

SECOND REGULAR SESSION

SENATE BILL NO. 743

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CURLS.

Pre-filed December 1, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4426S.01I

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Section A. Section 535.300, RSMo, is repealed and one new section
2 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
2 excess of two months' rent.

3 **2. All security deposits shall be held by the landlord for the**
4 **tenant, who is a party to the rental agreement, in a bank, credit union,**
5 **or depository institution which is insured by an agency of the federal**
6 **government. Security deposits shall not be commingled with the**
7 **personal funds of the landlord. All security deposits may be held in a**
8 **trust account, which may be a common trust account, and which may**
9 **be an interest bearing account. Any interest earned on a security**
10 **deposit shall be the property of the landlord.**

11 **3.** Within thirty days after the date of termination of the tenancy, the
12 landlord shall:

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

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

18 **[3.] 4.** The landlord may withhold from the security deposit only such
19 amounts as are reasonably necessary for the following reasons:

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

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

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

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

28 [4.] 5. The landlord shall give the tenant or his representative reasonable
29 notice in writing at his last known address or in person of the date and time
30 when the landlord will inspect the dwelling unit following the termination of the
31 rental agreement to determine the amount of the security deposit to be withheld,
32 and the inspection shall be held at a reasonable time. The tenant shall have the
33 right to be present at the inspection of the dwelling unit at the time and date
34 scheduled by the landlord.

35 [5.] 6. If the landlord wrongfully withholds all or any portion of the
36 security deposit in violation of this section, the tenant shall recover as damages
37 [not more than] twice the amount wrongfully withheld.

38 [6.] 7. Nothing in this section shall be construed to limit the right of the
39 landlord to recover actual damages in excess of the security deposit, or to permit
40 a tenant to apply or deduct any portion of the security deposit at any time in lieu
41 of payment of rent.

42 [7.] 8. As used in this section, the term "security deposit" means any
43 deposit of money or property, however denominated, which is furnished by a
44 tenant to a landlord to secure the performance of any part of the rental
45 agreement, including damages to the dwelling unit. This term does not include
46 any money or property denominated as a deposit for a pet on the premises.

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