

Draft Permanent Administrative Rule

Rental Housing Security Deposits

I. Purpose and Scope

Under PCC 30.01.087 Landlords in the City of Portland are limited in how much they can collect for a Security Deposit and must follow supplemental requirements on how funds can be withheld for repairs and replacements. The code also outlines requirements on the process for documenting and maintaining the Dwelling Unit Condition Report, holding a Security Deposit in a separate bank account, and providing notices of rights and Rent payment histories. These administrative rules provide additional clarification and requirements for several subsections of PCC 30.01.087.

II. Definitions

- A. **Condition Report** is a form provided by the Landlord, noting the condition of all fixtures, appliances, equipment, and personal property listed in the Rental Agreement, and noting damage.
- B. **Depreciation Schedule** means the most recent version of the *Fixture, Appliance, Equipment, and Personal Property Depreciation Notice 30.01.087.C.1* published by PHB in accordance with PCC 30.01.087.
- C. **Dwelling Unit** has the meaning given in ORS 90.100, as amended from time to time
- D. **Landlord** has the meaning given in ORS 90.100, as amended from time to time.
- E. **PHB** means the Portland Housing Bureau.
- F. **Rental Agreement** has the meaning given in ORS 90.100, as amended from time to time.
- G. **Security Deposit** has the meaning given in ORS 90.100, as amended from time to time.
- H. **Tenant** has the meaning given in ORS 90.100, as amended from time to time.

III. Condition Reports

- A. If the Landlord disputes the Condition Report, the Tenant and the Landlord are required to attempt to obtain third-party validation of the condition of the Dwelling Unit. If third-party validation of the condition of the Dwelling Unit is unsuccessful, and the Landlord does not pursue a claim and judgement in the court, the Tenant's Condition Report shall establish the baseline condition of the Dwelling Unit.
 - 1. The third party should not be a business associate or family member of the Landlord or the Tenant.
 - 2. The Landlord and the Tenant are encouraged to independently document the condition of the Dwelling Unit. Documentation should note the date of documentation and condition of items that could be contested.
 - 3. Should a claim and judgement in the court be pursued, the prevailing party is entitled to reasonable attorney fees and court costs.

B. The Landlord shall update the Condition Report to reflect all repairs and replacements impacting the Dwelling Unit during the term of the Rental Agreement that the Landlord intends to apply against the Tenant Security Deposit. The Landlord shall provide the updated Condition Report to the Tenant.

1. Updated Condition Reports must describe:
 - a. The repair or replacement date(s);
 - b. The damage being repaired or replaced; and
 - c. The cost of the repair or replacement.
2. Replaced items should be noted along with the item purchase date, item condition, and depreciated value.

IV. Security Deposit Withholdings

A. A Landlord may only apply Security Deposit funds for the repair and replacement of those fixtures, appliances, equipment, or personal property that are identified in the Rental Agreement and to which a depreciated value is attached in accordance with the Depreciation Schedule published by PHB.

B. A Landlord may provide documentation reasonably acceptable to a Tenant demonstrating why a different calculation is justified for a fixture, appliance, equipment, or personal property.

1. Documentation must include:
 - a. The current value of the fixture, appliance, equipment, or personal property;
 - b. An explanation of why a value derived from the Depreciation Schedule is inapplicable for the fixture, appliance, equipment, or personal property; and
 - c. A justification of the repair or replacement cost of the fixture, appliance, equipment, or personal property has been calculated or determined.

V. Responsibility

PHB is responsible for managing and implementing this rule.

VI. History

Date adopted: **TBD**