

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1318

S.P. 443

In Senate, February 16, 1999

**An Act to Amend the Treatment of Security Deposits Upon the Sale of a Building.**

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

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator RAND of Cumberland.  
Cosponsored by Senator PINGREE of Knox.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 14 MRSA §6038**, as amended by PL 1981, c. 428, §12, is  
further amended to read:

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

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

24  
26 **SUMMARY**

28 This bill makes certain that tenants can recover their  
30 security deposit from a new owner. This bill is the  
recommendation of the Attorney General.