

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 226

H. P. 194

House of Representatives, January 16, 1975

Referred to Committee on Judiciary. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Mulkern of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Regulating the Collection and Return of Tenant Security
Deposits by Landlords.

Be it enacted by the People of the State of Maine, as follows:

10 MRSA, Pt. 11 is enacted to read:

PART 11

LANDLORD - TENANT RELATIONS

CHAPTER 1021

SECURITY DEPOSITS

§ 9301. Return of tenant security deposit and payment of
interest on tenant security deposit

No lessor of a dwelling intended for human habitation shall require a security deposit equivalent to more than one month's rent, nor a charge of more than the purchase and installation cost for a key or a lock. A lessor who holds a security deposit pursuant to this section for a period of one year or longer from the commencement of the term of the tenancy shall, beginning with the first day of the tenancy, pay interest at the rate of 5% per year, payable to the tenant at the end of each year of the tenancy. The lessor shall, within 7 days after the termination of the lease or tenancy, return the security deposit or any balance thereof, and interest thereon, after deducting the amount of any damage caused by the tenant, or any person on the demised premises with the tenant's consent, reasonable wear and tear excepted, less any unpaid rent. Any deduction for damage pursuant to this section shall be

itemized by the lessor with particularity indicating the nature of the repair necessary to correct any damage and the actual or estimated cost thereof. Said itemization shall be in writing and mailed or delivered to the tenant by the lessor within 7 days after the termination of the lease or tenancy.

If the lessor fails to make timely return to the tenant of such deposit or the balance thereof, together with an itemized statement, all as provided herein, he shall be liable in damages in an amount equal to 3 times the amount of such security deposit, together with interest and reasonable attorney's fees incurred to recover such damages.

For the purposes of this section, the term "security deposit" applies to all funds received from the tenant in advance for any purpose whatsoever in excess of the monthly rent. Any funds required of a tenant or held by a lessor as a condition for continued occupancy of premises occupied by the tenant immediately preceding the commencement of the continued occupancy shall be deemed to be a security deposit held for a period of one year or longer. Any of the provisions of this section relative to security deposits, which may be in conflict with the terms of a mortgage guaranteed by the United States or any authority created under the laws thereof, shall not apply to security deposits held by a lessor who appears as the mortgagor in such a mortgage.

Any provision of a lease in violation of the provisions of this section shall be deemed to be against public policy and void.

STATEMENT OF FACT

The purpose of this bill is to prevent unjust enrichment by lessors in circumstances where a security deposit has been paid and the lessor has failed to make prompt return of the deposit, together with a reasonable interest payment for use of the deposit. The bill permits the landlord to use the deposit for repairs, other than ordinary wear and tear, if the tenant or a person on the premises with the tenant's consent has caused the damage. Because tenants by definition have moved at the termination of a tenancy and are often not in a convenient location for enforcing their rights under this section, the bill provides strict penalties and attorney's fees for violations of the provisions of this section.