



# THE PROA UPDATE

## Pennsylvania Residential Owners Association

*A Unified Voice for Pennsylvania's  
Rental Housing Industry*

**January / February 2024**

### NEWS

#### **2023-24 Budget**

After five-and-a-half months of impasse and false starts, Pennsylvania finalized a deal on December 15, 2023, to tie up most of the loose strings that have been left hanging in the commonwealth's 2023-24 budget (which was due on June 30th, 2023). Legislative leaders amended and passed the code bills to allow the remaining funds: \$1.1B, appropriated in this past summer's budget deal, to be spent.

Gov. Josh Shapiro signed the bills just after 11:00 PM, wrapping up a lot of unfinished business and going beyond what the budget signed this past summer calls for. This addressed most of the stranded funding, although money appropriated for certain programs was not included in this final budget fix. Those funds will sit in the state treasury's accounts and roll over into the 2024 surplus.

Although the Senate and House Democratic leadership congratulated their colleagues and expressed their support for the deal, Republican leaders promised to continue to look for ways to reach agreement in a divided government on issues that affect all Pennsylvanians. Given this year's delay to complete the 2023-24 budget, it is only about two months before Gov. Shapiro is set to introduce his 2024-25 budget request on February 6th. Legislative leaders sounded an optimistic tone about the impending next round of fiscal negotiations.

#### **Governor's Proposed Budget**

Gov. Josh Shapiro's second budget proposes significant increases to education and economic development and would regulate adult use marijuana, while leaning heavily on Pennsylvania's flush reserves from Revenue and the Rainy Day Fund.

The governor unveiled his budget for the 2024-25 fiscal year, which begins on July 1, in front of a joint session of the House and Senate in the ornate Capitol Rotunda, Tuesday, February 6th. After a relatively modest first-year budget proposal of \$44.4 billion, Shapiro returned in his second year with an admittedly "ambitious" \$48.3 billion plan that marshals billions more for underfunded public schools, public transit, higher education and major industrial and high-tech projects to invigorate a slow-growing economy. As a comparison, Gov. Wolff's last two budgets were \$45.2B and before that, \$37.8B.

Much of Shapiro's plan is already facing stiff resistance in the Republican-controlled Senate. There, Senate Pro Tempore, Kim Ward and Majority Leader Joe Pittman, R-Indiana, criticized the spending as "absolutely fiscally irresponsible and unsustainable." As expected, House Democrats applauded Shapiro's plan.

The chambers will begin budget hearings in two weeks, through the end of March with Committee meetings and very little session, floor action. Shapiro's spending request would increase total authorized spending by 7% through the state's main bank account, while depending on projected tax collections to increase by \$1 billion, or 2%. The budget proposal holds the line on taxes, and instead uses about \$3 billion from the state's cash reserve, shrinking it from \$14 billion to \$11 billion, while public schools, higher education and human services would absorb much of the increase in spending.

Also included in the budget proposal, is a \$50 million increase for special education funding to ensure school districts have an increase in the basic resources necessary to provide special education services to students with disabilities and special needs. Shapiro wants a \$1.1 billion increase, or 14% more, for public school operations and instruction, with a significant portion, about \$872 million, going toward poorer schools – a proposal which drew enthusiasm from public school advocates and teachers' unions.

Shapiro said his plan delivers another \$2 billion to public schools, when combined with savings from tighter limits on charter school reimbursements. However, he also reiterated his support for a private school voucher program, a proposal that is backed by Republicans, and opposed by Shapiro's fellow Democrats, which helped precipitate the four-months long budget fight last year.

To bolster students continuing through post-secondary, Shapiro's budget allots an extra \$200 million, or 10% more, for the state's higher education institutions, an acknowledgment that Pennsylvania lags nearly every other state in funding higher education. The extra money would come with a reimagined state-owned higher education system that distributes aid based on transparency and performance-based measures.

As a new revenue stream, Shapiro wants to legalize adult-use marijuana, estimating the industry would eventually yield \$250 million in additional annual revenue. In addition to pushing for a \$15 minimum wage and making higher education more affordable, Shapiro wants to attract major industrial and high-tech businesses by borrowing \$500 million for site development to entice industrial and tech businesses to choose Pennsylvania. The Governor wants to continue a \$50 million, annual investment in school safety & security improvements and add a \$300 million investment for environmental repairs in school buildings.

A familiar program that was a casualty to the '23-'24 budget from last year, funding for Whole Home Repairs, would get a \$50 million boost, to continue to provide direct assistance to homeowners and property owners and increases the cap for PA Housing Affordability and Rehabilitation Enhancement Fund (PHARE) funding by \$10 million every year for the next 4 years, to help rehabilitate properties in need of repair, along with funding to build new homes & apartments.

Shapiro's proposal would boost spending on home and community services for the intellectually disabled and autistic by about \$200 million, or 12% more. That's only about half the amount its advocates say is needed to fix a system beset by staffing shortages, low pay, and a thousands-long waiting list, but its advocates still applaud it as a step in the right direction.

Another significant investment would go to public transportation, increasing state aid by about \$280 million, or about 20%. More than half of that would go to the Philadelphia-area Southeastern Pennsylvania Transportation Authority (SEPTA). And \$31 million more would go to help the Pennsylvania State Police maintain and update its fleet of vehicles and aircrafts.

Another area important to the Governor is workforce development and workforce needs, by creating “career connections” to connect employers with talented workers by creating internships, helping businesses transition to skills-based hiring and a “one-stop-shop” for career pathways, a near \$10 million investment.

In this proposed budget, the Governor proposed \$600 million in new and expanded investments to bolster economic development to better serve the business community.

Addressing public safety, the Governor’s budget provides \$20 million to the PA State Police, a \$100 million increase in the state initiatives to reduce gun violence, and \$30 million to emergency fire & medical services.

The Governor has directed the Department of Aging to develop a 10-year plan to address the needs of PA’s senior population and improve services to older Pennsylvanians with a near \$14 million initiative to assist them and their caregivers, lowering reliance on government-funded healthcare, while providing long-term services and support.

This is only a overview of the Governor’s proposed ’24-’25 budget. The legislature will be holding their Senate and House Appropriations Budget Hearings starting February 20th thru March 7th for each state agency and the Governor’s Office. Then, hopefully, budget negotiations should result in an on-time budget by the required June 30th date.

### **PA State House**

Former Rep. John Galloway (D, Bucks), won a judgeship in November and resigned on December 15th, after the budget was finalized. This put the State House at 101-101, again.

A special election for the 140th district of Bucks County was held on February 13th. As expected, a Democrat, Jim Prokopiak, won, putting the Democrats back in the majority with 102 seats. In addition, the unexpected resignation of first term Rep. Joe Adams (R, Wayne/Pike) on February 9th, giving the Democrats a two seat majority of 102-100 seats. The House Speaker scheduled another special election for April 23rd, to Rep. Adam’s seat. It is expected to remain in Republican hands, which would return the Democrats to a one vote majority.

House Speaker Joanna McClinton (D., Philadelphia) told her colleagues the body would not meet to vote on bills until March, 18th to allow for a water leak above the chamber ceiling to be repaired. The Capital Rotunda will be utilized for session procedures.

### **PA Senate**

The Senate returns mid-January to hold session and act on legislation. There will only be 9 voting session days, between January 1st and March 18th. Only legislation that has already passed the House, then approved by the Senate without changes, can then be received by the Governor and

signed into law. This means that the Legislature will temporarily be unable to deal with some unsettled major issues. The ’23-’24 PA Budget Hearings commence February 20th and wrap up on March 7th.

## **PROA Legislation 2/01/24**

### **CURRENT PRIORITIES**

#### **Krajewski HB-287** “Common Sense Eviction Reform”

This bill was proposed in response to a series of eviction-related violence in Philadelphia, which included the discharge of weapons by eviction agents and their hired contractors. Reforms include: 1) providing tenants with clear advance notice of the date and time of evictions; 2) establishing guidelines, training, and procedures for conducting evictions, which regulate the use of force, firearms, and de-escalation; 3) a system of public accountability in which the public has access to the names of deputies involved where tenants are hurt during evictions; 4) prohibiting the use of private entities to serve writs of possession, performing lockouts, or enforcing a judgement for possession in eviction cases; 5) establishing an Eviction Agent Advisory Board to oversee eviction agents, receive complaints filed against them, and to help develop policies on duties, requirements, training, ethics, responsibilities, and discipline of eviction agents.

**Borowski HB 1441** Provides new protections for tenants in cases of domestic violence, stalking, or sexual violence, including: the option to terminate a residential lease and to change the locks or means of entry to a housing unit.

Amends the Landlord and Tenant Act of 1951, tenants’ rights in the occurrence of domestic violence in any of the following cases of violence between family or household members- Intentionally, knowingly or recklessly causing, or attempting to cause, bodily injury, serious bodily injury or sexual assault.; placing another individual in reasonable fear of imminent serious bodily harm; an act of domestic and other violence as defined in 55 Pa. Code § 3041.3; the infliction of false imprisonment under 18 Pa.C.S. § 2903 (relating to false imprisonment).

— House, removed from the table, 12-11-23

**Madsen HB 1549** - Requires landlords to pay relocation payments to tenants who must either permanently or temporarily relocate to safe, clean and habitable housing, when their rental property is condemned.

Amends the Landlord and Tenant Act, in tenement buildings and multiple dwelling premises, to provide for tenant relocation payments. Provides for a temporarily displaced tenant, within 24 hours of the posting of the condemnation of rental housing, a landlord shall provide comparable housing for the tenant and their belongings, a relocation payment equal to one month's rent for a unit of comparable size, payment for the costs of the immediate relocation, payment for the costs to move after the end of the displacement period and, if a displaced tenant returns to their original housing, that all lease provisions shall remain in place. Tenants displaced for 30 days shall be considered a permanently displaced tenant and the landlord shall compensate the tenant within 72 hours after the 30-day displacement. Landlords and tenants may agree to an alternative arrangement. Requires landlords to provide proof of compliance with the act. Requires landlords to provide permanently displaced tenants with the first right to reoccupy rental housing.

— Referred to House Housing and Community Development, 6-29-23

## **Cosponsor Memo - Rep. Ismail Smith-Wade-El**

NOTE: Cosponsor Memos are not usually included in our PROA Updates. We usually wait for the legislation to be introduced. But lately, the following issue has been brought up and discussed frequently:

Posted: 11-8-2023 (Reserved bill number will be HB1769. Not yet introduced as of 2-28-24)

From: **Rep. Ismail Smith-Wade-El,**  
Rep. Elizabeth Fiedler,  
Rep. Jordan A. Harris, Rep,  
Rick Krajewski

To: All House members

Subject: Fair Housing Access: Sealing Eviction Records to Protect Tenants & Communities

Pennsylvanian's families deserve access to safe and affordable housing where they can raise their children. Our workers deserve the opportunity to secure career-advancing jobs.

Records stemming from eviction filings, whether or not someone is actually evicted, can follow a person for years, making these things impossible. A single eviction record can cause irreparable harm to the lives of mothers and their children, disrupt workforce development for large swaths of communities, and strain existing social support systems throughout the state. These records can put vulnerable people in difficult and dangerous situations, putting survivors of domestic violence at risk. Furthermore, because evictions are disproportionately filed against Black and Latinx women, eviction records may pose major fair housing challenges as more landlords employ automated tenant screening measures.

We can do something about that. A statewide eviction record sealing policy is a common-sense, immediately impactful way to prevent eviction records from haunting tenants for years and protect them against discrimination and long-term housing insecurity. This policy will not only protect renters in the short term, but will also pave the way for more equitable housing and health outcomes for residents of all backgrounds. This means stronger neighborhoods, and healthier communities.

Pennsylvania was the first state to automatically seal criminal records, allowing more than a million Pennsylvanians a fresh start and access to family-sustaining jobs – we can do the same for housing.

Please join me, Representative Fiedler, Representative Krajewski, and Representative Harris – architect of Pennsylvania's Clean Slate legislation. We can help ensure that housing in Pennsylvania is not about looking backward over our shoulders, but building forward for our families.

## **OTHER BILLS WE ARE WATCHING**

### **Davis HB 246** Changes to FEMA Flood Maps

Requires municipal corporations (city, borough, town, township), to provide owners of real property used for residential, commercial, mixed-use, industrial, special purposes or agricultural purposes notice that there was a change in the property owners' flood plain status after the municipality receives notification from FEMA of a change in a special flood hazard area map that relates to a real property/properties within the municipal corporation.

— Referred to Senate Local Gov. Comm. 6/06/23

**Guenst HB 503** Amends the Landlord and Tenant Act to prohibit discrimination based on marital or family caregiver status or political affiliation.

The public policy of this Commonwealth to foster the employment of all individuals in accordance with their fullest capacities regardless of their race, color, religious creed, familial status, marital status, family caregiver status, ancestry, age, sex, national origin, political affiliation, handicap or disability, use of guide or support animals because of the blindness, deafness or physical handicap of the user or because the user is a handler or trainer of support or guide animals, and to safeguard their right to obtain and hold employment without such discrimination, to assure equal opportunities to all individuals and to safeguard their rights to public accommodation and to secure housing accommodation and commercial property regardless of race, color, familial status, religious creed, ancestry, age, sex, national origin, political affiliation, handicap or disability, use of guide or support animals because of blindness or deafness of the user or because the user is a handler or trainer of a guide dog.

— Referred to House Rules, 9-22-23

### **Sturla HB 1062** State Blight Data Collection System

Amends Title 53 (Municipalities Generally), in neighborhood blight reclamation and revitalization, providing for a State Blight Data Collection System. Establishes the Property Maintenance Code Violations Registry. Provides that a municipality shall file a property maintenance code violation for a person who owns real property within the municipality with current serious property maintenance code violations that remain unabated for at least 180 days.

— Passed in House, 10-3-2023

— Referred to Senate Urban Affairs and Housing, 10-13-23

### **Kane SB 619**

Extends the PA Human Relations ACT to protections to any person with a handicap or disability; make a modification at the landlord's expense or grant permission for a renter modification at the renter's expense if the renter agrees to restore the interior of the premises to the condition that existed before the modification; or will allow a tenant who is older or disabled to break their lease without penalty when they are unable to safely remain in their home.

— Referred to Senate Urban Affairs and Housing, 4-25-23

### **Argall SB 718**

A taxing district shall have the right to appeal any assessment within its jurisdiction in the same manner, subject to the same procedure and with like effect as if the appeal was taken by a taxable person with respect to the assessment, and, in addition, may take an appeal from any the decision of the board or court of common pleas as though it had been a party to the proceedings before the board or court. A taxing district may intervene in any appeal by a taxable person under section 8854 (relating to appeals to court) as a matter of right.

— Referred to Senate Urban Affairs and Housing, 5-31-23