

FIRST REGULAR SESSION

HOUSE BILL NO. 705

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CROSS.

1485H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 535.300, RSMo, and to enact in lieu thereof one new section relating to security deposits held by landlords.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 535.300, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 535.300, to read as follows:

535.300. 1. A landlord may not demand or receive a security deposit in excess of two months' rent.

2. ~~[All security deposits shall be held by the landlord for the tenant, who is a party to the rental agreement, in a bank, credit union, or depository institution which is insured by an agency of the federal government. Security deposits shall not be commingled with other funds of the landlord. All security deposits shall be held in a trust established by the landlord and deposited in a bank, credit union, or depository institution account in the name of the trustee. Any interest earned on a security deposit shall be the property of the landlord. A landlord licensed under and subject to the requirements of chapter 339, in lieu of complying with this subsection, shall maintain all tenant security deposits in a bank, credit union, financial or depository institution account, and shall not commingle such security deposits with other funds of the landlord except as provided in section 339.105. A housing authority created under section 99.040 or any other government entity acting as a landlord shall not be subject to this subsection.~~

~~3.]~~ Within thirty days after the date of termination of the tenancy, the landlord shall:

(1) Return the full amount of the security deposit; or

(2) Furnish to the tenant a written itemized list of the damages for which the security deposit or any portion thereof is withheld, along with the balance of the security deposit.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 The landlord shall have complied with this subsection by mailing such statement and any
19 payment to the last known address of the tenant.

20 ~~[4-]~~ **3.** The landlord may withhold from the security deposit only such amounts as are
21 reasonably necessary for the following reasons:

22 (1) To remedy a tenant's default in the payment of rent due to the landlord, pursuant to
23 the rental agreement;

24 (2) To restore the dwelling unit to its condition at the commencement of the tenancy,
25 ordinary wear and tear excepted; provided, however, that this subdivision does not preclude a
26 landlord and tenant from agreeing, in the rental agreement between them, upon amounts or fees
27 to be charged for cleaning of the carpet, and such amounts actually expended for carpet cleaning
28 can be withheld from the security deposit, so long as the rental agreement also includes a
29 provision notifying the tenant that he or she may be liable for actual costs for carpet cleaning that
30 exceed ordinary wear and tear, which may also be withheld from the security deposit. Within
31 thirty days of the end of the tenancy, the landlord shall provide the tenant a receipt for the actual
32 carpet cleaning costs; or

33 (3) To compensate the landlord for actual damages sustained as a result of the tenant's
34 failure to give adequate notice to terminate the tenancy pursuant to law or the rental agreement;
35 provided that the landlord makes reasonable efforts to mitigate damages.

36 ~~[5-]~~ **4.** The landlord shall give the tenant or his representative reasonable notice in
37 writing at his last known address or in person of the date and time when the landlord will inspect
38 the dwelling unit following the termination of the rental agreement to determine the amount of
39 the security deposit to be withheld, and the inspection shall be held at a reasonable time. The
40 tenant shall have the right to be present at the inspection of the dwelling unit at the time and date
41 scheduled by the landlord.

42 ~~[6-]~~ **5.** If the landlord wrongfully withholds all or any portion of the security deposit in
43 violation of this section, the tenant shall recover as damages twice the amount wrongfully
44 withheld.

45 ~~[7-]~~ **6.** Nothing in this section shall be construed to limit the right of the landlord to
46 recover actual damages in excess of the security deposit, or to permit a tenant to apply or deduct
47 any portion of the security deposit at any time in lieu of payment of rent.

48 ~~[8-]~~ **7.** As used in this section, the term "security deposit" means any deposit of money
49 or property, however denominated, which is furnished by a tenant to a landlord to secure the
50 performance of any part of the rental agreement, including damages to the dwelling unit. This
51 term does not include any money or property denominated as a deposit for a pet on the premises.

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