

FIRST REGULAR SESSION

HOUSE BILL NO. 162

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE NORR.

0554H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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Section A. Section 535.300, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 535.300, to read as follows: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. Within thirty days after the date of termination of the tenancy, the landlord shall:

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

(2) Furnish to the tenant a written itemized list of the damages for which the security deposit or any portion thereof is withheld, along with the balance of the security deposit. The landlord shall have complied with this subsection by mailing such statement and any payment to the last known address of the tenant.

3. The landlord may withhold from the security deposit only such amounts as are reasonably necessary for the following reasons:

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

(2) To restore the dwelling unit to its condition at the commencement of the tenancy, ordinary wear and tear excepted; or

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 4. The landlord shall give the tenant or his representative reasonable notice in writing
19 at his last known address or in person of the date and time when the landlord will inspect the
20 dwelling unit following the termination of the rental agreement to determine the amount of the
21 security deposit to be withheld, and the inspection shall be held at a reasonable time. The tenant
22 shall have the right to be present at the inspection of the dwelling unit at the time and date
23 scheduled by the landlord.

24 5. If the landlord wrongfully withholds all or any portion of the security deposit in
25 violation of this section, the tenant shall recover as damages not more than twice the amount
26 wrongfully withheld.

27 6. Nothing in this section shall be construed to limit the right of the landlord to recover
28 actual damages in excess of the security deposit, or to permit a tenant to apply or deduct any
29 portion of the security deposit at any time in lieu of payment of rent.

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

34 **8. For landlords with twenty or more rental units, each security deposit shall be**
35 **placed by the landlord in an escrow bank account in a federally insured banking**
36 **institution with an office that accepts deposits within the state. Such account shall be**
37 **designated as a security deposits account and shall not be used in the operation of any**
38 **business by the landlord. The landlord shall disclose to the tenant the location of the**
39 **security deposit account. The security deposit principal shall be held and administered for**
40 **the benefit of the tenant and the tenant's claim to such money shall be prior to that of any**
41 **creditor of the landlord, including, but not limited to, a trustee in bankruptcy, even if such**
42 **money is commingled.**

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