
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 914 Session of
2025

INTRODUCED BY PROKOPIAK, GUENST, HILL-EVANS, KHAN, WAXMAN,
DEASY, GIRAL, PROBST, KENYATTA, BOROWSKI, CERRATO, CEPEDA-
FREYTIZ, SANCHEZ, BOYD AND RIVERA, MARCH 17, 2025

REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
MARCH 17, 2025

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 duties on the Pennsylvania Housing
7 Finance Agency.

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 an
12 article to read:

13 ARTICLE V-C

14 LIMITATIONS ON RENT INCREASES

15 Section 501-C. Definitions.

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

19 "Agency." The Pennsylvania Housing Finance Agency.

1 "Banked amount." The dollar amount of an annual rent
2 increase allowance that a landlord did not use to increase the
3 rent for a regulated unit.

4 "Base rent." Rent charged for a regulated unit under a
5 lease, exclusive of any rental discounts, incentives,
6 concessions or credits that are:

- 7 (1) offered by the landlord;
8 (2) accepted by the tenant; and
9 (3) itemized in the lease separate from the rent.

10 "Capital improvements."

11 (1) Permanent structural alterations to a regulated unit
12 or mobile home park in which a regulated unit is located
13 intended to enhance the value of the unit, including the
14 following:

15 (i) Structural alterations required under Federal,
16 State or local law.

17 (ii) Improvements in amenities or services offered
18 in the mobile home park.

19 (2) The term does not include ordinary repair or
20 maintenance of existing structures.

21 "CPI-U." The Consumer Price Index for All Urban Consumers
22 for the Middle Atlantic census division, published by the United
23 States Department of Labor, Bureau of Labor Statistics.

24 "Executive director." The executive director of the
25 Pennsylvania Housing Finance Agency.

26 "Fair return." A return on investment that is sufficient to
27 offset operating expenses and commensurate with returns on
28 investments in other enterprises having comparable risks.

29 "Landlord." As defined under section 501-B. The term shall
30 include the owner of a mobile home park.

1 "Regulated unit." A rental unit that is not exempted under
2 section 504-C, including a unit located on a mobile home space.

3 "Substantial renovation." Permanent alterations to a
4 building or mobile home park that:

5 (1) are intended to enhance the value of the building or
6 mobile home park; and

7 (2) cost an amount equal to at least 40% of the value of
8 the building or mobile home park as assessed by the county
9 assessment office of the county in which the building or
10 mobile home park is located.

11 Section 502-C. Annual rent increase allowance.

12 (a) Annual rent increase allowance.--The executive director
13 shall annually calculate a rent increase allowance for regulated
14 units equal to the lesser of:

15 (1) the CPI-U plus 3% of the base rent; or

16 (2) 6% of the base rent.

17 (b) Publication.--The executive director shall publish the
18 annual rent increase allowance on the agency's publicly
19 accessible Internet website.

20 (c) Duration.--A rent increase allowance under subsection

21 (a) shall remain in effect for a 12-month period, beginning July
22 1 of each year and ending on June 30 of the following year.

23 Section 503-C. Rent increases and limited surcharges for
24 capital improvements.

25 (a) Rent increase.--

26 (1) Except as provided under subsections (b) and (c) (2)
27 and subject to paragraph (2), upon a lease renewal or new
28 lease agreement, a landlord may not increase the rent of a
29 regulated unit to an amount greater than:

30 (i) the base rent; plus

1 (ii) the rent increase allowance under section 502-
2 C; plus
3 (iii) any banked amount.

4 (2) A rent increase under paragraph (1) may not exceed
5 10% of the base rent.

6 (b) Rent increase in vacant regulated units.--The agency
7 shall adopt an annual determination of the allowable rent
8 increase for a regulated unit that:

9 (1) has been vacant for more than 12 months;

10 (2) does not have an active lease, either by a written
11 or oral agreement; and

12 (3) has returned to the market for rent.

13 (c) Fair return rent increase.--

14 (1) A landlord may file a petition with a magisterial
15 district court to increase rent of a regulated unit in an
16 amount that exceeds the annual rent increase under subsection
17 (a).

18 (2) A court shall grant the petition under paragraph (1)
19 if the court finds that the increase is necessary for the
20 landlord to obtain a fair return on the regulated unit.

21 (d) Limited surcharge for capital improvements.--A landlord
22 may file a petition with a magisterial district court for
23 approval to add a limited surcharge to the rent of a regulated
24 unit to account for capital improvement costs. A magisterial
25 district court shall grant a landlord's petition to add a
26 surcharge under this subsection to the amount permitted under
27 subsection (a) if the court determines:

28 (1) The surcharge is limited to an amount necessary to
29 cover the costs of capital improvements, excluding the costs
30 of ordinary repair and maintenance.

1 (2) The surcharge does not take effect until after the
2 capital improvements are completed.

3 (3) If the capital improvements are for all regulated
4 units within a building or mobile home park, the surcharge:

5 (i) is divided equally among the regulated units;

6 (ii) is prorated over at least 96 months; and

7 (iii) does not exceed 20% of the base rent.

8 (4) If the capital improvements apply only to certain
9 regulated units within a building or mobile home park, the
10 surcharge:

11 (i) is divided equally among the affected regulated
12 units;

13 (ii) is prorated over at least 60 months; and

14 (iii) does not exceed 15% of the base rent.

15 (5) The surcharge for each regulated unit ends once the
16 costs of the capital improvements, including any interest and
17 service charges, have been recovered by the landlord.

18 (6) The capital improvements protect or enhance the
19 health, safety and security of the tenants or the
20 habitability of the regulated units.

21 (7) If the capital improvements would result in energy
22 cost savings:

23 (i) the savings would be passed on to the tenant;
24 and

25 (ii) either the improvements would result in a net
26 savings in the use of energy in the building or mobile
27 home park or the improvements are intended to comply with
28 applicable law.

29 (8) The capital improvements are depreciable under the
30 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §

1 1 et seq.).

2 (9) The applicant has certified to the magistrate the
3 costs of the capital improvements, including any interest and
4 service charge.

5 (10) The applicant has certified to the magisterial
6 district court that all necessary governmental permits and
7 approvals have been granted.

8 (e) Additional requirements.--A landlord shall maintain and
9 shall make available to a tenant upon request all plans,
10 contracts, specifications and permits related to any capital
11 improvements for which a surcharge has been granted.

12 Section 504-C. Exempt rental units.

13 (a) Exemptions.--The requirements of section 503-C shall not
14 apply to:

15 (1) A newly constructed unit that has been offered for
16 rent for less than 23 years.

17 (2) A unit in a licensed facility, the primary purpose
18 of which is the diagnosis, cure, mitigation and treatment of
19 illnesses.

20 (3) A unit in a facility owned or leased by an
21 organization exempt from Federal income taxes under 26 U.S.C.
22 § 501(c) (3) (relating to exemption from tax on corporations,
23 certain trusts, etc.) if the primary purpose of the
24 organization is to provide temporary shelter for qualified
25 clients.

26 (4) An owner-occupied group house.

27 (5) A religious facility, including a church, synagogue,
28 parsonage, rectory, convent and parish home.

29 (6) A transient lodging facility.

30 (7) A school dormitory.

1 (8) An assisted living facility or nursing home.

2 (9) A building originally designed and constructed to
3 contain only two dwelling units, one of which the owner
4 occupies as a principal residence.

5 (10) An accessory dwelling unit.

6 (11) A unit subject to a regulatory agreement with a
7 governmental agency that restricts occupancy of the unit to
8 low-income tenants and moderate-income tenants.

9 (12) A unit located within a substantially renovated
10 building or mobile home park if the substantial renovation
11 occurred within the prior 23 years.

12 (13) A unit owned by a landlord who:

13 (i) owns two or fewer units within this
14 Commonwealth; and

15 (ii) is either an individual or the trust or estate
16 of a decedent.

17 (b) Expiration of exemption.--An exemption under subsection
18 (a) shall expire when the conditions entitling the unit or
19 facility to an exemption cease to exist.

20 Section 505-C. Agency regulations and enforcement.

21 (a) Rules and regulations.--The agency shall promulgate
22 rules and regulations necessary to implement this article,
23 including:

24 (1) A formula to determine the rent increase necessary
25 to obtain a fair return for a regulated unit.

26 (2) Petition requirements, including the information a
27 landlord shall submit to demonstrate the rent necessary to
28 obtain a fair return under section 503-C(c).

29 (3) A uniform system and procedure for processing
30 petitions under section 503-C(c) and (d).

1 (4) Criteria magisterial district courts shall use to
2 evaluate and to grant or deny a petition under section 503-
3 C(c) and (d).

4 (5) The duration of a rent increase approved under this
5 article.

6 (6) Limitations on fee increases or new fees charged by
7 a landlord for a regulated unit.

8 (b) Promulgation.--The agency shall promulgate the rules and
9 regulations required under subsection (a) no later than 90 days
10 after the effective date of this subsection.

11 Section 506-C. Applicability.

12 Sections 501-C, 502-C, 503-C and 504-C shall not apply and
13 may not be enforced until the rules and regulations required
14 under section 505-C(a) have taken effect.

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