



General Assembly

January Session, 2013

Committee Bill No. 114

LCO No. 3128



Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT PROHIBITING LANDLORDS FROM REQUIRING TENANTS TO PAY RENT BY CASH OR ELECTRONIC FUNDS TRANSFER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2013*) (a) Except as provided in
2 subsection (b) of this section, a landlord shall allow a tenant to pay rent
3 and a security deposit by at least one form of payment that is not cash
4 or electronic funds transfer. For purposes of this section, "electronic
5 funds transfer" means any transfer of funds that is initiated through an
6 electronic terminal, telephone or computer or magnetic tape so as to
7 order, instruct or authorize a financial institution to debit or credit an
8 account but shall not include any transfer originated by check, draft or
9 similar paper instrument.

10 (b) A landlord may demand or require a cash payment for a security
11 deposit or for rent if a tenant has previously (1) attempted to pay such
12 landlord with a check drawn on insufficient funds, or (2) instructed the
13 drawee to stop payment on a check, draft or order for the payment of
14 money, provided no such landlord may demand or require any such
15 cash rental payments for a period longer than three months after the
16 date the tenant attempted to pay with a check drawn on insufficient

17 funds or instructed a drawee to stop payment. If the landlord demands
18 or requires such cash payments, the landlord shall give the tenant a
19 written notice stating that a payment instrument was dishonored and
20 informing the tenant that such tenant shall make (A) a security deposit
21 payment in cash, or (B) rental payments in cash for a period
22 determined by the landlord, but not exceeding three months. The
23 landlord shall attach a copy of the dishonored instrument to such
24 notice.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	New section

Statement of Purpose:

To prohibit landlords from requiring cash payments for rent and security deposits except where a tenant has previously attempted to make a rent or security deposit payment with a check drawn on insufficient funds or on which the tenant has stopped payment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. HOLDER-WINFIELD, 94th Dist.; SEN. LOONEY, 11th Dist.

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