

# MAINE STATE LEGISLATURE

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R.S.

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**LEGAL AND VETERANS AFFAIRS**

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 443, L.D. 1318, Bill, "An Act to Amend the Treatment of Security Deposits Upon the Sale of a Building"

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

'Sec. 1. 14 MRSA §6035, sub-§1, as enacted by PL 1977, c. 359, is repealed and the following enacted in its place:

1. Landlord's termination of interests in dwelling unit. Upon termination of a landlord's interest in the dwelling unit, whether by sale, assignment, death, appointment of a receiver or otherwise, the person in possession of a security deposit, including, but not limited to, the landlord, the landlord's agent or the landlord's executor shall, upon the transfer of the interest in the dwelling unit:

A. Provide to the landlord's successor in interest an accounting of the amount of each security deposit paid by each tenant and held by the person in possession of the security deposits, transfer the funds or any remainder after lawful deduction under this chapter to the landlord's successor in interest and provide to the tenant by mail:

(1) Notice of that transfer;

(2) Notice of the transferee's name and address; and

(3) A copy of the accounting of the amount of the security deposit transferred; or

**COMMITTEE AMENDMENT**

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2 B. Return the funds or any remainder after lawful  
3 deductions under this section to the tenant.

4 **Sec. 2. 14 MRSA §6038**, as amended by PL 1981, c. 428, §12, is  
5 further amended to read:

6 **§6038. Treatment of security deposit**

7  
8 During the term of a tenancy, a security deposit given to a  
9 landlord as part of a residential rental agreement ~~shall~~ may not  
10 be treated as an asset to be commingled with the assets of the  
11 landlord. All security deposits received after October 1, 1979,  
12 ~~shall~~ must be held in an account of a bank or other financial  
13 institution under ~~such terms as--will~~ that place the security  
14 deposit beyond the claim of creditors of the landlord, including  
15 a foreclosing mortgagee or trustee in bankruptcy, and ~~as--will~~  
16 that provide for transfer of the security deposit to a subsequent  
17 owner of the dwelling unit or to the tenant in accordance with  
18 section 6035. Upon the transfer of the dwelling unit, the new  
19 owner shall assume all responsibility for maintaining and  
20 returning to tenants all security deposits accounted for and  
21 transferred pursuant to section 6035. Upon request by his a  
22 tenant, a landlord shall disclose the name of the institution and  
23 the account number where the security deposit is being held. A  
24 landlord may use a single escrow account to hold security  
25 deposits from all of ~~his~~ the tenants.'

26  
27  
28  
29  
30 **SUMMARY**

31 This amendment replaces the bill. This amendment provides  
32 that upon the transfer of a residential rental unit there must be  
33 either an accounting and transfer of all security deposits held  
34 by the landlord or a return of the security deposits to the  
35 tenants. The amendment also clarifies that an entity that  
36 acquires a residential rental unit is responsible for maintaining  
37 and returning to tenants all security deposits to the extent the  
38 previous owner accounted for and transferred the security  
39 deposits to the new owner.  
40