



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3771

Introduced 2/14/2020, by Sen. Emil Jones, III

SYNOPSIS AS INTRODUCED:

New Act

Creates the Tenant Protection Act. Provides that after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause. Provides that before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation. Provides that if an owner of residential real property issues a termination notice based on a no-fault just cause, the owner shall: (1) assist the tenant to relocate by providing a direct payment to the tenant; or (2) waive, in writing, the payment of rent for the final month of the tenancy, prior to the rent becoming due. Provides that an owner of residential real property shall not, over the course of any 12-month period, increase the gross rental rate for a dwelling or a unit more than 5% plus the percentage change in the cost of living, or 10%, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase. Provides that if the same tenant remains in occupancy of a unit of residential real property over any 12-month period, the gross rental rate for the unit of residential real property shall not be increased in more than 2 increments over that 12-month period. Requires, on or before January 1, 2031, the Commission on Government Forecasting and Accountability to report to the General Assembly regarding the effectiveness of the Act. Repeals the Act on January 1, 2031. Effective immediately.

LRB101 20335 LNS 69879 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 1. Short title. This Act may be cited as the Tenant
5 Protection Act.

6 Section 5. Findings; intent. The General Assembly finds and
7 declares that the unique circumstances of the current housing
8 crisis require a statewide response to address rent gouging by
9 establishing statewide limitations on gross rental rate
10 increases.

11 It is the intent of the General Assembly that this Act
12 applies only for the limited time needed to address the current
13 statewide housing crisis. This Act is not intended to expand or
14 limit the authority of units of local government to establish
15 local policies regulating rents, nor is it a statement
16 regarding the appropriate, allowable rental rate increase when
17 a local government adopts a policy regulating rent that is
18 otherwise consistent with applicable law.

19 Section 10. Definitions. As used in this Act:

20 "Assisted housing development" has the meaning provided in
21 subsection (e) of Section 3 of the Federally Assisted Housing
22 Preservation Act.

1 "Expiration of rental restrictions" means the expiration
2 of rental restrictions for an assisted housing development
3 unless the development has other recorded agreements
4 restricting the rent to the same or lesser levels for at least
5 50% of the units.

6 "Owner" means any person, acting as principal or through an
7 agent, having the right to offer residential real property for
8 rent. "Owner" includes a predecessor in interest to the owner.
9 "Owner" does not include the owner or operator of a mobile home
10 park or the owner of a mobile home or his or her agent.

11 "Percentage change in the cost of living" means the
12 percentage change from April 1 of the prior year to April 1 of
13 the current year in the regional Consumer Price Index for the
14 region where the residential real property is located, as
15 published by the United States Bureau of Labor Statistics.

16 "Residential real property" means any dwelling or unit that
17 is intended for human habitation.

18 "Substantially remodel" means the replacement or
19 substantial modification of any structural, electrical,
20 plumbing, or mechanical system that requires a permit from a
21 governmental agency, or the abatement of hazardous materials,
22 including lead-based paint, mold, or asbestos, in accordance
23 with applicable federal, State, and local laws, that cannot be
24 reasonably accomplished in a safe manner with the tenant in
25 place and that requires the tenant to vacate the residential
26 real property for at least 30 days. "Substantially remodel"

1 does not include cosmetic improvements alone, including
2 painting, decorating, and minor repairs, or other work that can
3 be performed safely without having the residential real
4 property vacated.

5 "Tenancy" means the lawful occupation of residential real
6 property and includes a lease or sublease.

7 Section 15. Termination of tenancy.

8 (a) Notwithstanding any other provision of law, after a
9 tenant has continuously and lawfully occupied a residential
10 real property for 12 months, the owner of the residential real
11 property shall not terminate the tenancy without just cause,
12 which shall be stated in the written notice to terminate the
13 tenancy. If any additional tenant who is at least 18 years old
14 is added to the lease before an existing tenant has
15 continuously and lawfully occupied the residential real
16 property for 24 months, this subsection only applies if:

17 (1) each tenant who is at least 18 years old has
18 continuously and lawfully occupied the residential real
19 property for at least 12 months; or

20 (2) at least one tenant who is at least 18 years old
21 has continuously and lawfully occupied the residential
22 real property for at least 24 months.

23 (b) For the purposes of this Section, "just cause"
24 includes:

25 (1) At-fault just cause, including:

- 1 (i) default in the payment of rent;
- 2 (ii) a breach of a material term of the lease,
3 including, but not limited to, the violation of a
4 provision of the lease after being issued a written
5 notice to correct the violation;
- 6 (iii) maintaining, committing, or permitting the
7 maintenance or commission of a nuisance;
- 8 (iv) committing waste;
- 9 (v) in the case of a tenant with a written lease
10 that terminated on or after January 1, 2021, after a
11 written request or demand from the owner, refusal by
12 the tenant to execute a written extension or renewal of
13 the lease for an additional term of similar duration
14 with similar provisions, as long as those terms do not
15 violate this Section or any other provision of law;
- 16 (vi) criminal activity by the tenant on the
17 residential real property, including any common areas,
18 or any criminal activity or criminal threat, on or off
19 the residential real property, that is directed at any
20 owner or agent of the owner of the residential real
21 property;
- 22 (vii) assigning or subletting the premises in
23 violation of the tenant's lease;
- 24 (viii) refusal of the tenant to allow the owner to
25 enter the residential real property;
- 26 (ix) using the premises for an unlawful purpose;

1 (x) if the tenant is an employee, agent, or
2 licensee of the owner who was leased the residential
3 real property based on such status, failure by the
4 employee, agent, or licensee to vacate after his or her
5 termination as an employee, agent, or a licensee; or

6 (xi) failure to deliver possession of the
7 residential real property after providing the owner
8 written notice of the tenant's intention to terminate
9 the lease, or making a written offer to surrender that
10 is accepted in writing by the owner, but failing to
11 deliver possession at the time specified in that
12 written notice.

13 (2) No-fault just cause, including:

14 (i) intent to occupy the residential real property
15 by the owner, or his or her spouse, domestic partner,
16 child, grandchild, parent, or grandparent. For leases
17 entered into on or after July 1, 2021, this
18 subparagraph only applies if the tenant agrees, in
19 writing, to the termination, or if a provision of the
20 lease allows the owner to terminate the lease if the
21 owner, or his or her spouse, domestic partner, child,
22 grandchild, parent, or grandparent, unilaterally
23 decides to occupy the residential real property. The
24 addition of a provision allowing the owner to terminate
25 the lease as described in this subparagraph to a new or
26 renewed rental agreement or fixed-term lease

1 constitutes a similar provision for the purposes of
2 subparagraph (v) of paragraph (1);

3 (ii) withdrawal of the residential real property
4 from the rental market;

5 (iii) the owner complying with:

6 (A) an order issued by a governmental agency or
7 court relating to habitability that necessitates
8 vacating the residential real property;

9 (B) an order issued by a governmental agency or
10 court to vacate the residential real property; or

11 (C) a local ordinance that necessitates
12 vacating the residential real property.

13 If it is determined by any governmental agency or
14 court that the tenant is at fault for the conditions
15 triggering the order or need to vacate under this
16 subparagraph, the tenant is not entitled to relocation
17 assistance under subsection (d); or

18 (iv) intent to demolish or to substantially
19 remodel the residential real property.

20 (c) Before an owner of residential real property issues a
21 notice to terminate a tenancy for just cause that is a curable
22 lease violation, the owner shall first give notice of the
23 violation to the tenant with an opportunity to cure the
24 violation. If the violation is not cured within the time set
25 forth in the notice, a 3-day notice to quit without an
26 opportunity to cure may thereafter be served to terminate the

1 tenancy.

2 (d) For a tenancy for which just cause is required to
3 terminate the tenancy under subsection (a), if an owner of
4 residential real property issues a termination notice based on
5 a no-fault just cause described in paragraph (2) of subsection
6 (b), the owner, at his or her option, regardless of the
7 tenant's income, shall:

8 (1) assist the tenant to relocate by providing a direct
9 payment to the tenant as described in this subsection; or

10 (2) waive, in writing, the payment of rent for the
11 final month of the tenancy, prior to the rent becoming due.

12 If an owner issues a notice to terminate a tenancy for
13 no-fault just cause, the owner shall notify the tenant of the
14 tenant's right to relocation assistance or rent waiver under
15 this Section. If the owner elects to waive the rent for the
16 final month of the tenancy as provided in paragraph (2), the
17 notice shall state the amount of rent waived and that no rent
18 is due for the final month of the tenancy.

19 The amount of relocation assistance or rent waiver shall be
20 equal to one month of the tenant's rent that was in effect when
21 the owner issued the notice to terminate the tenancy. Any
22 relocation assistance shall be provided within 15 calendar days
23 of service of the notice. If a tenant fails to vacate after the
24 expiration of the notice to terminate the tenancy, the actual
25 amount of any relocation assistance or rent waiver provided
26 under this subsection shall be recoverable as damages in an

1 action to recover possession. The relocation assistance or rent
2 waiver required by this subsection shall be credited against
3 any other relocation assistance required by any other law.

4 An owner's failure to strictly comply with this subsection
5 shall render the notice of termination void.

6 (e) This Section does not apply to the following types of
7 residential real properties or residential circumstances:

8 (1) Transient and tourist hotel occupancy.

9 (2) A housing accommodation in a nonprofit hospital,
10 religious facility, extended care facility, licensed
11 residential care facility for the elderly, or an adult
12 residential facility.

13 (3) A dormitory owned and operated by an institution of
14 higher education or a kindergarten and grades 1 through 12
15 school.

16 (4) A housing accommodation in which the tenant shares
17 bathroom or kitchen facilities with the owner who maintains
18 his or her principal residence at the residential real
19 property.

20 (5) A single-family owner-occupied residence,
21 including a residence in which the owner-occupant rents or
22 leases no more than 2 units or bedrooms, including, but not
23 limited to, an accessory dwelling unit or a junior
24 accessory dwelling unit.

25 (6) A duplex in which the owner occupies one of the
26 units as the owner's principal place of residence at the

1 beginning of the tenancy, so long as the owner continues to
2 occupy the duplex as his or her principal place of
3 residence.

4 (7) Housing that has been issued a certificate of
5 occupancy within the previous 15 years.

6 (8) Residential real property that is alienable and
7 separate from the title to any other dwelling unit, if:

8 (i) the owner is not:

9 (A) a real estate investment trust, as defined
10 in Section 856 of the Internal Revenue Code;

11 (B) a corporation; or

12 (C) a limited liability company in which at
13 least one member is a corporation; and

14 (ii) the tenant has been provided written notice
15 that the residential property is exempt from this
16 Section using the following statement:

17 "This property is not subject to the just cause
18 requirements of Section 15 of the Tenant
19 Protection Act and is not subject to the rent
20 limits imposed by Section 20 of the Tenant
21 Protection Act. This property meets the
22 requirements of paragraph (8) of subsection (e) of
23 Section 15 and paragraph (5) of subsection (d) of
24 Section 20 of the Tenant Protection Act and the
25 owner is not: (1) a real estate investment trust,

1 as defined by Section 856 of the Internal Revenue
2 Code; (2) a corporation; or (3) a limited liability
3 company in which at least one member is a
4 corporation."

5 For a tenancy existing before July 1, 2021, the
6 notice required under this subparagraph may be
7 provided in the rental agreement.

8 For any tenancy commenced or renewed on or after
9 July 1, 2021, the notice required under this
10 subparagraph shall be provided in the rental
11 agreement.

12 The addition of a provision containing the notice
13 required under this subparagraph to any new or renewed
14 rental agreement or fixed-term lease constitutes a
15 similar provision for the purposes of subparagraph (v)
16 of paragraph (1) of subsection (b).

17 (9) Housing restricted by deed, regulatory restriction
18 contained in an agreement with a governmental agency, or
19 other recorded document as affordable housing for persons
20 and families of very low, low, or moderate income, or
21 subject to an agreement that provides housing subsidies for
22 affordable housing for persons and families of very low,
23 low, or moderate income.

24 (f) An owner of residential real property subject to this
25 Section shall provide notice to the tenant as follows:

1 (1) For any tenancy commenced or renewed on or after
2 July 1, 2021, as an addendum to the lease or rental
3 agreement, or as a written notice signed by the tenant,
4 with a copy provided to the tenant.

5 (2) For a tenancy existing prior to July 1, 2021, by
6 written notice to the tenant no later than August 1, 2021,
7 or as an addendum to the lease or rental agreement.

8 (3) The notification or lease provision shall include
9 the following:

10 "Illinois law limits the amount your rent can be increased.
11 See Section 20 of the Tenant Protection Act for more
12 information. Illinois law also provides that after each
13 tenant has continuously and lawfully occupied the property
14 for at least 12 months or at least one tenant has
15 continuously and lawfully occupied the property for at
16 least 24 months, a landlord shall provide a statement of
17 cause in any notice to terminate a tenancy. See Section 15
18 of the Tenant Protection Act for more information."

19 (g) This Section does not apply to the following
20 residential real property:

21 (1) Residential real property subject to a local
22 ordinance requiring just cause for termination of a
23 residential tenancy adopted on or before September 1, 2020,
24 in which case the local ordinance shall apply.

1 (2) Residential real property subject to a local
2 ordinance requiring just cause for termination of a
3 residential tenancy adopted or amended after September 1,
4 2020 that is more protective than this Section, in which
5 case the local ordinance shall apply. For purposes of this
6 paragraph, an ordinance is more protective if:

7 (i) the just cause for termination of a residential
8 tenancy under the local ordinance is consistent with
9 this Section;

10 (ii) the ordinance further limits the reasons for
11 termination of a residential tenancy, provides for
12 higher relocation assistance amounts, or provides
13 additional tenant protections that are not prohibited
14 by any other provision of law; and

15 (iii) the local government has made a finding
16 within its local ordinance that the ordinance is more
17 protective than the provisions of this Section.

18 A residential real property shall not be subject to both a
19 local ordinance requiring just cause for termination of a
20 residential tenancy and this Section.

21 A local ordinance adopted after September 1, 2020 that is
22 less protective than this Section shall not be enforced unless
23 this Section is repealed.

24 (h) Any waiver of the rights granted under this Section is
25 against public policy and void.

1 Section 20. Rental rates.

2 (a) Subject to subsection (b), an owner of residential real
3 property shall not, over the course of any 12-month period,
4 increase the gross rental rate for a dwelling or a unit more
5 than 5% plus the percentage change in the cost of living, or
6 10%, whichever is lower, of the lowest gross rental rate
7 charged for that dwelling or unit at any time during the 12
8 months prior to the effective date of the increase. In
9 determining the lowest gross rental amount under this Section,
10 any rent discounts, incentives, concessions, or credits
11 offered by the owner of the unit of residential real property
12 and accepted by the tenant shall be excluded. The gross
13 per-month rental rate and any owner-offered discounts,
14 incentives, concessions, or credits shall be separately listed
15 and identified in the lease or rental agreement or any
16 amendments to an existing lease or rental agreement.

17 If the same tenant remains in occupancy of a unit of
18 residential real property over any 12-month period, the gross
19 rental rate for the unit of residential real property shall not
20 be increased in more than 2 increments over that 12-month
21 period, subject to the other restrictions of this subsection.

22 (b) For a new tenancy in which no tenant from the prior
23 tenancy remains in lawful possession of the residential real
24 property, the owner may establish the initial rental rate not
25 subject to subsection (a). Subsection (a) applies only to
26 subsequent increases after the initial rental rate has been

1 established.

2 (c) A tenant of residential real property subject to this
3 Section shall not enter into a sublease that results in a total
4 rent for the premises that exceeds the allowable rental rate
5 authorized by subsection (a). Nothing in this subsection
6 authorizes a tenant to sublet or assign the tenant's interest
7 where otherwise prohibited.

8 (d) This Section does not apply to the following
9 residential real properties:

10 (1) Housing restricted by deed, regulatory restriction
11 contained in an agreement with a governmental agency, or
12 other recorded document as affordable housing for persons
13 and families of very low, low, or moderate income, or
14 subject to an agreement that provides housing subsidies for
15 affordable housing for persons and families of very low,
16 low, or moderate income.

17 (2) A dormitory constructed and maintained in
18 connection with any higher education institution within
19 this State for use and occupancy by students in attendance
20 at the institution.

21 (3) Housing subject to rent or price control through a
22 public entity's valid exercise of its police power that
23 restricts annual increases in the rental rate to an amount
24 less than that provided in subsection (a).

25 (4) Housing that has been issued a certificate of
26 occupancy within the previous 15 years.

1 (5) Residential real property that is alienable and
2 separate from the title to any other dwelling unit, if:

3 (i) the owner is not:

4 (A) a real estate investment trust, as defined
5 in Section 856 of the Internal Revenue Code;

6 (B) a corporation; or

7 (C) a limited liability company in which at
8 least one member is a corporation; and

9 (ii) the tenant has been provided written notice
10 that the residential real property is exempt from this
11 Section using the following statement:

12 "This property is not subject to the just cause
13 requirements of Section 15 of the Tenant
14 Protection Act and is not subject to the rent
15 limits imposed by Section 20 of the Tenant
16 Protection Act. This property meets the
17 requirements of paragraph (8) of subsection (e) of
18 Section 15 and paragraph (5) of subsection (d) of
19 Section 20 of the Tenant Protection Act and the
20 owner is not: (1) a real estate investment trust,
21 as defined by Section 856 of the Internal Revenue
22 Code; (2) a corporation; or (3) a limited liability
23 company in which at least one member is a
24 corporation."

1 For a tenancy existing before July 1, 2021, the
2 notice required under this subparagraph may be
3 provided in the rental agreement.

4 For a tenancy commenced or renewed on or after July
5 1, 2021, the notice required under this subparagraph
6 shall be provided in the rental agreement.

7 The addition of a provision containing the notice
8 required under this subparagraph to any new or renewed
9 rental agreement or fixed-term lease constitutes a
10 similar provision for the purposes of subparagraph (v)
11 of paragraph (1) of subsection (b) of Section 15.

12 (6) A duplex in which the owner occupies one of the
13 units as the owner's principal place of residence at the
14 beginning of the tenancy, so long as the owner continues to
15 occupy the duplex as his or her principal place of
16 residence.

17 (e) An owner shall provide notice of any increase in the
18 rental rate, pursuant to subsection (a), to each tenant.

19 (f) On or before January 1, 2031, the Commission on
20 Government Forecasting and Accountability shall report to the
21 General Assembly regarding the effectiveness of this Act. The
22 report shall include, but not be limited to, the impact of the
23 rental rate cap pursuant to subsection (a) on the housing
24 market within this State.

25 (g) This Section applies to all rent increases subject to
26 subsection (a) occurring on or after March 15, 2020. This

1 Section shall become operative January 1, 2021.

2 If an owner has increased the rent by more than the amount
3 permissible under subsection (a) between March 15, 2020, and
4 January 1, 2021, the following applies:

5 (1) the applicable rent on January 1, 2021, shall be
6 the rent as of March 15, 2020, plus the maximum permissible
7 increase under subsection (a); and

8 (2) an owner is not liable to the tenant for any
9 corresponding rent overpayment.

10 An owner of residential real property subject to subsection
11 (a) who increased the rental rate on that residential real
12 property on or after March 15, 2020, but prior to January 1,
13 2021, by an amount less than the rental rate increase permitted
14 by subsection (a) is allowed to increase the rental rate twice,
15 as provided in paragraph (2) of subsection (a), within 12
16 months of March 15, 2020, but in no event shall that rental
17 rate increase exceed the maximum rental rate increase permitted
18 by subsection (a).

19 (h) Any waiver of the rights granted under this Section is
20 against public policy and void.

21 (i) Nothing in this Section affects the existing authority
22 of a unit of local government to adopt or maintain rent
23 controls or price controls consistent with this Act.

24 Section 25. Exceptions.

25 (a) Notwithstanding Section 20, upon the expiration of

1 rental restrictions, the following applies:

2 (1) The owner of an assisted housing development who
3 demonstrates, under penalty of perjury, compliance with
4 any other applicable law or regulation intended to promote
5 the preservation of assisted housing, may establish the
6 initial unassisted rental rate for units in the applicable
7 housing development. Any subsequent rent increase in the
8 development shall is subject to Section 20.

9 (2) The owner of a deed-restricted affordable housing
10 unit or an affordable housing unit subject to a regulatory
11 restriction contained in an agreement with a governmental
12 agency limiting rental rates that is not within an assisted
13 housing development may establish the initial rental rate
14 for the unit upon the expiration of the restriction. Any
15 subsequent rent increase for the unit is subject to Section
16 20.

17 (b) Any waiver of the rights under this Section is against
18 public policy and void.

19 Section 30. Repeal. This Act is repealed on January 1,
20 2031.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.