



## TIPS FOR LANDLORDS IN COMPLYING WITH THE CHICAGO RESIDENTIAL LANDLORD AND TENANT ORDINANCE

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If you are a landlord in Chicago, and your building has more than 6 units (or has 6 or fewer units, but you do not live in the building), your apartment falls under the jurisdiction of the Chicago Residential Landlord and Tenant Ordinance. The Ordinance gives tenants protections and makes some specific demands on landlords that do not otherwise exist under Illinois law.

**You must give your tenant a summary version of the Ordinance with each lease. If you fail to do so, your tenant has the right to terminate the lease.** If you have a written lease with your tenant, you must attach a summary version of the Ordinance to the lease. You must do so each time you have a renewal lease, as well. If you have an oral lease (not written), you must still provide your tenant with a written summary version of the Ordinance. If you fail to do so, your tenant may notify you in writing that he or she is terminating the lease, and give the date of the termination, which must be no later than 30 days from the date of the written notice. Your also has the right to pursue you in court and recover \$100.00 in damages.

**You must tell your tenant who you are and how to contact you. If you fail to provide this information, your tenant has the right to terminate the lease.** At the outset of the tenancy, you must give your tenant your name, or the name of an agent authorized to act on your behalf, along with your address and telephone number. If the information changes, you (or your agent) must notify your tenant of those changes. If you fail to give your tenant this information, your tenant has the right to demand that you give the information within 14 days or else your tenant will terminate the lease. If you do not provide the information, the lease will be terminated, and you must return any prepaid rent and any security deposit, along with any interest accrued. You will also be liable for one month's rent or your tenant's actual damages, whichever is more. For your tenant's part, the tenant must vacate the apartment within 30 days of the termination (if your tenant fails to do so, the termination will be invalid, and the lease will continue).

**You must maintain your tenant's security deposit in an interest bearing, federally insured bank account that is separate from your other account(s). If you fail to do this, your tenant is entitled to a return of the security deposit, plus other penalties.** If your tenant pays you the first month's rent and the security deposit in a single check, and you accept it, that is an indication that you are not handling your tenant's security deposit according to the Ordinance. Always remember that the security deposit remains your tenant's property. The Ordinance has strict rules about how you must handle your tenant's security deposit. The landlord's failure to comply with the Ordinance entitles a tenant to recover up to twice the amount of the security deposit, plus interest, from the landlord.

**You must give your tenant a written receipt for the security deposit, and for any additional security deposits your tenant makes. If you fail to do this, your tenant is entitled to a return of the security deposit, plus other penalties.** The written receipt must clearly state the amount of the security deposit, the date the deposit was received, the name of the person who received it, a description of the unit the security deposit is for, and must be signed by the person who received the security deposit. Further, you must give your tenant the receipt at the time your tenant gives you the security deposit. Always remember that your security deposit remains your property. The Ordinance has strict rules about how a landlord must handle a tenant's security deposit. The landlord's failure to comply with this provision entitles a tenant to an immediate return of the security deposit and/or up to twice the amount of the security deposit, plus interest.

**You must make reasonable repairs requested by your tenant. If you fail to make repairs, you may have the right, depending on the specific facts, to (1) reduce the rent, (2) get the repairs done at your expense, and/or (3) cancel the lease.** If there is a defect in the apartment that needs repair, your tenant must give you written notice to repair the defect. Your tenant must tell you specifically what repairs are needed, and that if you fail to repair the defect within 14 days, the tenant will exercise one of the following options: (1) deduct an amount equal to the loss of use of the apartment caused by the defect from the monthly rent check for as long as the defect goes unrepaired or (2) if the cost of performing the repair is less than \$500.00 or ½ of a month's rent (whichever is more), the tenant will have the repairs done and will deduct the cost of the repairs from the next month's rent. If the defect is big enough so as to render the entire unit uninhabitable, the tenant may also notify you that he or she will exercise the right to terminate the lease if you do not timely repair the defect.

**You must pay interest or credit for interest earned on your tenant's security deposit every 12 months. If you fail to do this, your tenant is entitled to a return of the security deposit, plus other penalties.** If you are holding a security deposit for more than 6 months, you must pay interest on the security deposit in an amount consistent with the interest rate dictated by the city comptroller for a given year. At the end of each 12 month period of the tenancy, you must pay your tenant the interest earned or credit your tenant for the interest on the next monthly rent due, and must do so within 30 days. Always remember that the security deposit remains your tenant's property. The Ordinance has strict rules about how a landlord must handle a tenant's security deposit. The landlord's failure to comply with the Ordinance entitles a tenant to recover up to twice the amount of the security deposit, plus interest.

**If you sell the building, you must give your tenants written notice.** You must give written notice to your tenants within 10 days of the sale of the building. The notice must state the new landlord's business address, telephone number, and must state that the new landlord is holding the security deposit. Failure to comply results in the tenant being able to recover up to twice the amount of the security deposit, plus interest, from either you or the new owner.

**You must give you at least 48 hours notice before you (or your agent) can come into your tenant's apartment. If you unlawfully enter your tenant's apartment, your tenant has the right to terminate the lease and to seek damages.** Of course, your tenant may give you landlord permission to enter the apartment at any time. Except for when your tenant has given this permission, you must give your tenant at least 48 hours notice that you (or an agent) will be coming into the apartment, and you must state the reason. Further, you cannot seek entry – even with 48 hours notice – so often as to constitute harassment.



However, for emergencies, your tenant may not unreasonably deny you access to the apartment. If your fail to comply with this provision of the ordinance, your tenant has the right to notify you within 14 days that he or she is terminating the lease. Your tenant also has the right to seek damages of one month's rent or twice his or her actual damages, whichever is more.

**You must return your tenant's security deposit, plus interest, within 45 days after your tenant vacates your apartment, unless you are withholding part (or all) of pay for damages, in which case you must provide paid receipts or estimates for repairs within 30 days after your tenant vacates. If you fail to comply, your tenant is entitled to a return of the entire security deposit, plus other penalties.** You can withhold some or all of the security deposit to pay for damage to the apartment your tenant caused (or permitted to be caused), but you must give your tenant copies of paid receipts or estimates within 30 days after your tenant has vacated. If you give your tenant estimates for repairs, you must follow up with paid receipts consistent with those estimates within another 30 days. Your failure to comply with this provision of the Ordinance entitles your tenant to recover up to twice the amount of the security deposit, plus interest.