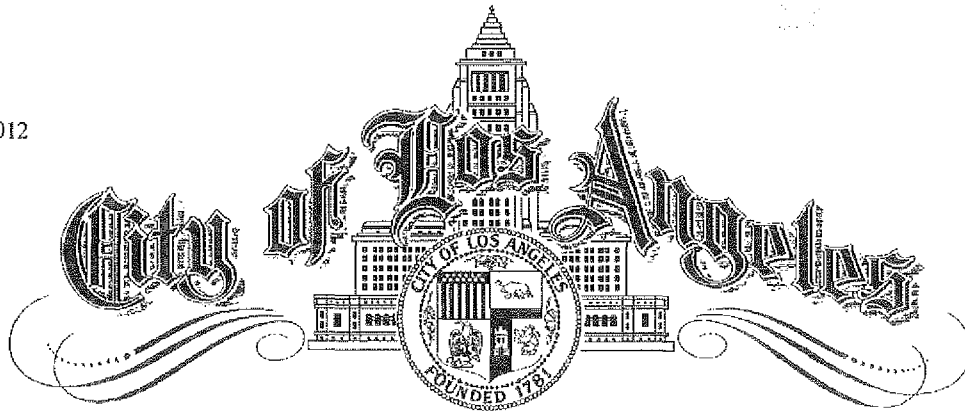


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CARMEN A. TRUTANICH  
City Attorney

REPORT NO. R 1 2 - 0 3 8 0  
DEC 0 4 2012

**REPORT RE:**

**DRAFT ORDINANCE ADDING AND AMENDING VARIOUS SECTIONS OF THE  
RENT STABILIZATION ORDINANCE IN ARTICLE 1, CHAPTER XV OF THE  
LOS ANGELES MUNICIPAL CODE TO PROVIDE TENANTS WITH  
NON-ELECTRONIC MEANS TO PAY RENT**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 12-0381

Honorable Members:

Pursuant to your request, we have prepared and transmit for your consideration a draft ordinance, approved as to form and legality, which adds and amends various Sections of the Rent Stabilization Ordinance (RSO) in Article 1, Chapter XV of the Los Angeles Municipal Code (LAMC) pertaining to the payment of rent by non-electronic means.

Background and Summary of Ordinance Provisions

The City Council requested that this Office prepare a draft ordinance to add and amend various sections of the RSO requiring all landlords and their agents in the City to provide alternative means for tenants to pay rent and associated fees when an online rent payment system or other electronic bank transfer system is used. This Office was

requested to include an enforcement mechanism for tenants to proceed against landlords and their agents who fail to provide a non-internet means for them to pay rent.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the draft ordinance was reviewed by the Los Angeles Housing Department, which has approved the proposed language.

CEQA Findings

Regarding a finding pursuant to the California Environmental Quality Act (CEQA), LAHD has recommended that City Council find that the adoption of this ordinance is exempt from the provisions of CEQA under Article 18, Section 15060 (c)(2) of the State CEQA Guidelines and Article II, Section 2(m) of the City CEQA Guidelines.

If you have any questions regarding this matter, please contact Deputy City Attorney Deborah Breithaupt at (213) 978-7965. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 

PEDRO B. ECHEVERRIA  
Chief Assistant City Attorney

PBE:DB:sw  
Transmittal

ORDINANCE NO. \_\_\_\_\_

An ordinance adding Subsection C to Section 151.04 and amending Subsection F of Section 151.09 and Subsection B of Section 151.11 of Article 1 of Chapter XV of the Los Angeles Municipal Code to require landlords and property managers in the City to provide alternative means for tenants to pay rent and associated fees when an internet or electronic rent payment system is used and to provide tenants with a remedy when their landlords and their agents fail to provide a non-internet and non-electronic means to pay rent.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection C is added to Section 151.04 of the Los Angeles Municipal Code to read as follows:

**SEC. 151.04. RESTRICTIONS ON RENTS.**

C. It shall be unlawful for any landlord or landlord's agent to demand or require an electronic funds transfer or online internet payment as the exclusive method of payment of rent, security deposits, surcharges or other housing service fees.

Sec. 2. Subsection F of Section 150.09 of the Los Angeles Municipal Code is amended to read as follows:

F. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with Sections 151.04.C and 151.05.A of this Chapter.

Sec. 3. Subsection B of Section 151.11 of the Los Angeles Municipal Code is amended to read as follows:

**SEC. 151.11. REFUSAL OF A TENANT TO PAY.**

B. A tenant may withhold the payment of any rent otherwise lawfully due and owing after July 1, 1979, until such time as the landlord has complied with Section 151.04.C and Section 151.05.A of this Chapter. Once the landlord has complied with Sections 151.04.C and 151.05.A of this Chapter, the tenant becomes obligated to pay the current rent and any back rent withheld pursuant to this Subsection.

Sec. 4. The City Clerk shall certify to the passage of these ordinances and have them published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that these ordinances were passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

JUNE LAGMAY, City Clerk

By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
DEBORAH BREITHAUPT  
Deputy City Attorney

Date 12/4/12

File No. CF 12-0381