

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 581

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LIBLA.

Pre-filed December 1, 2017, and ordered printed.

Read 2nd time January 8, 2018, and referred to the Committee on Small Business and Industry.

Reported from the Committee February 1, 2018, with recommendation that the bill do pass.

Taken up for Perfection February 13, 2018. Bill declared Perfected and Ordered Printed.

ADRIANE D. CROUSE, Secretary.

4585S.02P

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Section A. Section 535.300, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 535.300, to read as follows: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

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

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

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. The landlord may withhold from the security deposit only such amounts
26 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. 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. If the landlord wrongfully withholds all or any portion of the security
52 deposit in violation of this section, the tenant shall recover as damages twice the

53 amount wrongfully withheld.

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

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Bill

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