

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 624

H. P. 507

House of Representatives, February 16, 1979

On Motion of Mr. Howe of South Portland, referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Jackson of Yarmouth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Providing for Interest and Receipts for Security Deposits.

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

Sec. 1. 14 MRSA § 6033, sub-§ 2, first ¶, as enacted by PL 1977, c. 359, is amended to read:

2. Return; time; retention. A landlord shall return to a tenant the full security deposit deposited with the landlord by the tenant, **plus all interest as provided by section 6038** or, if there is actual cause for retaining the security deposit or any portion of it, the landlord shall provide the tenant with a written statement itemizing the reasons for the retention of the security deposit or any portion of it:

Sec. 2. 14 MRSA § 6038 is enacted to read:

§ 6038. Treatment of security deposit

1. Security deposit not to be commingled. During the term of a tenancy, a security deposit given to a landlord as part of a rental agreement shall not be treated as an asset to be commingled with the assets of the landlord and shall not be subject to the claims of any creditor of the landlord or of the landlord's successor in interest, including a foreclosing mortgagee or trustee in bankruptcy.

2. **Receipt required.** Any landlord or his agent, who receives a security deposit from a tenant or prospective tenant shall, at the time of receiving the security deposit, give the tenant or prospective tenant a receipt indicating the name of the party for whom the payment is made, the amount of the security deposit received, the date of payment, the signature of the person receiving the payment, the name of the person receiving the payment printed in a legible manner and, in the case of an agent, the name of the lessor for whom the security deposit is received.

3. **Security deposit to be held in escrow account.** Security deposits shall be held in a separate, interest-bearing escrow account in a bank, located within the same county or no more than 25 miles from the rented dwelling unit, under such terms as will place the security deposit beyond the claim of creditors of the landlord, including a foreclosing mortgagee or trustee in bankruptcy, and as will provide for transfer of the security deposit to a subsequent owner of the dwelling unit.

STATEMENT OF FACT

This bill adds a requirement that interest be paid on security deposits, that they be kept in an escrow account and that receipts be given for security deposits.