

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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

**Sec. 1. 14 MRSA §6035, sub-§1**, as repealed and replaced by PL 1999, c. 213, §1, is amended to read:

**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

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

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

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

### **SUMMARY**

This bill requires a landlord who is selling or transferring property being rented to inform the buyer or transferee at the closing on the property of the security deposits paid by tenants of the property, to transfer those security deposits at the closing and to provide written proof at the closing of the disclosure

of this information and the transfer of funds. This bill also specifies that failure to provide the accounting or to transfer the security deposits is a violation of the Maine Unfair Trade Practices Act.