



## Legislation Text

**File #: 0495-2021, Version: 1**

The traditional security deposit is an upfront moving cost that presents a barrier to housing affordability. In Columbus, over \$480 million is locked up in cash security deposits, providing no immediate benefit to tenants or operators. Alternative choice and optionality in the payment of the security deposit is an affordable housing solution that provides tenants the opportunity to rapidly re-house and lower move-in costs.

To amend Chapter 4551 of Columbus City Codes providing operators and tenants with rental security deposit payment alternatives.

**WHEREAS**, it is in the best interest of all parties that operators and tenants have rental security deposit payment alternatives; and

**WHEREAS**, current code does not require that tenants have the ability to work with an operator and choose an alternative to a rental security deposit; and

**WHEREAS**, amending the city code to provide operators and tenants with rental security deposit payment alternatives would benefit the City of Columbus by allowing tenants to find safe and sanitary housing with lower upfront costs;

**NOW, THEREFORE,**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That Chapter 4551 of Columbus City Codes is hereby amended to read as follows:

### **4551.04 Renter's Choice**

(a) Renter's Choice. If an operator requires that a tenant pay a security deposit, no operator shall fail to provide written notice of the security deposit payment alternatives as described in this division. Prior to entering into a rental agreement, a tenant required to pay a security deposit shall either pay the required security deposit in full or select and subsequently fulfill one of the following rental security deposit payment alternatives:

(1) payment of the security deposit over a series of no fewer than 3 monthly installment payments, which installments shall be due on the same day as the monthly rent payment and which may be paid together with the monthly rent payment in a single transaction,

(2) payment of the security deposit over a series of no fewer than 6 monthly installment payments, which installments shall be due on the same day as the monthly rent payment and which may be paid together with the monthly rent payment in a single transaction,

(b) This section shall not apply to any operator with fewer than 5 rental units.

(c) The provisions of this section shall apply to any residential lease that is executed or renewed after the effective date of this ordinance.

(d) Organizational criminal liability as provided for in Section 2301.23 is contemplated where an organization is an

operator.

(e) The offense established under division (a) of this section is a strict liability offense.

(f) An operator who violates division (a) is guilty of failure to provide notice of renter's choice, a misdemeanor of the fourth degree.

(g) Nothing in this section shall be construed so as to mandate that an operator require a tenant to pay a security deposit and nothing in this section shall be construed to prohibit the use of alternative lawful means of providing assurances as to the performance of the rental agreement and/or compensation for possible loss or damage to the rental property.

**SECTION 2.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.