

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

Dear Committee on Judiciary,

I am submitting additional testimony after watching the most recent legislative hearing on this bill. In that session, it was stated that the intent of this bill was to eliminate all fees, not just move-in fees. Fee systems are a very important part of our business to treat tenants fairly and equitably and resolve rent violations.

In our business, the tenants and the landlord agree to a fee schedule in advance of signing the lease so all parties involved know what is expected. We rent all our units in extremely clean condition. Our lease includes an itemized fee schedule for cleaning in accordance with Maine state law. Items include washing trim, washing floors, cleaning the oven, cleaning the toilet, cleaning the kitchen cabinets, etc. If tenants complete all the items on the list, then they get their full deposit back. Most of our tenants do most of the cleaning, but neglect certain items such as cleaning the oven. We then deduct the cost of that particular task from their total deposit, but they still get the majority of it back. I worry about eliminating these fees and instead including them into the total cost of rent. This creates a situation that penalizes our clean tenants and rewards the more unclean ones. Turnovers represent a large burden on our business precisely because of how much cleaning is involved – imagine that you are responsible for cleaning an entire 5 bedroom 2 bathroom home that housed both children and pets in 48 hours or less. That cleaning involves every single wall, door, window, piece of trim, floor, cabinet, and lighting fixture. We often do not finish these turnovers until midnight, as we do the work ourselves, even though the vast majority of our tenants are fairly clean. I believe that eliminating these fees will negate any incentive the tenants have to clean upon move-out. That means more time and labor that my business will have to provide. If fees are eliminated, we will have to consider a substantial increase in rent to compensate our losses, hire the cleaning done (and again increase our costs), or perhaps lessen our cleanliness standards because it just seems too impossible to get done.

Fees also help us to discourage undesirable behaviors. We include fees for smoking/vaping as we only manage smoke-free properties, fees for garbage accumulation in egresses, fees for leaving windows open in winter, fees for inappropriate disposal of trash, and other fees that encourage compliance with local fire and building code and appearance ordinances. Once again, these fees only affect the tenants in violation. Last winter we were on site to perform routine maintenance and saw a tenant smoking inside his room on one of the properties. We issued a smoking fee, and the behavior stopped. Without this fee, our only other means of redress is to evict the tenant. I argue that a fee is much less hurtful to the tenant than an eviction. I am not willing to turn our properties into smoking properties and allow our properties to become sources of third-hand smoke to future tenants. Without fees, will I also need to consider evicting tenants who leave trash in their egress or commit other code violations? We have no other means to encourage compliance otherwise.

Please vote against this bill. Eliminating fees only raises rents, penalizes clean and code-abiding tenants and ultimately decreases flexibility for all parties involved in the rental business.

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