



## Security Deposit Action Items

At the Rental Services Commission (RSC) work session on security deposits on June 19, Commissioners submitted several action items to be considered as part of recommendation letters from the RSC. At the Rules and Bylaws Committee meeting on June 27, the Committee approved all items on the action list with some recommended revisions.

The current action item list has been reorganized, revisions have been noted.

### Security Deposit Amount

- Clarify what/who determines the length of time for paying in installments.
- Clarify “a month’s Rent” for the security deposit cap.
- Remove reference to first month’s rent. The security deposit cap should be determined by if prepaid rent for the last month is required. *(revised)*

### Security Deposit Repairs

- Define structural and non-structural items.
- Clarify contiguous area for carpet.
- Define basic cleaning and filth.
- Modify the depreciation table to account for sub-standard appliances that won’t last 27 years. This could disproportionately impact low-income tenants. *(revised)*
- Modify requirements to avoid requiring landlords to maintain documents going back 27 years. *(revised)*
- Avoid requiring landlords to serve as their own collections agency. *(revised)*

## Fair Housing Considerations

- Add to ordinary wear and tear, that it will include wear and tear caused by something related to a tenant's disability.
- Add that ordinary wear and tear for households with pets or children should include ordinary wear and tear for them.
- Avoid defining ordinary wear and tear excessively, which could potentially violate Fair Housing law. *(revised)*
- Clarify that damage related to a modification for a tenant's disability can be charged, but damage related to an accommodation for a tenant's disability cannot be charged.
- Add existing federal language about reasonable accommodations that relate to modifications vs accommodations for their effect on security deposit to maintain legal consistency.

## Condition Reports

- Modify to allow landlords to conduct a condition report prior to move-in to assess the unit before possible move-in related damages. *(revised)*
- Modify Condition Reports to account for when property managers correct deficiencies identified in the move-in report.
- Add that the landlord shall provide a condition report to the tenant for them to complete, along with instructions describing the condition report process.
- Modify so that in the event a tenant does not complete a Condition Report, and the landlord completes the report, the landlord *shall* complete a Condition Report and provide a copy to the tenant. *(revised)*
- Add that a landlord shall give adequate notice to the tenant of when the final walk-through inspection will occur.

## Further Changes

- Modify payment of interest from interest-bearing accounts should allow for the landlord to deduct account-associated fees or maintenance costs.