

MAINE STATE LEGISLATURE

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

COMMITTEE AMENDMENT "A" to H.P. 607, L.D. 867, Bill, "An Act to Require Interest on Tenant Security Deposits and to Provide Funds for Affordable Housing"

Amend the bill in section 2 in that part designated "~~§6038-A.~~" in subsection 1 by striking out all of paragraphs D and E (page 1, lines 29 to 36 in L.D.) and inserting in their place the following:

'D. That permits withdrawal of the principal upon request of the landlord, without delay:

E. That provides that, at the election of the landlord made at the beginning of the tenancy, the net interest earned on the funds deposited in the account, which is the interest earned on the account minus administrative costs for the account, is:

(1) Remitted to the Housing Opportunities for Maine Fund, created in Title 30-A, section 4853, not less frequently than quarterly; or

(2) Paid to the tenant at the termination of the tenancy; and'

Further amend the bill by inserting before the statement of fact the following:

FISCAL NOTE

	1991-92	1992-93
REVENUES		
Other Funds	\$75,000	\$100,000

COMMITTEE AMENDMENT "A" to H.P. 607, L.D. 867

2 This bill requires landlords to put security deposits into
interest-bearing accounts and that the interest earned be
4 transferred to the Housing Opportunities for Maine Fund
administered by the Maine State Housing Authority or paid to the
6 tenant at the termination of the tenancy. It is estimated that
no more than \$100,000 annually would be generated for the Housing
8 Opportunities for Maine Fund. The potential cost to the Maine
State Housing Authority related to enforcement for noncompliant
landlords can not be determined at this time.'

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STATEMENT OF FACT

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The amendment clarifies that only landlords have access to
the account in which the security deposit is held. The amendment
16 also provides that the landlord has the choice at the beginning
of the tenancy whether to have the interest paid to the Maine
18 State Housing Authority during the term of the tenancy or to have
the interest paid to the tenant at the termination of the tenancy.

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Reported by the Minority of the Committee on Legal Affairs
Reproduced and distributed under the direction of the Clerk of the
House

(4/17/91

(Filing No. H-150)