

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 370, L.D. 524, Bill, "An Act to Prohibit the Charging of Rent in Advance by Landlords"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'14 MRSA §6031, sub-§2, as enacted by PL 1977, c. 359, is amended to read:

2. Security deposit. "Security deposit" means any advance or deposit, regardless of its denomination, of money, the primary function of which is to secure the performance of a rental agreement for residential premises or any part thereof. Rent collected for a rental period, other than the rental period beginning immediately after the collection of rent, is part of the security deposit. For purposes of this definition, a rental period may not exceed one month.

STATEMENT OF FACT

This amendment clarifies that an advance rent payment is part of the tenant's security deposit, since it is held to secure performance of the rental agreement. This makes clear that the collection of advance rent is limited by the current law limiting security deposit to 2 months' rent. Advance rent does not include rent collected for the next upcoming rental period, such as rent collected on the last day of a month to pay for the upcoming month. A landlord may not, however, justify the collection of several months' rent as the initial rental collection by considering the rental period to be longer than one month.

Reported by the Committee on Legal Affairs
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