlord shall:

13 (1) Ensure that the fee is optional for the tenant and
14 inform the tenant that the tenant may choose to pay full escrow
15 funds rather than the fee.

16 (2) Not use a prospective tenant's choice of either paying
17 escrow funds or paying a fee in lieu of escrow funds in
18 consideration of whether to approve an application for
19 occupancy.

20 (3) Offer a fee in lieu of escrow funds to every other
21 prospective tenant whose application for occupancy has been
22 approved, whereby such a fee is offered without regard to
23 income, race, gender, disability, sexual orientation,
24 immigration status, size of household or credit score.

25 (4) Allow a tenant who agrees to pay a fee in lieu of escrow
26 funds to opt out of the continuing fee obligation upon full
27 payment of escrow funds that is otherwise in effect for the
28 tenant's residence on the day of the opt-out.

29 (d) When a landlord offers to a prospective tenant to waive
30 an escrow funds payment and instead for the tenant to pay a fee

1 in lieu of escrow funds, the landlord shall notify the tenant in
2 writing:

3 (1) That the tenant may pay the full amount of escrow funds
4 instead of the fee.

5 (2) That the tenant has the option to terminate the
6 agreement to pay the fee in lieu of escrow funds at any time and
7 instead pay escrow funds in the amount that is otherwise offered
8 to new tenants for substantially similar housing on the date
9 that the tenant terminates the fee agreement.

10 (3) The amount of money to be paid for either paying the
11 full escrow funds or paying the fee in lieu of escrow funds.

12 (4) That the fee is being paid only to secure occupancy
13 without a requirement of paying escrow funds.

14 (5) That the fee, unless otherwise specified, is not
15 refundable.

16 (6) That payment of the fee, unless otherwise specified,
17 does not eliminate, release or otherwise limit the requirements
18 of the lease, including that the tenant must pay:

19 (i) rent as the rent becomes due; and

20 (ii) the cost of repairing damages that

21 the tenant is legally liable for under the law and lease.

22 (e) If a landlord chooses to waive an escrow funds payment
23 and a tenant instead agrees to pay a fee in lieu of escrow
24 funds, the agreement to collect the fee must be in writing and
25 signed by the landlord, or the landlord's legal representative,
26 and the tenant.

27 (f) After a landlord chooses to waive an escrow funds
28 payment and a tenant instead agrees to pay a fee in lieu of
29 escrow funds, the following terms shall be clearly specified in
30 writing in the lease:

1 (1) The fee is being paid only to secure occupancy without a
2 requirement of paying escrow funds.

3 (2) The fee, unless otherwise specified, is not refundable.

4 (3) The payment of the fee, unless otherwise specified, does
5 not eliminate, release or otherwise limit the requirements of
6 the lease, including that the tenant must pay:

7 (i) rent as the rent becomes due; and

8 (ii) the cost of repairing damages that the tenant is
9 legally liable for under the law and lease.

10 Section 2. This act shall apply to all lease agreements
11 entered into or renewed on or after the effective date of this
12 act.

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