

May 15, 2023

To The Distinguished Members of the Judiciary Committee

From Daniel J. Bernier, representing the  
Central Maine Apartment Owners Association working in conjunction with the Rental  
Housing Alliance of Southern Maine, the Greater Bangor Area Owners' and Managers'  
Association, the Capital Area Housing Association, and Lewiston Auburn Landlord  
Association.

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

I am submitting this testimony in opposition to this legislation.

The reality is we are not sure what this bill does. I do apologize I do not believe I can be at the hearing on this legislation due to Court scheduling. I would have liked to have listened to the sponsor's intent. In three where it would say you can charge a fee to purchase an installation of a key and lock, we do not know of a landlord who charges a new moving in tenant for key and lock. It is common to charge a leaving tenant for the key and lock if they do not return the key. That is usually covered right in the lease that you would charge against the security deposit for the tenant's failure to return the key. The legislation appears to be telling us we can charge a fee that nobody charges.

From there, the legislation would limit landlords to charge first month rent and a security deposit. I am wondering if that is getting an application fee which the committee addressed in other legislation, and we have already had extension discussions of. I do not believe you want to eliminate application fees and I would refer the committee to discussions and testimony on other bills on this subject.

The other thing it might be doing is going after the practice of getting the first month's rent and last month's rent up front. As an attorney, I generally do not like the practice when landlords get last month's rent upfront, because it makes it harder to evict tenants. A thirty (30) day notice of eviction ends up being a sixty (60) day notice of eviction when landlords get last month's rent up front. A thirty (30) day notice must expire after the last date through which the landlord has collected rent. So, if the tenant has paid their current month's rent and they paid their last month's rent you need to put the expiration date out further than thirty (30) days for the notice to be legal. Essentially getting last month's rent up front works with honest tenants,

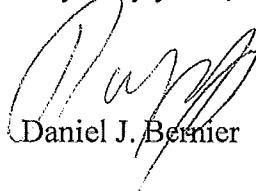
but it makes it harder to evict dishonest tenants. That being said, I do not think that is something the legislature should address, but rather lawyers like myself should continue educating landlords that getting last month's rent up front is not in their best interest.

The other issue that this may be addressing is landlords requiring tenants to buy renters insurance. I suggest that would be bad public policy. Often landlords will require renters' insurance to put up with something from a tenant that they might not otherwise rent to. For example, a lot of landlords if you have a dog, particularly certain breeds of dog, will let you have the dog if you get renters insurance. That way if the dog bites someone there is insurance to cover it. If you prohibit the practice of requiring renters' insurance, landlords will simply not rent to people with dogs or other issues.

We have seen a rise in tenants offering to pay several months' rent up front. This is something tenants are offering, not landlords requiring. I have been a bit curious how many people I evict find a new place to rent. In asking around, some of these evicted tenants will offer to pay six months' rent up front if the landlord over looks their eviction. While I find it interesting how the tenants are coming up with the money, I do not know that this is something the legislature should prohibit.

Thank you for your time and consideration.

Very truly yours,



Daniel J. Bernier

DJB/hb