



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4778

by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

765 ILCS 705/17 new

Amends the Landlord and Tenant Act. Defines "application fee". Provides that a lessor may not charge an application fee that exceeds the lessor's actual out-of-pocket costs of evaluating a prospective lessee's application to enter into a lease with the lessor. Contains provisions concerning the procedure for processing applications from prospective lessees. Provides that if the lessor decides not to offer or accept a lease, the lessor shall disclose in writing the specific grounds that led to the denial and provide a copy of any information obtained from a third party that formed a basis for the denial. Provides that a lessor who collects an application fee from a prospective lessee may not knowingly make any misrepresentation to the prospective lessee regarding the current or future availability of a dwelling unit for lease. Provides that a lessor who violates the new provisions is liable to the prospective lessee for the application fee, a civil penalty of up to \$200, and reasonable attorney's fees and costs.

LRB098 18830 HEP 53975 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Landlord and Tenant Act is amended by adding
5 Section 17 as follows:

6 (765 ILCS 705/17 new)

7 Sec. 17. Application fees.

8 (a) As used in this Section, "application fee" means an
9 amount required by a lessor to be paid by a prospective lessee
10 of a dwelling unit prior to the lessor offering or accepting a
11 lease agreement with the prospective lessee.

12 (b) A lessor may not charge an application fee that exceeds
13 the lessor's actual out-of-pocket costs of evaluating a
14 prospective lessee's application to enter into a lease with the
15 lessor.

16 (c) Prior to accepting an application fee, the lessor shall
17 provide the prospective lessee with the following in writing:

18 (1) an itemized description of the lessor's
19 anticipated costs of processing the application;

20 (2) a date on or before which the lessor will notify
21 the prospective lessee of a decision as to whether a lease
22 will be offered or accepted; and

23 (3) information as to whether a specific dwelling unit

1 is currently available.

2 (d) Upon receipt of an application fee from a prospective
3 lessee, the lessor shall provide the prospective lessee with a
4 written receipt for the application fee.

5 (e) On or before the date specified by the lessor under
6 paragraph (2) of subsection (c), the lessor shall:

7 (1) provide a written itemized accounting of how the
8 application fee was expended by the lessor;

9 (2) return any portion of the application fee that was
10 not expended by the lessor; and

11 (3) notify the prospective lessee in writing of the
12 decision to offer or accept a lease.

13 If the lessor decides not to offer or accept a lease, the
14 lessor shall disclose in writing the specific grounds that led
15 to the denial and provide a copy of any information obtained
16 from a third party that formed a basis for the denial.

17 (f) A lessor who collects an application fee from a
18 prospective lessee may not knowingly make any
19 misrepresentation to the prospective lessee regarding the
20 current or future availability of a dwelling unit for lease.

21 (g) A lessor who violates this Section is liable to the
22 prospective lessee for the application fee, a civil penalty of
23 up to \$200, and reasonable attorney's fees and costs.