

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 152

BY JUDICIARY, RULES AND ADMINISTRATION COMMITTEE

AN ACT

1 RELATING TO SECURITY DEPOSITS; AMENDING SECTION 6-321, IDAHO CODE, TO PRO-
2 VIDE THAT CERTAIN SECURITY DEPOSITS SHALL BE MAINTAINED IN A SEPARATE
3 ACCOUNT AND TO MAKE TECHNICAL CORRECTIONS.
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5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 6-321, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 6-321. SECURITY DEPOSITS. (1) Amounts deposited by a tenant with a
9 landlord for any purpose other than the payment of rent shall be deemed secu-
10 rity deposits. Upon termination of a lease or rental agreement and surrender
11 of the premises by the tenant all amounts held by the landlord as a security
12 deposit shall be refunded to the tenant, except amounts necessary to cover
13 the contingencies specified in the deposit arrangement. The landlord shall
14 not retain any part of a security deposit to cover normal wear and tear.
15 "Normal wear and tear" means that deterioration which occurs based upon the
16 use for which the rental unit is intended and without negligence, careles-
17 ness, accident, or misuse or abuse of the premises or contents by the tenant
18 or members of his household, or their invitees or guests.

19 (2) Refunds shall be made within twenty-one (21) days if no time is
20 fixed by agreement, and, in any event, within thirty (30) days after surren-
21 der of the premises by the tenant. Any refunds in an amount less than the full
22 amount deposited by the tenant shall be accompanied by a signed statement
23 itemizing the amounts lawfully retained by the landlord, the purpose for the
24 amounts retained, and a detailed list of expenditures made from the deposit.

25 (3) If security deposits have been made as to a particular rental or
26 lease property, and the property changes ownership during a tenancy, the new
27 owner shall be liable for refund of the deposits.

28 (4) A security deposit for a residential rental premises that is man-
29 aged by a third-party manager of a landlord shall be maintained in a separate
30 account at a federally insured financial institution. Such account shall be
31 maintained separate from the third-party agent's operating account. The re-
32 quirements of this subsection shall not apply to a property owner, managers
33 who have common members or principals of the property owner entity, a real
34 estate licensee, or a nonprofit business organization as established under
35 chapter 30, title 30, Idaho Code.