

CHAPTER 300

AN ACT prohibiting landlords from requiring residential tenants to remit rent and certain other payments through electronic funds transfer, requiring landlords to provide receipts for cash payments, and amending and supplementing P.L.1975, c.310.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 2 of P.L.1975, c.310 (C.46:8-44) is amended to read as follows:

C.46:8-44 Definitions relative to prohibition of requiring tenants to remit certain payments electronically.

2. As used in this act:

- a. "Landlord" means any person who rents or leases or offers to rent or lease, for a term of at least one month, dwelling units, except dwelling units in rental premises containing not more than two such units, or in owner-occupied premises of not more than three dwelling units, or in hotels, motels or other guest houses serving transient or seasonal guests.

- b. "Department" means the Department of Community Affairs.

- c. "Commissioner" means the Commissioner of Community Affairs.

- d. "Electronic funds transfer" means a transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account, including, but not limited to, through the use of an automated clearinghouse (ACH) system.

C.46:8-49.1 Landlord prohibited from requiring electronic payments from tenants.

2. No landlord shall require a tenant or prospective tenant to remit any amount due to the landlord pursuant to a residential lease, renewal, or extension agreement by means of electronic funds transfer, including but not limited to an electronic funds transfer system that automatically transfers funds on a regular, periodic, and recurring basis. A landlord who violates this section shall be subject to the penalty provisions of section 5 of P.L.1975, c.310 (C.46:8-47).

C.46:8-49.2 Receipt required.

3. a. A landlord shall provide a receipt, either printed or emailed, to a tenant for each cash payment made to the landlord for any amount due to the landlord pursuant to a residential lease, renewal, or extension agreement. The receipt shall 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.

- b. A landlord who violates this section shall be subject to the penalty provisions of section 5 of P.L.1975, c.310 (C.46:8-47), except that the penalty shall be \$100 more for a second violation by a landlord within a five-year period, and the penalty shall be \$200 more for each subsequent violation by a landlord within a five-year period.

- c. It shall be a valid defense in any action or proceeding against a tenant to recover possession of real property for the nonpayment of rent that the landlord violated this section with respect to the months in which the violation or violations occurred.

4. This act shall take effect immediately, and sections 2 and 3 shall be applicable to a lease, renewal, or extension agreement executed on or after the date of enactment of this act.

Approved January 13, 2020.