



Bill number: 250101

Introduced by: Young

Cosponsor(s): Landau, Brooks, O'Rourke, Driscoll

Assigned committee: Law and Government

Date introduced: 02/13/2025

Fiscal Note

Overview

This bill would address limits on late fees related to non-payment of rent.

Legislative Summary

The bill would prohibit property owners, operators and managers from imposing late fees, interest, or other penalties on residential tenants who lawfully withhold or deduct money from their rent because the property is uninhabitable. The prohibition would apply when tenants follow the requirements of the City Rent Withholding Act or Pennsylvania state case law when withholding or deducting their rent. The City Rent Withholding Act allows tenants living in a property that has been certified by L&I as unfit for human habitation to withhold rent if the money is kept in an escrow account.

When certain conditions are met, state case law allows tenants to:

- (1) withhold rent proportionate to the amount of the property that is unusable, or
- (2) deduct the money paid for reasonable repairs to make the property habitable.

Specifically, before the tenant withholds or deducts rent:

- (1) the tenant must have notified the landlord of unsafe and unsanitary conditions at the property,
- (2) the landlord must have had a reasonable opportunity to fix the issues, and
- (3) the landlord must have failed to do so. If the Fair Housing Commission or a court has determined that each of these conditions had been met, the landlord a tenant would be prohibited from charging or accepting penalties for any rent the tenant lawfully withheld or deducted.

Proposed Effective Date

This legislation will be effective immediately after enactment.

Fiscal Impact Analysis

There would be no fiscal impact resulting from the enactment of this legislation.

Legislative History

Not applicable

Prepared by: Policy and Fiscal Analyst Unit, Mayor's Office of Legislative Affairs

Date: 03/05/2025

This document is a summary of proposed legislation as introduced and is prepared by the Mayor's Office of Legislative Affairs for general information only. It does not represent the official legal position of the City. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.