

Re: LD 1490 - An Act to Reduce Rental Housing Costs by Eliminating Additional Fees at or Prior to the Commencement of Tenancy

I oppose LD 1490.

I am a manager in a rental housing business in the greater Waterville area. There are many reasons why landlords may wish to collect move-in fees which help to reduce vacancy or meet the unique needs of different properties and arrangements.

The most important fee in our business is the holding fee. We charge a holding fee to guarantee an applicant a spot in the unit once their application is approved. Once the application is approved, the holding fee is considered payment towards the first month's rent. If the application is denied, the entire fee is refunded. This is good for both landlords and tenants – tenants who are serious about moving in get prime consideration for the unit, and landlords save time and costs by avoiding processing multiple applications. Prior to adopting this fee model, our business lost many, many hours processing applications for tenants who ultimately walked away to rent in other homes instead. Sometimes, our preferred applicants would make false promises and delay committing to the lease for 2-3 weeks before ultimately ghosting us. Our units would go empty for excess of a month in some cases. This fee frees up our time and energy for rehabbing additional units, rather than sitting at our computers calling and emailing applicants. This helps to reduce costs and helps to keep rent prices down. As this bill is written, I am afraid that we can no longer collect this fee even though it counts towards the tenant's first-month's rent. It is important to keep it as a fee instead of "first month's rent" so we are not legally obligated to return it. If we are legally obligated to return it if the tenant ultimately decides not to sign the lease, then there is no incentive for the tenant to be honest about their intentions to rent from us.

There are other move in fees that landlords may charge for a variety of reasons. If, for example, a tenant chooses to delay move-in, we may charge a fee to mow the lawn in their absence. This keeps the property nice and helps to protect the property from vandalism and squatters, as an unkempt appearance signals that a property is abandoned. Some landlords charge a pet fee at move-in to cover the additional damages that pets inevitably incur. This additional fee makes it feasible for landlords to allow pets, as the costs of repairing claw marks and remediating pet odors can be significant. Maybe some landlords provide off-street parking for a fee in winter, or a one-time garage-use fee, or a one-time septic pumping fee, or a laundry fee, or a one-time professional cleaning fee, etc etc that some tenants can opt into or out of depending on the tenant's needs and desires separate from the monthly rent.

Please vote "no" on this bill – I feel this blanket ban on move-in fees will most likely overlook the nuances that allow landlords and tenants to negotiate the terms of move-in that best serve their interests and the unique needs of different areas, different buildings, and different people.

Jamie Nickerson  
Fairfield Maine