

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 330

H.P. 264

House of Representatives, January 23, 2007

### An Act To Protect the Integrity of Security Deposits

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative ADAMS of Portland.  
Cosponsored by Senator BARTLETT of Cumberland and  
Representatives: CAIN of Orono, CRAVEN of Lewiston, CROCKETT of Augusta,  
GERZOFSKY of Brunswick, MAKAS of Lewiston, WALCOTT of Lewiston.

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

2 **Sec. 1. 14 MRSA §6035, sub-§1**, as repealed and replaced by PL 1999, c. 213,  
3 §1, is amended to read:

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

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

13 (1) Notice of that transfer;

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

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

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

19 If the landlord's interest is terminated by sale, then the accounting and transfer of funds  
20 must occur no later than at the real estate closing. A person in possession of a security  
21 deposit, including, but not limited to, the landlord, the landlord's agent or the landlord's  
22 executor, shall provide written proof of the accounting and transfer of funds to the  
23 landlord's successor in interest at the real estate closing.

24 A person in possession of a security deposit, including, but not limited to, the landlord,  
25 the landlord's agent or the landlord's executor, who fails to comply with this subsection  
26 commits a violation of the Maine Unfair Trade Practices Act.

27 **SUMMARY**

28 This bill requires a landlord who is selling or transferring property being rented to  
29 inform the buyer or transferee at the closing on the property of the security deposits paid  
30 by tenants of the property, to transfer those security deposits at the closing and to provide  
31 written proof at the closing of the disclosure of this information and the transfer of funds.  
32 This bill also specifies that failure to provide the accounting or to transfer the security  
33 deposits is a violation of the Maine Unfair Trade Practices Act.