

46:8-19

LEGISLATIVE FACT SHEET

ON Rent security -- Bank deposit

N.J.R.S. 46:8-19

(1973 Amendment)

LAWS OF 1973

CHAPTER 195

July 3, 1973

SENATE

ASSEMBLY 414

INTRODUCED Pre-filed

BY Burstein

STATEMENT

YES

NO SPONSOR'S STMT.

AMENDED DURING PASSAGE

YES

NO

HEARING None discovered

VETO

SENATE LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 414

STATE OF NEW JERSEY

DATED: APRIL 5, 1973

Assembly No. 414 would amend N. J. S. A. 46:8-19 by providing that in the event a landlord receiving a security deposit fails to notify the tenant of the name and address of the lending institution in which the deposit is made within 30 days of receiving the deposit, the tenant may have the deposit applied to his rent and shall be without further obligation to make any further security deposit during the term of the lease.

7-22-68 1

No. Stmt. on signing.

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CHAPTER 195 LAWS OF N. J. 1973
APPROVED 7-3-73

ASSEMBLY, No. 414

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1972 SESSION

By Assemblyman BURSTEIN

AN ACT concerning security deposits made in connection with contracts, leases or licenses for the use or rental of certain residential real property and amending P. L. 1967, c. 265.

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

1 1. Section 1 of P. L. 1967, c. 265 (C. 46:8-19) is amended to
2 read as follows:

3 1. Whenever money or other form of security shall be deposited
4 or advanced on a contract, lease or license agreement for the use
5 or rental of real property as security for performance of the con-
6 tract, lease or agreement or to be applied to payments upon such
7 contract, lease or agreement when due, such money or other form
8 of security, until repaid or so applied including the tenant's portion
9 of the interest earned thereon as hereinafter provided, shall con-
10 tinue to be the property of the person making such deposit or ad-
11 vance and shall be held in trust by the person with whom such
12 deposit or advance shall be made for the use in accordance with
13 the terms of the contract, lease or agreement and shall not be min-
14 gled with the personal property or become an asset of the person
15 receiving the same. The person receiving money so deposited or
16 advanced shall deposit such money in a banking institution or sav-
17 ings and loan association in this State insured by an agency of the
18 Federal Government in an account bearing interest at the rate cur-
19 rently paid by such institutions and associations on time or sav-
20 ings deposits and shall thereupon notify in writing each of the
21 persons making such security deposit or advance, giving the name
22 and address of the banking institution in which the deposit of
23 security money is made, and the amount of such deposit.

24 All of the money so deposited or advanced may be deposited by
25 the person receiving the same in one interest-bearing account as
26 long as he complies with all the other requirements of this act.

27 The person receiving money so deposited or so advanced shall
28 be entitled to receive as administration expenses, a sum equivalent
29 to 1% per annum thereon which shall be in lieu of all other admin-
30 istrative and custodial expenses. The balance of the interest paid
31 thereon by such banking institution or savings and loan association,
32 hereinafter referred to as tenant's portion, shall belong to the per-
33 son making the deposit or advance and shall be credited toward the
34 payment of rent due on the renewal or anniversary of said tenant's
35 lease.

36 *In the event the person receiving a security deposit fails to notify*
37 *the tenant of the name and address of the banking institution or*
38 *savings and loan association in which the deposit of such security*
39 *is made, and the amount thereof, within 30 days after receipt of*
40 *same from the tenant, the tenant may give written notice to the*
41 *person receiving the same that such security money be applied on*
42 *account of rent payment or payments due or to become due from*
43 *the tenant, and thereafter the tenant shall be without obligation*
44 *to make any further security deposit during the term of his lease*
45 *and the person receiving the money so deposited shall not be*
46 *entitled to make further demand for a security deposit.*

1 2. This act shall take effect immediately.

SENATE LAW, PUBLIC SAFETY AND
DEFENSE COMMITTEE

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