

1 B. Upon termination of the tenancy, any security deposit held
2 by the landlord may be applied to the payment of accrued rent and
3 the amount of damages which the landlord has suffered by reason of
4 the tenant's noncompliance with this act and the rental agreement,
5 all as itemized by the landlord in a written statement delivered by
6 mail to be by return receipt requested and to be signed for by any
7 person of statutory service age at such address or in person to the
8 tenant if he can reasonably be found. If the landlord proposes to
9 retain any portion of the security deposit for rent, damages or
10 other legally allowable charges under the provisions of this act or
11 the rental agreement, the landlord shall return the balance of the
12 security deposit without interest to the tenant within ~~thirty (30)~~
13 forty five (45) days after the termination of tenancy, delivery of
14 possession and written demand by the tenant. If the tenant does not
15 make such written demand of such deposit within six (6) months after
16 termination of the tenancy, the deposit reverts to the landlord in
17 consideration of the costs and burden of maintaining the escrow
18 account, and the interest of the tenant in that deposit terminates
19 at that time.

20 C. Upon cessation of a landlord's interest in the dwelling unit
21 including, but not limited to, termination of interest by sale,
22 assignment, death, bankruptcy, appointment of receiver or otherwise,
23 the person in possession of the tenants' damage or security deposits
24

1 at his option or pursuant to court order shall, within a reasonable
2 time:

3 1. Transfer said deposits to the landlord's successor in
4 interest and notify the tenants in writing of such transfer and of
5 the transferee's name and address; or

6 2. Return the deposits to the tenants.

7 D. Upon receipt of the transferred deposits under paragraph 1
8 of subsection C of this section, the transferee, in relation to such
9 deposits, shall have all the rights and obligations of a landlord
10 holding such deposits under this act.

11 E. If a landlord or manager fails to comply with this section
12 or fails to return any prepaid rent required to be paid to a tenant
13 under this act, the tenant may recover the damage and security
14 deposit and prepaid rent, if any.

15 F. Except as otherwise provided by the rental agreement, a
16 tenant shall not apply or deduct any portion of the security deposit
17 from the last month's rent or use or apply such tenant's security
18 deposit at any time in lieu of payment of rent.

19 G. This section does not preclude the landlord or tenant from
20 recovering other damages to which he may be entitled under this act.

21 SECTION 2. This act shall become effective November 1, 2015.

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23 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT, COMMERCE,
24 AND REAL ESTATE, dated 02/12/2015 - DO PASS, As Coauthored.