



SPONSOR: Rep. Morrison & Sen. Townsend & Rep. Lambert &
Rep. Dorsey Walker
Reps. Baumbach, K. Williams, Wilson-Anton; Sens.
Sokola, Hansen, Lockman, S. McBride, Pinkney

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 363

AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO RIGHTS OF TENANT EMPLOYEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Chapter 51, Subchapter I, Title 25 of the Delaware Code by making deletions as shown by
2 strike through and insertions as shown by underline as follows:

3 Subchapter I. Rights, Obligations and Procedures, Generally

4 § 5123. Tenant employee.

5 (a) When the employment of a tenant employee is terminated by the employer, if the employer is the landlord or
6 the management agent of the landlord, and no written rental agreement is in effect, the landlord must offer the tenant
7 employee the opportunity to enter into a written rental agreement, for a specified monthly rent, of the dwelling place where
8 the tenant employee is residing or, if available, equivalent substitute housing. The landlord's offer of a written rental
9 agreement may be conditioned on the tenant employee financially qualifying as a tenant and meeting the landlord's income,
10 credit, or other financial requirements for rent of the dwelling place. The offer of a written rental agreement must be made
11 within 5 business days of termination of employment.

12 (b) At the time of hire or move in, a landlord must provide a tenant employee with a written disclosure form to be
13 signed by both the tenant employee and the landlord, advising the person of all conditions and requirements for occupying
14 and vacating the dwelling place prior to occupancy. The disclosure form must include notice of the right to continued
15 occupancy after termination described in subsection (a) of this section. A written disclosure form is not required if the
16 tenant employee's rights and responsibilities are disclosed in the written rental agreement or an addendum to the written
17 rental agreement.

18 (c) This section does not apply if the tenant employee's termination is for cause.

19 Section 2. Amend Chapter 51, Subchapter II, Title 25 of the Delaware Code by making deletions as shown by
20 strike through and insertions as shown by underline and by redesignating accordingly:

21 Subchapter II. Definitions.

22 § 5141. Definitions.

23 (39) “Tenant employee” means an individual employed by the landlord, or landlord’s management agent, who is
24 provided with a dwelling place as part of that individual’s compensation.

25 Section 3. Amend Chapter 57, Title 25 of the Delaware Code by making deletions as shown by strike through and
26 insertions as shown by underline as follows:

27 § 5702. Grounds for summary proceeding.

28 (a) Unless otherwise agreed in a written rental agreement, an action for summary possession may be maintained
29 under this chapter because:

30 (5) ~~The tenant, employee, servant or agent of the landlord holds over for more than 15 days after dismissal~~
31 ~~when the housing is supplied by the landlord as part of the compensation for labor or services; The housing was~~
32 ~~supplied to the tenant employee by the landlord as part of the compensation for labor or services and 1 of the following~~
33 ~~has occurred:~~

34 a. The tenant employee’s employment has been terminated and the tenant employee holds over for more
35 than 30 days after dismissal.

36 b. The tenant employee’s employment has been terminated for cause and the tenant-employee holds over
37 for more than 15 days after dismissal.

SYNOPSIS

This Act requires a landlord who provides a dwelling place to a person as part of their employment compensation to provide them with a disclosure form advising them of the conditions and requirements for occupancy and vacancy of the premises once they are no longer employed for the landlord. The disclosure must inform the tenant employee that the landlord must offer the tenant, within 5 business days of termination by the employer, the opportunity to enter into a written rental agreement, if no rental agreement is in effect already. No offer for a rental agreement is necessary if the tenant employee is terminated for cause. The landlord may condition the rental agreement on the person financially qualifying as a tenant and meeting the landlord’s income, credit, or other financial requirements for renting the unit. This Act also lengthens the time period the landlord must wait before bringing a summary possession action against a formerly employed tenant from 15 days to 30 days unless the termination is for cause.