

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

Introduced By: Senators Mack, Gu, Acosta, Kallman, Euer, McKenney, Ujjfusa, and
Lawson

Date Introduced: March 23, 2023

Referred To: Senate 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 "Residential
2 Landlord and Tenant Act" is hereby amended to read as follows:

3 **34-18-19. Security deposits.**

4 (a) A landlord may not demand or receive a security deposit, however denominated, in an
5 amount or value in excess of one month's periodic rent.

6 (b) Upon termination of the tenancy, the amount of security deposit due to the tenant shall
7 be the entire amount given by the tenant as a security deposit, minus any amount of unpaid accrued
8 rent, the amount due, if any, for reasonable cleaning expenses, the amount due, if any, for
9 reasonable trash disposal expenses and the amount of physical damages to the premises, other than
10 ordinary wear and tear, that the landlord has suffered by reason of the tenant's noncompliance with
11 § 34-18-24, all as itemized by the landlord in a written notice delivered to the tenant. The landlord
12 shall deliver the notice, together with the amount of the security deposit due to the tenant, within
13 twenty (20) days after the later of either termination of the tenancy, delivery of possession, or the
14 tenant's providing the landlord with a forwarding address for the purpose of receiving the security
15 deposit.

16 (c) If the landlord fails to comply with subsection (b), the tenant may recover the amount
17 due him or her, together with damages in an amount equal to twice the amount wrongfully withheld,
18 and reasonable attorney fees.

19 (d) This section does not preclude the landlord or tenant from recovering other damages to

1 which he or she may be entitled under this chapter.

2 (e) This section does not preclude any landlord who rents a furnished apartment from
3 demanding or receiving a furniture security deposit if the replacement value of the furniture being
4 furnished by the landlord valued at the time the lease is executed is five thousand dollars (\$5,000)
5 or greater, in which instance the landlord may charge a separate furniture security deposit of up to
6 one month's periodic rent.

7 (f) Upon termination of the tenancy, the amount of furniture security deposit due to the
8 tenant shall be the entire amount given by the tenant as a furniture security deposit, minus the
9 amount due, if any, for reasonable cleaning expenses and repair and the amount of physical
10 damages to the furniture, other than ordinary wear and tear. The landlord shall deliver the notice,
11 together with the amount of the furniture security deposit due to the tenant, within twenty (20) days
12 after the later of either termination of the tenancy, delivery of possession, or the tenant's providing
13 the landlord with a forwarding address for the purpose of receiving the furniture security deposit.

14 (g) In the event the landlord transfers his or her interest in the premises, the holder of the
15 landlord's interest in the premises at the time of the termination of the tenancy is bound by this
16 section.

17 (h) No rental agreement shall contain any waiver of the provisions of this section.

18 (i)(1) Any lessor or their agent who receives a security deposit, however denominated, in
19 accordance with this section, shall, beginning with the first day of tenancy, pay interest at the rate
20 of five percent (5%) per year or other such lesser amount of interest as has been received from the
21 bank where the deposit has been held. Such interest shall be paid over to the tenant each year as
22 provided in this section; provided, however, that in the event that the tenancy is terminated before
23 the anniversary date of such tenancy, the tenant shall receive all accrued interest within thirty (30)
24 days of such termination. If, after thirty (30) days from the end of each year of the tenancy, the
25 tenant has not received said interest due or said notice to deduct the interest from the next rental
26 payment, the tenant may deduct from their next rent payment the interest due.

27 (2) If the lessor fails to pay any interest to which the tenant is then entitled within thirty
28 (30) days after the termination of the tenancy, the tenant, upon proof of the same in an action against
29 the lessor within the district court, shall be awarded damages in an amount equal to three (3) times
30 the amount of interest to which the tenant is entitled, together with court costs and reasonable
31 attorneys' fees.

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

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

- 1 This act would provide that landlords would pay interest on security deposits in residential
- 2 landlord-tenant matters. The rate of interest would generally be five percent (5%).
- 3 This act would take effect upon passage.

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