

FIRST REGULAR SESSION

# SENATE BILL NO. 234

99TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR LIBLA.

Pre-filed December 21, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

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## AN ACT

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

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*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Section A. Section 535.300, RSMo, is repealed and one new section  
2 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  
2 excess of two months' rent.

3 2. [All security deposits shall be held by the landlord for the tenant, who  
4 is a party to the rental agreement, in a bank, credit union, or depository  
5 institution which is insured by an agency of the federal government. Security  
6 deposits shall not be commingled with other funds of the landlord. All security  
7 deposits shall be held in a trust established by the landlord and deposited in a  
8 bank, credit union, or depository institution account in the name of the  
9 trustee. Any interest earned on a security deposit shall be the property of the  
10 landlord. A landlord licensed under and subject to the requirements of chapter  
11 339, in lieu of complying with this subsection, shall maintain all tenant security  
12 deposits in a bank, credit union, financial or depository institution account, and  
13 shall not commingle such security deposits with other funds of the landlord  
14 except as provided in section 339.105. A housing authority created under section  
15 99.040 or any other government entity acting as a landlord shall not be subject  
16 to this subsection.

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

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

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

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

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

25           **[4.] 3.** The landlord may withhold from the security deposit only such  
26 amounts as are reasonably necessary for the following reasons:

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

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

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

44           **[5.] 4.** The landlord shall give the tenant or his representative reasonable  
45 notice in writing at his last known address or in person of the date and time  
46 when the landlord will inspect the dwelling unit following the termination of the  
47 rental agreement to determine the amount of the security deposit to be withheld,  
48 and the inspection shall be held at a reasonable time. The tenant shall have the  
49 right to be present at the inspection of the dwelling unit at the time and date  
50 scheduled by the landlord.

51           **[6.] 5.** If the landlord wrongfully withholds all or any portion of the  
52 security deposit in violation of this section, the tenant shall recover as damages  
53 twice the amount wrongfully withheld.

54           **[7.] 6.** Nothing in this section shall be construed to limit the right of the  
55 landlord to recover actual damages in excess of the security deposit, or to permit

56 a tenant to apply or deduct any portion of the security deposit at any time in lieu  
57 of payment of rent.

58 [8.] 7. As used in this section, the term "security deposit" means any  
59 deposit of money or property, however denominated, which is furnished by a  
60 tenant to a landlord to secure the performance of any part of the rental  
61 agreement, including damages to the dwelling unit. This term does not include  
62 any money or property denominated as a deposit for a pet on the premises.

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