



## 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

Legislative Document

No. 636

S.P. 200

In Senate, February 23, 1993

An Act to Prohibit the Charging of Rents in Advance.

Reference to the Committee on Legal Affairs suggested and ordered printed.

Sun

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator O'DEA of Penobscot. Cosponsored by Representative: STEVENS of Orono. Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 14 MRSA §6031, sub-§2, as enacted by PL 1977, c. 359, 4 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. <u>Rent</u> <u>collected for a rental period</u>, <u>other than the rental period</u> <u>beginning immediately after the collection of rent, is part of</u> <u>the security deposit. For purposes of this definition, a rental</u> <u>period may not exceed one month.</u>

## STATEMENT OF FACT

18 This bill clarifies that an advance rent payment is part of the tenant's security deposit, since it is held to secure 20 performance of the rental agreement. This makes clear that the collection of advance rent is limited by the current law limiting 22 security deposit to 2 months' rent. Advance rent does not include rent collected for the next upcoming rental period, such 24 as rent collected on the last day of a month to pay for the upcoming month. A landlord may not, however, justify the26 collection of several months' rent as the initial rental collection by considering the rental period to be longer than one 28 month.