

House Bill 3564 – Rental Housing, Application, and “Junk Fees”

Link to Full Bill: [House Bill 3564](#)

EFFECTIVE DATE: JANUARY 1, 2027

Applicability: House Bill 3564 does NOT apply to owner-occupied buildings with 6 units or fewer. While this bill sets a statewide standard, the Chicago RLTO, the Cook County RTLO, and other local landlord-tenant ordinances governing applications and fees in a manner more restrictive than this Act still apply.

OVERVIEW

[House Bill 3564](#) is statewide legislation regulating and requiring transparency of non-optional fees and payments the tenant will be required to pay under the lease, and prohibiting specific categories of so-called “junk fees.” Thanks to Illinois REALTORS® Advocacy in Springfield, the bill would NOT cap late fees, security deposits or move-in fees (as originally proposed).

This bill passed the House and Senate in the 104th General Assembly. At the time of publication, we expect the Governor to sign it into law.

Disclosure of ‘Up Front’ Fees

Housing providers must disclose all ‘non-optional’ fees on the FIRST page of the lease AND within any listing or advertisement that includes the rent amount “in a clear and conspicuous manner” (which may be an accessible weblink). Disclosure must include whether utilities are included in the rental price. **If a fee is not explicitly included on the first page of a lease agreement, a tenant shall is not liable for such fee.**

Limits on Application Fees

Application fees may be charged provided they reflect the actual cost of tenant screening (credit checks, background checks, screening reports). An application fee more than \$50 may only be charged if the actual cost of the third-party check is greater than \$50, and the landlord pays the upfront cost of the third-party background service and bills the tenant within 14 days (with third-party receipt). If a bill is not submitted within 14 days, the tenant is not liable for the fee.

During the application process, housing providers CANNOT CHARGE:

- Duplicate screening fees (e.g., multiple applicants paying for the same report)
- Fees exceeding actual screening cost
- “Administrative” or “processing” add-ons tied to applications
- Any fee unrelated to screening **at the time of application**
- Disguised application charges

Link to Full Bill: [House Bill 3564](#)

Ban on Other Fees

During the tenancy, housing providers CANNOT CHARGE:

- After-hours maintenance request fees
- A fee or a fine for an eviction notice or filing prior to an eviction order being entered. **This does not limit the ability of a housing provider to recover court costs and filing fees**
- Fees for contacting property management (calls, emails, requests)
- Maintenance hotline or service call fees
- Travel charges for maintenance or repairs
- Fees for routine maintenance and upkeep
- Pest control charges **if tenant did not cause the issue**
- A fee or a fine for an in-person walk-through of the unit at the time of move-in and move-out

PENALTIES FOR NON-COMPLIANCE

“Any person alleging a violation of this Section may bring a civil action, in accordance with applicable law, in any court of competent jurisdiction. The court may order injunctive relief, monetary relief, attorney’s fees, and costs.”

REALTOR® POSITION

[House Bill 3564](#) falls within a broader trend of increased regulation in rental housing, including restrictions on rights of housing providers, fee disclosures, and application process reforms. Illinois REALTORS® engaged extensively with sponsors to narrow the scope of [House Bill 3564](#) and preserve standard rental housing practices. The amended bill:

- Protects current practices related to move-in fees and security deposit regulations.
- Clarifies that landlords may still charge application fees to cover the actual cost of tenant screening, including background and credit checks.
- Limits restrictions to fees that duplicate screening costs, or include unrelated charges.
- Specifies that restrictions apply only to fees ancillary to the application fee at the time of application, not all rental-related fees.
- Allows disclosures to be made directly in the listing, or via an accompanying weblink at the time of listing, aligning with modern online rental practices.

Please call Illinois REALTORS® Legal Hotline for questions about compliance.