

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 255

H.P. 196

House of Representatives, January 27, 1995

**An Act to Clarify the Statutory Prohibition of the Collection of More
Than 2 Months of Rent in Advance.**

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative STEVENS of Orono.
Cosponsored by Representatives: ADAMS of Portland, AHEARNE of Madawaska,
HEESCHEN of Wilton, SHIAH of Bowdoinham, TREAT of Gardiner, Senator: O'DEA of
Penobscot.

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:

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

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STATEMENT OF FACT

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This bill clarifies that an advance rent payment is actually
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. A
24 landlord may not consider the rental period to be longer than one
month.