

**OFFICE OF COMMISSIONER EUDALY**

**DRAFT: 9/20/18**

**30.01.087 Security Deposits.**

A. In addition to the protections set forth in the Act and Section 30.01.085, the following additional protections regarding security deposits apply to Tenants that have a Rental Agreement or a Dwelling Unit covered by the Act.

B. If a Landlord requires, as a condition of tenancy, last month's Rent, a Landlord may not collect more than an amount equal to one-half of a month's Rent as a security deposit. If a Landlord does not require last month's Rent, a Landlord may not collect more than an amount equal to one month's Rent as a security deposit. **If an Applicant receives a Conditional Approval as defined in Section 30.01.088, a Landlord may require an amount equal to one-half of a month's Rent as a security deposit in addition to the other amounts previously listed in this subsection.** A Landlord must allow a Tenant to pay such additional security deposit in installments over a 2-6 month period and in amounts as requested by the Tenant.

C. To the extent that a Landlord withholds an amount from a security deposit to repair damages to the premises beyond ordinary wear and tear, "ordinary wear and tear" shall mean, for purposes of this Section, deterioration that occurs without deliberate or negligent destruction, damage, or removal of any part of the premises, equipment, furnishings or appliances by the Tenant, a member of the Tenant household or other persons on the premises with the Tenant's consent.

To charge for carpets, a Landlord must take into consideration the cost only of the contiguous area where the carpet is required to be replaced due to damage, and may not take into consideration the original expense of the carpet for the entire Dwelling Unit. A Landlord may not charge for interior painting of a residence, except what is necessary to repair specific damage made to a wall beyond ordinary wear and tear and to repaint walls that were painted by the Tenant without permission. Basic cleaning is presumed to be ordinary wear and tear and nothing in this Subsection shall be construed to mean that a Landlord may charge for cleaning costs that do not address damage or filth beyond ordinary wear and tear.

For purposes of determining the amount reasonably necessary to repair damaged, movable property in the Dwelling Unit, such movable property is presumed to depreciate at a rate of 3.6% per annum over a period of 27 years. A Landlord may provide documentation demonstrating why a different calculation is justified for determining a reasonable amount necessary to repair an item of damaged, movable property. Before executing the Rental Agreement, a Landlord must provide the Tenant with a list of movable property in the Dwelling

Unit along with the depreciated value of each item at the time of move-in (the “Commencement Date”).

D. Within one week of the Commencement Date, a Tenant may complete and submit to the Landlord, a condition report (on a form provided by the Landlord) noting any and all damage in the Dwelling Unit (the “Condition Report”). If the Tenant submits a Condition Report to the Landlord within one week of the Commencement Date, such Condition Report shall be the proof of the condition of the Dwelling Unit on the Commencement Date in order to assess damage beyond reasonable wear and tear at move out (the “Termination Date”). If, after the first week, the Tenant has not completed a Condition Report, a Landlord must complete a Condition Report and provide a copy to the Tenant. Any damages noted in the Condition Report completed by the Landlord upon move-in must also be documented in photographs and provided to the Tenant. If any damage noted in the Condition Report, is subsequently repaired, the Landlord must revise the Condition Report to reflect such repair, have it initialed by the Tenant, and provide a copy of the revised Condition Report. If either party disagrees with any damage noted on the Condition Report, they must write the nature of their disagreement on the Condition Report, initial, and provide a copy to the other party.

Within one week of the Termination Date of which the Landlord had notice, the Landlord shall conduct a walk-through of the Dwelling Unit to document any damage beyond ordinary wear and tear not noted on the Condition Report (the “Final Inspection”). A Tenant, and/or the Tenant’s representative, has the right to be present for the Final Inspection, but may choose not to participate. The Landlord must give notice of the date and time of the Final Inspection at least 24 hours in advance to the Tenant.

Any damage for which a Landlord intends to withhold a portion of a Tenant’s security deposit must be documented in writing and include proof of depreciated value for movable property in the Dwelling Unit including, but not limited to, original receipts or demonstration of a similar make and model, and visual damage must be documented in photographs and provided to the Tenant at the same time as the written accounting required under ORS 90.300 (12). To the extent that a Landlord seeks to charge labor costs greater than \$200 to a Tenant, the Landlord must provide documentation demonstrating that the labor costs are reasonable and consistent with the typical hourly rates in the metropolitan region. A Landlord may not charge for damage noted on the Condition Report.

E. Within 2 weeks of receipt of a security deposit, a Landlord must deposit the money in a separate checking, savings, money market, or client trust account and provide the bank institution name and account number in writing to the Tenant. If the account bears interest, the Landlord is required to pay such interest in full, minus an optional 5% deduction for administrative costs, to the Tenant unless it is used to cover any claims for damage. For interest bearing accounts, the Landlord must provide a receipt of the account and any interest earned at the Tenant’s request, no more than once per year. A Landlord may pool multiple security deposits in a single account so long as the account is separate from the Landlord’s personal funds, is not accessed except to deposit and withdraw Tenant deposits, and Landlord can provide an individual accounting of each Tenant deposit and the interest earned thereon. A landlord shall have six (6) months from the effective date of this Subsection to comply with the requirements of this Subsection.

F. Contemporaneously with the delivery of the written accounting required by ORS 90.300 (12), the Landlord must also deliver to the Tenant a written notice of rights regarding security deposits (“Notice of Rights”). Such Notice of Rights must specify all of Tenant’s right to damages under this Section. The requirement in this Section may be met by delivering a copy of this Section to the Tenant along with contact information for the nearest Legal Aid Services of Oregon office or the Oregon State Bar.

G. Within 5 business days of receiving or giving a notice of any kind that terminates a tenancy, a Landlord must provide a written accounting of the Tenant’s Rent payment history that covers the tenancy for the term or the prior two years, whichever is longer.

Within 5 business days of receiving or giving a notice of any kind that terminates a tenancy, a Landlord must provide a completed Rental History Form as provided by PHB.

H. A Landlord that fails to comply with any of the requirements set forth in Section 30.01.87 shall be liable to the Tenant for the security deposit, a penalty in the amount equal to two times the security deposit, as well as attorney fees and costs (collectively, “Damages”). Any Tenant claiming to be aggrieved by a Landlord’s noncompliance with the foregoing has a cause of action in any court of competent jurisdiction for Damages and any such other remedies as may be appropriate.