



Legislation Text

File #: 200381, Version: 0

Amending Chapter 9-800 of The Philadelphia Code, entitled "Landlord and Tenant," requiring landlords to give tenants notice of alternative ways to meet tenant obligations to make security deposits; and by providing for certain landlord and tenant responsibilities related to the payment of rent and security deposits; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 9-800 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 9-800 LANDLORD AND TENANT

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§ 9-804. Unfair Rental Practices.

\* \* \*

(11) Notice Requirement

\* \* \*

(c) Landlord Notice to Tenant of Alternatives to Paying the Full Amount of a Security Deposit. If a landlord requires a security deposit, the landlord shall offer, at the option of the tenant, one of the following rental security deposit alternatives: (i) rental security insurance; (ii) payment of the security deposit over a series of no less than 6 monthly installment payments, which installments shall be due on the same day as the monthly rent payment and which may be paid together with the monthly rent payment in a single transaction, absent separate agreement by the landlord and tenant; or (iii) payment of the full balance of the security deposit.

(1) Prior to entering into a rental agreement, a landlord shall provide the tenant written notice of the available security deposit alternatives.

(A) A landlord and tenant may negotiate terms for rental agreements less than twelve months in length, including month-to-month rental agreements.

(B) A tenant is in violation of his or her rental agreement: (1) if he or she does not make payment of required insurance premiums; (2) fails to renew the security deposit insurance; or (3) fails to pay the balance of any security deposit.

*(.2) If a tenant chooses to provide a security deposit, the landlord shall, at the time payment is received, provide the tenant with a signed receipt for the security deposit and all rental payments, except for payments made by personal check of the tenant.*

*(.3) If a tenant chooses to provide rental security insurance in lieu of a security deposit, the rental security insurance must conform to the following criteria to qualify as a security deposit alternative for the purposes of this subsection:*

*(A) The insurance provider must be an approved carrier licensed by, and in good standing with, the Pennsylvania Department of Insurance;*

*(B) The insurance must permit the payment of premiums on a monthly basis, unless the tenant selects a different payment schedule;*

*(C) The coverage must be effective upon the payment of the first premium and remain effective for the entire lease term; and*

*(D) The coverage provided per claim must be no less than the amount the landlord requires for security deposits.*

*(.6) A tenant who chooses to provide rental security insurance in lieu of a security deposit shall not be required to provide additional security or insurance coverage per claim in an amount greater than the amount required for security deposits.*

*[(c)] (d) The provisions of this subsection (11) shall apply to any residential lease that is executed or renewed after the effective date of this subsection.*

\* \* \*

SECTION 2. This Ordinance shall be effective immediately.

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**Explanation:**

[Brackets] indicate matter deleted.

*Italics* indicate new matter added.