

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1493

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 25, 2019

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1493.

This bill, as amended, prohibits a landlord from requiring that a tenant or prospective tenant pay any rent, security deposit, utilities, parking fees, or other lease-related payments owed to the landlord, by means of electronic funds transfer, including automatic debit payments that transfer funds from a tenant's bank account on a regular, periodic, and recurring basis. The term "electronic funds transfer" includes payment made through an automated debit or credit system, or through an automated clearing house.

This bill would only apply to residential lease agreements, including residential lease renewal and lease extension agreements. The bill would apply to agreements executed by all parties on or after the date the bill is signed into law. Nothing in the bill would prohibit a landlord and tenant (or prospective tenant) from mutually and willingly agreeing to allow for electronic funds transfers.

This bill also requires a landlord to provide a receipt, either printed or emailed, to a tenant for each cash payment the tenant makes to the landlord per a residential lease. This receipt is required to accurately indicate the amount of the payment, the purpose of the payment, when the payment was received, the printed or typed names of both the landlord and tenant, and who accepted the payment. A landlord who violates these provisions of the bill may be liable for an initial penalty of up to \$100 for each offense. A second violation, occurring within a five-year period, is subject to a \$200 penalty. Any subsequent violation within the five-year period is subject to a \$300 penalty.

In any eviction action against a tenant on the basis of an alleged failure to pay rent, the tenant may raise as a defense that the landlord violated the bill's cash payment receipt requirement during the month or months in which the violation or violations occurred.

COMMITTEE AMENDMENTS:

The committee amended the bill to require the receipt a landlord has to provide a residential tenant for cash payments be either printed or emailed. The amendments also require that this receipt accurately indicate the amount of the payment, the purpose of the payment, when

the payment was received, the printed or typed names of both the landlord and tenant, and who accepted the payment. Previously, the bill required the receipt to include the name and address of the landlord, or an agent of the landlord if the cash payment is made to an agent; the name and address of the tenant; the date and amount of the cash payment; a description of what the cash payment covers; and a signature of the landlord or agent, as applicable.