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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

RELATING TO PROPERTY - RESTRICTED LANDLORD AND TENANT ACT

Introduced By: Representative David A. Segal

Date Introduced: February 25, 2010

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-18-19 of the General Laws in Chapter 34-18 entitled
2 "Residential Landlord and Tenant Act" is hereby amended to read as follows:

3 **34-18-19. Security deposits.** -- (a) A landlord may not demand or receive a security
4 deposit, however denominated, in an amount or value in excess of one month's periodic rent.

5 (b) Security deposits received by the landlord shall be deposited in an interest bearing
6 escrow account in a federally insured financial institution in the State of Rhode Island. No other
7 funds shall be commingled in the account and the funds deposited and interest earned thereon
8 shall not be subject to the claims of any creditor of the landlord, his or her successors or assigns,
9 therein, except to the extent the funds will be held or applied in accordance with this section.
10 Nothing herein is intended to prohibit landlords from placing multiple deposits from multiple
11 units or properties in a single account.

12 ~~(b)~~(c) Upon termination of the tenancy, the amount of security deposit due to the tenant
13 shall be the entire amount given by the tenant as a security deposit plus all accrued interest, minus
14 any amount of unpaid accrued rent and the amount of physical damages to the premises, other
15 than ordinary wear and tear, which the landlord has suffered by reason of the tenant's
16 noncompliance with section 34-18-24, all as itemized by the landlord in a written notice delivered
17 to the tenant. The landlord shall deliver the notice, together with the amount of the security
18 deposit due to the tenant, within twenty (20) days after the later of either termination of the
19 tenancy, delivery of possession, or the tenant's providing the landlord with a forwarding address

1 for the purpose of receiving the security deposit.

2 ~~(e)~~(d) If the landlord fails to comply with subsection (b), the tenant may recover the
3 amount due him or her, together with damages in an amount equal to twice the amount
4 wrongfully withheld, and reasonable attorney fees.

5 ~~(d)~~(e) This section does not preclude the landlord or tenant from recovering other
6 damages to which he or she may be entitled under this chapter.

7 ~~(e)~~(f) In the event the landlord transfers his or her interest in the premises, the holder of
8 the landlord's interest in the premises at the time of the termination of the tenancy is bound by
9 this section.

10 ~~(f)~~(g) No rental agreement shall contain any waiver of the provisions of this section.

11 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PROPERTY - RESTRICTED LANDLORD AND TENANT ACT

1 This act would require landlords to place security deposits in an interest bearing escrow
2 account and would require the landlord to pay all accrued interest upon the termination of the
3 tenancy.

4 This act would take effect upon passage.

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