

2020 -- H 7708

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LC005069
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

Introduced By: Representatives Blazejewski, Diaz, Kislak, Barros, and Alzate

Date Introduced: February 26, 2020

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 "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 fifty percent (50%) of one month's periodic rent if the security deposit
6 is required at the time of executing the lease agreement. A landlord shall be allowed to demand a
7 value up to one month's periodic rent if the tenant is permitted to pay the security deposit in
8 installments over the course of at least six (6) months.

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

19 (c) If the landlord fails to comply with subsection (b), the tenant may recover the amount

1 due him or her, together with damages in an amount equal to twice the amount wrongfully withheld,
2 and reasonable attorney fees.

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

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

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

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

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

21 A landlord shall permit a tenant to provide damage insurance coverage in lieu of the
22 payment of a security deposit. Such damage insurance in lieu of a security deposit shall conform to
23 the following criteria:

24 (1) The insurance provider must be licensed by the state department of business regulation;

25 (2) The insurance must permit the payment of premiums on a monthly basis, unless the
26 tenant selects a different payment schedule;

27 (3) The coverage must be effective upon the payment of the first premium and remain
28 effective for the entire lease term;

29 (4) The coverage provided per claim must be no less than the amount the landlord requires
30 for security deposits; and

31 (5) The insurance provider must agree to approve or deny payment of a claim within two
32 (2) business days of receiving notice of a claim.

33 Each landlord may designate one or more rental damage insurance providers from which
34 it will accept rental damage insurance in lieu of a security deposit. Such insurers shall be identified

1 in the written lease agreement.

2 (i) A tenant who chooses to provide rental insurance in lieu of a security deposit shall not
3 be required to provide additional security or insurance coverage per claim in an amount greater
4 than the amount required for security deposits.

5 (j) No rental agreement shall contain any waiver of the provisions of this section.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT

1 This act would limit the amount a landlord could demand or receive as a security deposit
2 from a tenant to an amount up to fifty percent (50%) of one month's periodic rent, if the deposit is
3 due in full at the time of executing the lease agreement. The act would also allow a landlord to
4 permit a tenant to provide damage insurance coverage in lieu of a security deposit.

5 This act would take effect upon passage.

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