

D R A F T  
FOR DISCUSSION ONLY

**REVISED UNIFORM RESIDENTIAL LANDLORD  
AND TENANT ACT**

---

NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

---

November 7-8, 2014 Drafting Committee Meeting

*CLEAN DRAFT WITH PRELIMINARY COMMENTS*

Copyright © 2014  
By  
NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

---

*The ideas and conclusions set forth in this draft, including the proposed statutory language and any comments or reporter's notes, have not been passed upon by the National Conference of Commissioners on Uniform State Laws or the Drafting Committee. They do not necessarily reflect the views of the Conference and its Commissioners and the Drafting Committee and its Members and Reporter. Proposed statutory language may not be used to ascertain the intent or meaning of any promulgated final statutory proposal.*

October 14, 2014

## **DRAFTING COMMITTEE ON REVISED UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT**

The Committee appointed by and representing the National Conference of Commissioners on Uniform State Laws in preparing this Act consists of the following individuals:

JOAN ZELDON, District of Columbia Superior Court, 515 Fifth St. NW, Room 219,  
Washington, DC 20001, *Chair*

WILLIAM W. BARRETT, 600 N. Emerson Ave., P.O. Box 405, Greenwood, IN 46142

MICHAEL A. FERRY, 200 N. Broadway, Suite 950, St. Louis, MO 63102

LYNN FOSTER, University of Arkansas at Little Rock, William H. Bowen School of Law,  
1201 McMath Ave., Little Rock, AR 72202

CARL H. LISMAN, 84 Pine St., P.O. Box 728, Burlington, VT 05402

REED L. MARTINEAU, 5458 Merlyn Dr., Salt Lake City, UT 84117

ROBERT L. MCCURLEY, JR., P.O. Box 861287, Tuscaloosa, AL 35486

JANICE L. PAULS, 1634 N. Baker St., Hutchinson, KS 67401

KEVIN P.H. SUMIDA, 735 Bishop St., Suite 411, Honolulu, HI 96813

V. DAVID ZVENYACH, 1350 Pennsylvania Ave. NW, Suite 4, Washington, DC 20004

SHELDON F. KURTZ, University of Iowa College of Law, Boyd Law Bldg. – 446, Iowa City,  
IA 52242, *Co-Reporter*

ALICE NOBLE-ALLGIRE, Southern Illinois University School of Law, Mail Code 6804,  
1150 Douglas Dr., Lesar Law Bldg., Carbondale, IL 62901, *Co-Reporter*

### **EX OFFICIO**

HARRIET LANSING, P.O. Box 1347, 1201 N. Market St., 18th Fl., Wilmington, DE 19899,  
*President*

NORA WINKELMAN, Office of Chief Counsel, House Democratic Caucus, Pennsylvania  
House of Representatives, Main Capitol Building, Room 620, Harrisburg, PA 17120,  
*Division Chair*

### **AMERICAN BAR ASSOCIATION ADVISORS**

PETER A. BUCHSBAUM, 126 Bowne Station Rd., Stockton, NJ 08559, *ABA Advisor*

STEVEN J. EAGLE, George Mason University School of Law, 3301 Fairfax Dr., Arlington, VA  
22201-4426, *ABA Section Advisor*

### **AMERICAN LAW INSTITUTE ADVISOR**

STEVEN L. HARRIS, Chicago-Kent College of Law, 565 W. Adams St., Chicago, IL 60661-  
3691, *ALI Advisor*

### **EXECUTIVE DIRECTOR**

JOHN A. SEBERT, 111 N. Wabash Ave., Suite 1010, Chicago, IL 60602, *Executive Director*

Copies of this Act may be obtained from:

NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS  
111 N. Wabash Ave., Suite 1010  
Chicago, Illinois 60602  
312/450-6600  
[www.uniformlaws.org](http://www.uniformlaws.org)

**REVISED UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT**

**TABLE OF CONTENTS**

**ARTICLE 1**

**GENERAL PROVISIONS**

SECTION 101. SHORT TITLE. .... 1  
SECTION 102. DEFINITIONS. .... 1  
SECTION 103. SCOPE. .... 10  
SECTION 104. ENFORCEMENT; DUTY TO MITIGATE. .... 11  
SECTION 105. OBLIGATION OF GOOD FAITH. .... 12  
SECTION 106. UNCONSCIONABILITY. .... 12  
SECTION 107. KNOWLEDGE AND NOTICE. .... 13  
SECTION 108. REQUIRED DISCLOSURES BY LANDLORD. .... 14  
SECTION 109. REQUIRED DISCLOSURES BY TENANT. .... 16  
SECTION 110. COMMON LAW AND PRINCIPLES OF EQUITY. .... 16

**ARTICLE 2**

**GENERAL PROVISIONS APPLICABLE TO LEASE**

SECTION 201. TERMS AND CONDITIONS OF LEASE. .... 17  
SECTION 202. EFFECT OF UNSIGNED, UNDELIVERED LEASE; IMPLIED LEASE. .... 18  
SECTION 203. PROHIBITED PROVISIONS IN LEASE. .... 19  
SECTION 204. SEPARATION OF RENT FROM DUTY TO MAINTAIN PREMISES. .... 20  
SECTION 205. ATTORNEY’S FEES [AND COSTS]. .... 20

**ARTICLE 3**

**LANDLORD’S DUTIES**

SECTION 301. DELIVERY OF POSSESSION OF DWELLING UNIT TO TENANT. .... 21  
SECTION 302. LANDLORD’S DUTY TO MAINTAIN PREMISES. .... 21  
SECTION 303. DUTIES OF LANDLORD PERFORMED BY TENANT. .... 24  
SECTION 304. LIMITATIONS ON LANDLORD’S LIABILITY. .... 24  
SECTION 305. RULES OF LANDLORD. .... 26

**ARTICLE 4**

**TENANT REMEDIES**

SECTION 401. NOTICE AND OPPORTUNITY TO REPAIR. .... 26  
SECTION 402. NONCOMPLIANCE BY LANDLORD; IN GENERAL..... 27  
SECTION 403. LANDLORD’S FAILURE TO DELIVER POSSESSION TO TENANT..... 30  
SECTION 404. SELF-HELP..... 31  
SECTION 405. LANDLORD’S WRONGFUL FAILURE TO PROVIDE ESSENTIAL  
SERVICE..... 32  
SECTION 406. LANDLORD’S NONCOMPLIANCE AS DEFENSE TO ACTION FOR  
NONPAYMENT OF RENT. .... 33  
SECTION 407. FIRE OR OTHER CASUALTY DAMAGE..... 35  
SECTION 408. UNLAWFUL REMOVAL, EXCLUSION, OR DIMINUTION OF ESSENTIAL  
SERVICE..... 36

**ARTICLE 5**

**TENANT’S DUTIES**

SECTION 501. TENANT’S DUTIES..... 36

**ARTICLE 6**

**LANDLORD REMEDIES**

SECTION 601. TENANT’S FAILURE TO PAY RENT; OTHER NONCOMPLIANCE WITH  
LEASE..... 38  
SECTION 602. WAIVER OF LANDLORD’S RIGHT TO TERMINATE..... 40  
SECTION 603. DISTRAINT FOR RENT; LIENS..... 41  
SECTION 604. ABANDONMENT; REMEDY AFTER TERMINATION..... 41  
SECTION 605. RECOVERY OF POSSESSION LIMITED; INTERRUPTION OF ESSENTIAL  
SERVICE..... 44

**ARTICLE 7**

**ACCESS TO THE DWELLING UNIT**

SECTION 701. LANDLORD’S ACCESS TO DWELLING UNIT. .... 44  
SECTION 702. REMEDIES FOR ABUSE OF ACCESS..... 45

**ARTICLE 8**

**PERIODIC AND HOLDOVER TENANCIES; DEATH OF TENANT**

SECTION 801. TERMINATION OF PERIODIC TENANCY. .... 46  
SECTION 802. HOLDOVER TENANCY. .... 47  
SECTION 803. DEATH OF TENANT. .... 47

**ARTICLE 9**

**RETALIATION**

SECTION 901. RETALIATION PROHIBITED. .... 49  
SECTION 902. TENANT REMEDIES FOR RETALIATORY CONDUCT. .... 51  
SECTION 903. PRESUMPTION OF RETALIATORY CONDUCT. .... 51

**ARTICLE 10**

**DISPOSITION OF TENANT’S PERSONAL PROPERTY**

SECTION 1001. DISPOSITION OF TENANT’S PERSONAL PROPERTY ON THE  
PREMISES; IN GENERAL. .... 52  
SECTION 1002. DISPOSITION OF PERSONAL PROPERTY ON TENANT’S DEATH. .... 54  
SECTION 1003. EXERCISE OF RIGHTS BY CONTACT PERSON. .... 55

**ARTICLE 11**

**EFFECT OF DOMESTIC VIOLENCE**

SECTION 1101. EARLY RELEASE OR TERMINATION OF LEASE BECAUSE OF ACT OF  
DOMESTIC VIOLENCE. .... 57  
SECTION 1102. LANDLORD’S OBLIGATIONS IN EVENT OF EARLY RELEASE OR  
TERMINATION. .... 59  
SECTION 1103. VERIFICATION. .... 60  
SECTION 1104. PERPETRATOR’S LIABILITY FOR DAMAGES. .... 62  
SECTION 1105. CHANGE OF LOCKS AS RESULT OF AN ACT OF DOMESTIC  
VIOLENCE. .... 62  
SECTION 1106. EFFECT OF COURT ORDER TO VACATE. .... 64  
SECTION 1107. TERMINATION OF PERPETRATOR’S INTEREST UNDER LEASE  
WITHOUT COURT ORDER. .... 65  
SECTION 1108. LIMITATIONS ON LANDLORD’S CONDUCT WITH RESPECT TO  
VICTIMS OF AN ACT OF DOMESTIC VIOLENCE. .... 66

**ARTICLE 12**

**SECURITY DEPOSITS, FEES, AND UNEARNED RENT**

SECTION 1201. PAYMENTS REQUIRED AT THE COMMENCEMENT OF LEASE..... 68  
SECTION 1202. LANDLORD, TENANT, AND THIRD PARTY INTERESTS IN SECURITY  
DEPOSIT. .... 69  
SECTION 1203. SAFEKEEPING OF SECURITY DEPOSIT. .... 70  
SECTION 1204. RETURN OF SECURITY DEPOSIT AND UNEARNED RENT. .... 72  
SECTION 1205. DISPOSITION OF SECURITY DEPOSIT AND UNEARNED RENT UPON  
TERMINATION OF LANDLORD’S INTEREST IN PREMISES. .... 73

**ARTICLE 13**

**MISCELLANEOUS PROVISIONS**

SECTION 1301. UNIFORMITY OF APPLICATION AND CONSTRUCTION. .... 75  
SECTION 1302. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND  
NATIONAL COMMERCE ACT. .... 75  
SECTION 1303. REPEALS. .... 75  
SECTION 1304. EFFECTIVE DATE. .... 75

1                   **REVISED UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT**

2                                   **ARTICLE 1**

3   **GENERAL PROVISIONS**

4                   **SECTION 101. SHORT TITLE.** This [act] may be cited as the Revised Uniform  
5 Residential Landlord and Tenant Act (2015).

6   **Comment**

7                   The provisions of this act are largely non-default rules. Thus, they apply unless the  
8 provision stating the rule expressly provides that it may be varied by other law or by agreement  
9 of parties. For example, section 104(b) provides that a party seeking relief under this [act] has a  
10 duty to mitigate damages. This provision cannot be waived by the mutual agreement of the  
11 landlord and tenant. [This provision to be relocated once preamble is written.]  
12

13                   **SECTION 102. DEFINITIONS.** In this [act]:

14                   (1) “Abandonment” means relinquishment of the right to possession of a dwelling unit  
15 with the intent not to return before the end of the term of the lease.

16                   (2) “Actual damages” means compensation for direct, consequential, or incidental  
17 injuries or losses. The term includes fees payable to a landlord or tenant under the terms of the  
18 lease for a violation of a lease.

19                   (3) “Action” means an action for damages, possession, ejectment, or quiet title, or any  
20 other judicial proceeding in which rights under a lease or this [act] are determined.

21                   (4) “Attesting third party” means a law enforcement official, licensed health-care  
22 professional, victim’s advocate, or victim-services provider.

23                   (5) “Bank” means an organization that is engaged in the business of banking. The term  
24 includes a savings bank, savings and loan association, credit union, and trust company.

25                   (6) “Bank account” means a federally insured checking, demand, time, savings,  
26 passbook, or similar account maintained at a bank.

1 (7) “Building, housing, or health code” includes any law, ordinance, or governmental  
2 regulation concerning fitness for habitation or the construction, maintenance, operation,  
3 occupancy, use, or appearance of the premises.

4 (8) “Contact person” means a person designated by a tenant under Section 109(b).

5 (9) “Criminal act” or “criminal activity” means:

6 (A) the illegal manufacture, sale, distribution, use, or possession with intent to  
7 manufacture, sell, distribute, or use of a controlled substance as defined by law other than this  
8 [act] when done by the tenant, an immediate family member, or other individual under the  
9 control of or acting with the permission of the tenant on the premises; and

10 (B) any activity by the tenant, an immediate family member, or other individual  
11 under the control of or acting with the permission of the tenant that is illegal under the criminal  
12 law of this state that:

13 (1) threatens the health or safety of other tenants on the premises, the  
14 landlord, or the landlord’s agents; or

15 [(2) threatens the right to peaceful enjoyment of the premises by other  
16 tenants.]

17 (10) “Dating violence” means dating violence as defined by [insert reference to definition  
18 in other state law].

19 (11) “Diminution in value of the dwelling unit” means a reduction from the rent provided  
20 in a lease that reflects the extent to which a noncompliant condition of the premises impairs the  
21 tenant’s use and enjoyment of the dwelling unit.

22 (12) “Domestic violence” means domestic violence as defined by [insert reference to  
23 definition in other state law]. The term includes dating violence, stalking, and sexual assault.

1           (13) “Dwelling unit” means property leased to a tenant for use as a home, residence, or  
2 sleeping place by an individual or by two or more individuals who maintain a common  
3 household, regardless of their relationship to each other. For purposes of this paragraph, property  
4 includes:

5                   (A) a single family residence, together with fixtures and appurtenances therein,  
6 the land on which it is located, and any other structures on the land; and

7                   (B) a structure or the part of the structure in which the tenant resides, together  
8 with fixtures and appurtenances thereto, and any other area of the land on which the structure is  
9 located to which the tenant is given an exclusive right of possession during the term of the lease,  
10 including a designated parking space or storage area.

11           (14) “Electronic” means relating to technology having electrical, digital, magnetic,  
12 wireless, optical, electromagnetic, or similar capabilities.

13           (15) “Essential service” means heat, hot and cold running water, and electricity. The term  
14 includes gas, air conditioning, or other service if required to be supplied to a tenant by the lease  
15 or by law which, if not supplied to the tenant, would create a serious threat to the health, safety,  
16 or property of the tenant or an immediate family member.

17           (16) “Fees” means amounts payable by a tenant to a landlord for which the landlord has  
18 no obligation to account or return to the tenant. The term does not include a security deposit or  
19 rent.

20           (17) “Funds” means money, checks, bank-account credits, certificates of deposit, or the  
21 like.

22           (18) “Good faith” means honesty in fact and the observance of reasonable commercial  
23 standards of fair dealing.

1           (19) “Immediate family member” means any of the following who habitually resides in a  
2 dwelling unit with a tenant;

3                   (A) an individual related to the tenant by blood, adoption, marriage, [civil union,]  
4 or [domestic partnership];

5                   (B) an individual having [an intimate] [a romantic, dating, or sexual] relationship  
6 with the tenant; or

7                   (C) a foster child, stepchild, or [ward] of the tenant or of an individual named in  
8 subparagraph (A) or (B).

9           (20) “Landlord” means an owner of a dwelling unit or the building of which it is a part, a  
10 successor in interest to the landlord, and any person that enters into a lease on behalf of an  
11 undisclosed owner. The term includes a sublessor if the landlord did not consent to the sublease  
12 and a person described in Section 108(d).

13           (21) “Lease” means a contract, oral or in a record, between a landlord and tenant in which  
14 the landlord rents to the tenant a dwelling unit for a tenancy for a fixed term or a periodic  
15 tenancy subject to the terms and conditions set forth therein. A lease includes all rules adopted  
16 by the landlord that were disclosed to the tenant pursuant to Section 108(a)(4) and rules adopted  
17 after the commencement of the lease in accordance with Section 305(b).

18           (22) “Normal wear and tear” means deterioration that results from the intended use of a  
19 dwelling unit, including breakage or malfunction due to age or deteriorated condition. The term  
20 does not include deterioration that results from negligence, carelessness, accident, or abuse of the  
21 unit, fixtures, equipment, or chattels by the tenant, an immediate family member, or another  
22 person invited on the premises by the tenant, other than the landlord or the landlord’s agent.

23           (23) “Owner” means a person vested with all or part of:

1 (A) the legal title to the premises; or  
2 (B) the beneficial ownership and a right to present use and enjoyment of the  
3 premises.

4 (24) “Periodic rent” means the amount of rent payable each month under a tenancy for a  
5 fixed term or a periodic tenancy for month to month or payable each week under a periodic  
6 tenancy for week to week. If rent is payable annually, periodic rent is the amount of the annual  
7 rent divided by 12.

8 (25) “Periodic tenancy” means a tenancy created under a lease or arising by operation of  
9 law for either month to month or week to week.

10 (26) “Perpetrator” means an individual who commits an act of domestic violence on a  
11 tenant or an immediate family member.

12 (27) “Person” means an individual, estate, business or nonprofit entity, public  
13 corporation, government or governmental subdivision, agency, or instrumentality, or other legal  
14 entity.

15 (28) “Premises” means a dwelling unit and the structure of which it is a part. The term  
16 includes all areas associated with the structure, whether exterior or interior to it, including the  
17 fixtures, facilities, and appurtenances thereto, which are held out for the use of tenants generally  
18 but are excluded from the definition of dwelling unit.

19 (29) “Prepaid rent” means rent paid to a landlord before the first day of the rental period  
20 to which it is to be applied.

21 (30) “Record” means information that is inscribed on a tangible medium or that is stored  
22 in an electronic or other medium and is retrievable in perceivable form.

23 (31) “Rent” means a payment to be made to or for the benefit of the landlord for the use

1 and occupation of a dwelling unit. The term does not include a security deposit or fees.

2 (32) “Repairs” includes remediations.

3 (33) “Security deposit” means funds provided to a landlord to secure payment or  
4 performance of a tenant’s obligations under a lease or this [act] and the identifiable proceeds of  
5 the funds, regardless of how the funds are denominated. The term does not include rent or fees.

6 (34) “Security interest” means an interest in personal property that secures payment or  
7 performance of a tenant’s obligations under a lease or this [act].

8 (35) “Sexual assault” means [sexual assault] as defined in [insert reference to definition  
9 in other state law].

10 (36) “Sign” means, with present intent to authenticate or adopt a record:

11 (A) to execute or adopt a tangible symbol; or

12 (B) to attach to or logically associate with the record an electronic symbol,  
13 electronic-mail address, or other identifying header, sound, or process.

14 (37) “Stalking” means [stalking] as defined in [insert reference to definition in other state  
15 law].

16 (38) “State” means a state of the United States, the District of Columbia, Puerto Rico, the  
17 United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of  
18 the United States.

19 (39) “Tenancy for a fixed term” means a tenancy under a lease for a fixed or computable  
20 period, regardless of the length of the period.

21 (40) “Tenant” means:

22 (A) a person entitled to possession of a dwelling unit under a lease; and

23 (B) a sublessee who enters into possession of the dwelling unit with the landlord’s

1 consent, an assignee, and if the tenant is not an individual, an individual, the  
2 tenant has authorized to occupy the unit.

3 If the tenant is an individual, the term does not include an individual who is not a party to the  
4 lease or does not pay rent for the use of the dwelling unit but nonetheless occupies the unit with  
5 the tenant's permission.

6 (41) "Tenant representative" means:

7 (A) a personal representative of a deceased tenant's estate; or

8 (B) before the appointment of a personal representative, the contact person, or in  
9 the absence of a contact person, a person reasonably known to the landlord to be an heir of the  
10 tenant under the applicable intestate succession law.

11 (42) "Undisclosed owner" means the owner of a dwelling unit or the building of which it  
12 is a part whose identity has not been disclosed to the tenant by the person entering into the lease  
13 on the owner's behalf.

14 (43) "Unearned rent" means rent, including prepaid rent, that a tenant paid to a landlord  
15 for the right to occupy the dwelling unit for any period after the date the lease terminates in  
16 accordance with its terms or this [act]. The term does not include any amount, including rent,  
17 owed to the landlord for a period before or after the date the lease terminates during which the  
18 tenant is in actual possession of the premises.

19 (44) "Victim advocate" means an individual, whether paid or serving as a volunteer, who  
20 provides services to victims of domestic violence under the auspices or supervision of a victim-  
21 service provider, a court, or law enforcement or prosecution agency.

22 (45) "Victim-services provider" means a person that assists victims of domestic violence.  
23 The term includes a rape crisis center, domestic violence shelter, faith-based organization, or

1 other organization with a documented history of work concerning domestic violence.

2 (46) “Willfully” or “willful” means the intentional performance of an act prohibited  
3 under this [act] or by a lease, an intentional failure to perform an act required under this [act] or  
4 by a lease, or an indifference to whether the performance or failure to perform violates this [act]  
5 or a lease.

6 **Legislative Note:** *If an enacting jurisdiction does not legislate with respect to dating violence, it*  
7 *may either retain the concept of dating violence in this act and draft its own definition of dating*  
8 *violence or, alternatively, delete dating violence as one of the types of domestic violence under*  
9 *this act. A jurisdiction that does not use the phrase “domestic violence,” “dating violence,”*  
10 *“stalking,” or “sexual assault,” should substitute the phrase used in this act with the phrase*  
11 *used in the jurisdiction which captures the concept of the phrase.*

### 12 **Comment**

13  
14  
15 The definition of “abandonment” is broadly written to include any situation in which the  
16 tenant relinquishes the right to possession with intent to terminate the lease before the end of the  
17 term. Section 604(b) identifies specific circumstances in which the court may presume that the  
18 tenant has abandoned the lease.

19  
20 The definition of “fees” includes nonrefundable payments made by the tenant to the  
21 landlord. Common examples include application fees, cleaning fees, short-term lease fees, late-  
22 payment fees, dishonored check fees, credit card or other payment processing fees, abandonment  
23 fees, special amenities fees, pet fees, or fees assessed for violating pet policies or other rules  
24 governing the tenancy.

25  
26 The definitions of “rent” and “security deposit” have been included or updated from the  
27 1972 act to reflect important distinctions in how these payments are handled under Article 12.

28  
29 The definition of “landlord” includes not only the owner of the dwelling unit, but also  
30 any person -- such as a management company -- that enters into a lease on behalf of an  
31 undisclosed owner. Thus, when a dwelling unit is leased by a management company on behalf  
32 of an undisclosed owner, both would be landlords under this act. Conversely, if a management  
33 company has disclosed the owner, only the owner is the “landlord” and the management  
34 company is merely the landlord’s agent for purposes of this act.

35  
36 The definition of “owner” includes a mortgagee in possession. It would not include a  
37 mortgagee in a title theory state unless the mortgagee became entitled to possession.

38  
39 The definition of “tenant” recognizes that some leases are entered into by business  
40 entities for their employees or by a trust on behalf of a beneficiary. For example, an LLC might  
41 rent an apartment for a member or a manager. Both the LLC and the member or manager are

1 tenants, the latter because the member or manager has been authorized to occupy the dwelling  
2 unit by the LLC; the former because it is legally entitled to possession under the lease.  
3

4 In addition the definition treats as the tenant any assignee of the tenant and sublessee to  
5 whom a sublet was made with the landlord's consent. By doing so the definition makes clear  
6 that landlord's obligations under the lease run to the assignee and vice versa as they did at  
7 common law. By adding assignee to the definition of tenant it is also clear that all of the  
8 statutory duties run between them as well. By treating a sublessee as a tenant in cases where the  
9 landlord consented to the sublease, the sublessee is also obligated to discharge a tenant's  
10 statutory and lease obligations to the landlord and vice versa.  
11

12 The term tenant excludes an individual who resides in the dwelling unit with the tenant's  
13 permission but neither is a party to a lease nor pays rents. For example, if a tenant allows his  
14 friend to live in the dwelling unit with him but the friend does not pay rent and is not a party to  
15 the lease, the friend is not a tenant. Under other sections of the act, however, if, for example, the  
16 friend damages the dwelling unit, the tenant would be liable to the landlord because the damage  
17 was done by an individual invited on the premises by the tenant. See, e.g., Sections 501(11) and  
18 601.  
19

20 Prepaid rent is rent paid before the first day of the rental period to which it is to be  
21 applied. For example, assume on November 1 landlord and tenant agree to the lease of a  
22 dwelling unit with the term to begin the following January 1 at a monthly rent of \$500. Tenant  
23 gives the landlord a check for \$1,000 to cover the January rent and the security deposit of \$500,  
24 From November 1 until January 1, the \$500 for January's rent is "prepaid rent." After, January 1  
25 it is not prepaid rent.  
26

27 The definition of "unearned rent" contemplates two circumstances where a refund will be  
28 due a tenant because the lease terminated. The first circumstance is where "rent" (defined in  
29 Section 102(32)) was paid to the landlord on its due date but for any period of time beyond the  
30 date the lease terminates. For example, assume a one-year lease with rent payable on the first of  
31 each month. The tenant pays rent to the landlord on April 1 for the month of April. However on  
32 April 10 the tenant properly terminates the lease. In this case "unearned rent" includes the  
33 amount of rent attributable to the period April 11 to April 30. Because rent is apportioned on a  
34 daily basis (see Section 201(b)(2)(B)), this means that two-thirds of the April 1<sup>st</sup> payment would  
35 be "unearned rent." The second circumstance is where "prepaid rent" (defined in Section  
36 102(30)) was paid to the landlord for a rental period beyond the date the lease terminates. For  
37 example, suppose before the commencement of the lease a tenant pays the landlord an amount  
38 for the last month's rent. Three months into the lease tenant properly terminates the lease. In this  
39 case, "unearned rent" includes the prepaid rent for the last month. In both examples, Section  
40 1204 requires amounts treated as unearned rent to be returned by the landlord to the tenant after  
41 taking account of any proper charges against the unearned rent as set forth in Section 1204.  
42

43 The phrase "unearned rent" does not include rent for any period beyond the lease  
44 termination during which the tenant is in actual possession of the premises. For example,  
45 suppose tenant signs a fixed term lease to end on December 31. The tenant pays the landlord the  
46 last month's rent (December rent) at the beginning of the lease term. Because of the tenant's

1 failure to pay rent, the landlord properly terminates the lease on October 1 but the tenant remains  
2 in possession until November 5. Unearned rent includes the prepaid rent for December but does  
3 not include any rent that might be due the landlord for the first five days of November. Under  
4 Section 1204, the landlord is obligated to return the unearned rent (along with any security  
5 deposit) to the tenant. However under Section 1204(c), the landlord may reduce the amount  
6 returned by amounts of “unfilled obligations” to which the unearned rent was applied and this  
7 could include the rent due for the five days in November if not already paid.  
8

9 The date on which a lease terminates is determined by the lease or this act. For example,  
10 for a fixed term tenancy or a periodic tenancy, the lease terminates on the last day of the term or  
11 the period unless the lease or this act allows for an earlier termination date. Under this act, a  
12 lease can terminate for any number of reasons. Because termination requires a notice in a record  
13 that specifies the termination date, the date of termination is easily determined from the notice.  
14 For example, under Section 601(b) (allowing a landlord to terminate the tenancy for a material  
15 noncompliance by the tenant, other than the nonpayment of rent) the notice must set forth a  
16 specified date for termination not less than [30] days after the giving of the notice. If there is any  
17 unearned rent due the tenant, it would be for the period following the date of termination in the  
18 notice assuming the tenant timely vacated the premises.  
19

### 20 **SECTION 103. SCOPE.**

21 (a) In this section:

22 (1) “transient lodging” means a room or a suite of rooms; and

23 (2) “transient occupancy” means occupancy in a transient lodging that has all of

24 the following characteristics:

25 (A) occupancy is charged on a daily basis;

26 (B) the transient lodging operator provides housekeeping and linen service  
27 as part of the regularly charged cost of the occupancy; and

28 (C) the period of occupancy does not exceed [30] days.

29 (b) Except as otherwise provided in subsection (c), this [act] applies to a lease of a  
30 dwelling unit in this state.

31 (c) The following arrangements are not governed by this [act]:

32 (1) residence at an institution, public or private, if incidental to the provision of  
33 medical, mental health, geriatric, counseling, educational, religious, disability, or similar service;

1 (2) residence at an institution, public or private, if incidental to detention;

2 (3) occupancy under a contract of sale of a dwelling unit or the building of which  
3 it is a part, if the occupant is the purchaser or an individual who has succeeded to the purchaser's  
4 interest;

5 (4) occupancy by a member of a fraternal or social organization in a part of a  
6 structure operated for the benefit of the organization;

7 (5) transient occupancy;

8 (6) occupancy by an employee of a landlord when the employee's right to  
9 occupancy is conditioned on employment in or about the premises;

10 (7) occupancy by a holder of a proprietary lease in a cooperative; and

11 (8) occupancy under a lease covering premises used by the occupant for  
12 agricultural purposes.

### 13 **Comment**

14 This act applies to the lease of a mobile home but does not apply to a mere ground lease  
15 of land upon which a mobile home is placed. Thus, if O owns a mobile home park and leases  
16 space to T, that ground lease is not subject to this act. However, if T brings a mobile home onto  
17 O's land and later leases the home to X, the T-X lease is subject to this act.

### 18 **SECTION 104. ENFORCEMENT; DUTY TO MITIGATE.**

19 (a) A right or obligation under this [act] is enforceable by an action unless the provision  
20 creating the right or obligation provides to the contrary.

21 (b) A party seeking relief under this [act] has a duty to mitigate damages.

### 22 **Comment**

23 Under the common law a landlord had no duty to mitigate damages. The no-mitigation  
24 rule was abrogated by the 1972 version of this act, and this act is consistent with that policy  
25 choice and the conceptualization of the lease as a contract. Unlike the 1972 act, however, this act  
26 provides a safe harbor in Section 604 for a landlord who makes reasonable efforts to relet the  
27 dwelling unit following a tenant's abandonment.  
28  
29  
30



1 evidence as to the setting, purpose, and effect of the lease or agreement.

2 **SECTION 107. KNOWLEDGE AND NOTICE.**

3 (a) In this [act], a person knows of a fact if the person has actual knowledge of the fact.

4 (b) In this [act], a person has notice of a fact if the person:

5 (1) knows of the fact;

6 (2) has received notice of the fact in accordance with subsection (e); or

7 (3) has reason to know the fact exists from all of the facts known to the person at  
8 the time in question.

9 (c) Subject to Section 1001(c), when this [act] specifically requires notice in a record, the  
10 notice must be signed by the person giving it and:

11 (1) delivered personally to the landlord or tenant, or

12 (2) sent to the landlord or the tenant by depositing it in the mail or delivering it

13 for transmission by other usual means of communication, electronic or otherwise, with any

14 postage or cost of transmission provided for and, in the case of the landlord, properly addressed

15 to an address specified in Section 108, and in the case of the tenant to an address specified in

16 Section 109, or if there be none, to an address reasonable under the circumstances.

17 (d) Except as otherwise provided in subsection (c), a person gives notice of a fact to

18 another person by taking steps reasonably calculated to inform the other person, whether or not

19 the other person learns of the fact.

20 (e) In this [act], a person receives notice of a fact:

21 (1) when the fact comes to the person's attention; or

22 (2) in the case of notice in a record, when the notice is:

23 (A) personally delivered under subsection (c)(1); or

1 (B) sent in accordance with subsection (c)(2).

2 **Comment**

3 A number of sections in this act require either a landlord or a tenant to give the other  
4 notice in a record. When notice in a record is required, it must be given in accordance with  
5 subsection (c).

6  
7 Under subsection (e)(1), a person receives notice when the fact comes to the person's  
8 attention. A fact might come to the person's attention as the result of face-to-face conversation,  
9 the telephone, or by a receipt of a record.

10  
11 **SECTION 108. REQUIRED DISCLOSURES BY LANDLORD.**

12 (a) Before accepting any funds to be applied towards a security deposit, prepaid rent, or  
13 fees, or before entering into a lease, a prospective landlord shall disclose to the prospective  
14 tenant in a record the following information:

15 (1) any condition of the premises which would breach a duty owed to a tenant  
16 under Section 302 that would materially interfere with prospective tenant use and enjoyment of  
17 the premises and of which the prospective landlord knows or should have known on a reasonable  
18 inspection of the premises;

19 (2) whether the premises are in foreclosure;

20 (3) in the case of prepaid rent, the month or other period of the lease to which the  
21 prepaid rent is to be applied; and

22 (4) all rules concerning the tenant's use and occupation of the premises.

23 (b) At or before the commencement of the term of the lease, the landlord shall give the  
24 tenant a notice in a record specifying:

25 (1) the name of:

26 (A) the landlord;

27 (B) any other person authorized to manage the premises; and

1 (C) the owner of the premises or the person authorized to act for the owner  
2 for the purpose of service of process and receiving a notice or demand;

3 (2) the mailing address and any address used for the receipt of electronic  
4 communications by the landlord or a person designated by the landlord to which a notice or  
5 demand must be sent; and

6 (3) the address or place to which the tenant must send rent. (c) A landlord  
7 shall keep current the information required to be given by subsection (b)(1) and (b)(2)

8 (d) If a landlord fails to comply with subsection (b) or (c), any person that enters into a  
9 lease on behalf of the landlord, other than an undisclosed owner, becomes the landlord for  
10 purposes of:

11 (1) service of process and receiving and receipting for a notice or demand; and

12 (2) performing the obligations of the landlord under the lease or this [act].

13 (e) If the premises were in foreclosure before a landlord and a tenant entered into a lease  
14 and the disclosure required by subsection (a)(2) was not made, the tenant may recover actual  
15 damages resulting from the foreclosure.

### 16 **Comment**

17  
18 Subsection (a) imposes upon the landlord a duty to inform a prospective tenant of any  
19 conditions that would make the premises uninhabitable or present an unreasonable risk of harm.  
20 These conditions would include the standards for uninhabitability enumerated in Section 302 as  
21 well as additional hazards.

22  
23 The purpose of subsection (b) is to enable the tenant to proceed with the appropriate legal  
24 proceeding, to know to whom complaints must be addressed and, failing satisfaction, against  
25 whom the appropriate legal proceedings may be instituted.

26  
27 If the landlord failed to make the “foreclosure” disclosure required by subsection (a)(2),  
28 subsection (e) would not apply unless the tenant’s use and enjoyment of the premises had been  
29 interfered with as a result of the foreclosure. For example, such damages might occur if the  
30 premises were sold and the tenant was required to vacate the premises.  
31

1 No specific remedies are provided for the failure to provide the information required by  
2 subsections (b) and (c). If a landlord fails to provide an address to the tenant, however, the  
3 landlord might not receive the rent in a timely manner.  
4

5 Under subsection (d), if an agent of a landlord, other than an undisclosed owner, fails to  
6 provide the information required by subsections (b) or (c), the agent is a person upon whom  
7 service of process and notices may be made and also is obligated to perform the landlord's duties  
8 under this [act]. Thus this subsection incentivizes an agent for a disclosed landlord to make the  
9 disclosures under subsections (b) and (c) to avoid the consequences in subsection (d).  
10 Subsection (d) need not apply to a person acting on behalf of an undisclosed owner because that  
11 person is treated as the landlord. See Section 102(21).  
12

### 13 **SECTION 109. REQUIRED DISCLOSURES BY TENANT.**

14 (a) At or before the commencement of the term of a lease, the tenant shall give the  
15 landlord a notice in a record specifying the tenant's mailing address and any address used by the  
16 tenant for the receipt of electronic communications.

17 (b) At a landlord's request, the tenant shall designate a contact person to act for the tenant  
18 on the tenant's death by giving to the landlord a notice in a record specifying the name of the  
19 contact person, and if known, the mailing address, any address used for the receipt of electronic  
20 communications, and telephone number of the contact person. Absent a request by the landlord,  
21 a tenant may voluntarily designate a contact person in the same manner.

22 (c) A tenant shall keep current the information required in subsections (a) and (b). On  
23 termination of a lease, the tenant shall provide the landlord with a forwarding address to which  
24 the landlord may send the tenant's security deposit or other communications.

#### 25 **Comment**

26 No specific remedies are provided for the failure to provide the information required by  
27 subsections (a) and (b). If a tenant fails to provide an address to the landlord, however, the  
28 tenant might not receive a refund of a security deposit.  
29

30 **SECTION 110. COMMON LAW AND PRINCIPLES OF EQUITY.** Unless  
31 displaced by this [act], the principles of law and equity supplement this [act].

1 **Comment**

2  
3 In light of this section, contract principles generally apply to the construction and  
4 interpretation of leases, including provisions relating to mutuality or dependency of lease  
5 covenants. By construing leases as contracts, for example, performance of promises the landlord  
6 and tenant make to each other are dependent upon one another. Thus, the tenant’s promise to pay  
7 rent is conditioned upon (dependent upon) the landlord’s compliance with Section 302.  
8

9 **ARTICLE 2**

10 **GENERAL PROVISIONS APPLICABLE TO LEASE**

11 **SECTION 201. TERMS AND CONDITIONS OF LEASE.**

12 (a) A lease may include terms and conditions not prohibited by this [act] or law of this  
13 state other than this [act].

14 (b) Unless a lease or law of this state other than this [act] otherwise provides:

15 (1) the tenant shall pay rent for the dwelling unit for the term of the lease in an  
16 amount comparable to the rent paid for other dwelling units of similar size and condition in the  
17 same or a comparable location, determined at the commencement of the lease;

18 (2) rent is:

19 (A) payable without demand or notice:

20 (i) at the address or place the landlord designates under Section  
21 108(b)(3) or, if no designation is made, at the landlord’s place of business at the time the lease  
22 was made; and

23 (ii) on the first day of each month or at the beginning of the term if  
24 the term is less than one month; and

25 (B) uniformly apportioned from day to day; and

26 (3) the rental period is determined on a monthly basis beginning with the first day  
27 of the month for a tenancy for a fixed term of more than one month or for a periodic tenancy of

1 month to month, and for all other tenancies the rental period begins on the first day rent is paid.

2 (c) Except as otherwise provided in Section 202, unless the lease creates a tenancy for a  
3 fixed term, the tenancy is a periodic tenancy for week to week if a tenant pays rent weekly and  
4 otherwise is a periodic tenancy for month to month.

5 **Comment**

6  
7 Under subsection (c), tenancies at will are effectively abolished; the only recognized  
8 tenancies, other than a tenancy for a fixed term, are a periodic tenancy for month to month or the  
9 less common periodic tenancy for week to week.

10  
11 Subsection (b) applies when the lease inadvertently fails to fix the amount of rent as  
12 might be the case for oral leases.

13  
14 **SECTION 202. EFFECT OF UNSIGNED, UNDELIVERED LEASE; IMPLIED**  
15 **LEASE.**

16 (a) Subject to subsection (b):

17 (1) if a lease signed by the tenant is delivered to the landlord and the landlord fails  
18 to sign the lease and return it to the tenant, acceptance of rent by the landlord without reservation  
19 of rights gives the lease the same effect as if the lease had been signed and returned to the tenant  
20 by the landlord; and

21 (2) if a lease signed by the landlord is delivered to the tenant and the tenant fails  
22 to sign the lease and return it to the landlord, acceptance of possession and payment of rent  
23 without reservation of rights gives the lease the same effect as if the lease had been signed and  
24 returned to the landlord by the tenant.

25 (b) If a lease given effect under subsection (a) provides for a tenancy for a fixed term  
26 longer than one year, the lease is effective for one year.

27 (c) In the absence of a lease signed by the landlord or tenant which is delivered to the  
28 other, if the tenant accepts possession and pays rent to the landlord without reservation of rights

1 and the landlord accepts rent from the tenant without reservation of rights, the tenancy created is  
2 a periodic tenancy for week to week in the case of a tenant that pays rent weekly and in all other  
3 cases a periodic tenancy for month to month.

4 **SECTION 203. PROHIBITED PROVISIONS IN LEASE.**

5 (a) A lease may not require the tenant to:

6 (1) waive or forego a right or remedy under this [act];

7 (2) authorize a person to confess judgment on a claim arising out of the lease or  
8 this [act];

9 (3) perform a duty imposed on the landlord by Section 302;

10 (4) agree to pay attorney's fees and costs of the landlord other than those provided  
11 by this [act] or law of this state other than this [act]; or

12 (5) agree to exculpate or limit a liability of the landlord arising under this [act] or  
13 law of this state other than this [act] or to indemnify the landlord for the liability and the costs  
14 connected with the liability.

15 (b) A provision in a lease prohibited by subsection (a) or by law of this state other than  
16 this [act] is unenforceable. If a landlord willfully includes in a lease a provision that violates  
17 subsection (a), the tenant is entitled to actual damages and the court may award the tenant an  
18 amount up to [three] months' periodic rent.

19 **Comment**

20 While subsection (a)(3) prohibits a lease from imposing the landlord's Section 302 duties  
21 on the tenant, Section 303 permits the landlord and tenant to agree that the tenant will perform  
22 one or more of the landlord's duties under Section 302 if that agreement is in *a contract separate*  
23 *from the lease* and the tenant's failure to perform under the contract does not discharge the  
24 landlord's duties under Section 302. Furthermore, if the tenant fails to perform the duties the  
25 tenant contractually agreed to provide, the landlord could collect actual damages from the tenant.  
26 See Section 303(d). Damages are available because of tenant's breach of a contract separate  
27 from the lease and thus are not inconsistent with subsection (a)(5).



1 (d) If there is no prevailing party in an action, no party is entitled to recover attorney's  
2 fees [and costs].

3 *Note to committee: Should we bracket costs in 205(b), (c) and (d).*

4 **ARTICLE 3**

5 **LANDLORD'S DUTIES**

6 **SECTION 301. DELIVERY OF POSSESSION OF DWELLING UNIT TO**

7 **TENANT.** A landlord shall deliver actual possession of the dwelling unit to the tenant at the  
8 commencement of the term of the lease.

9 **Comment**

10 This section, like the 1972 act before it, adopts the position that actual possession, as  
11 distinguished from a mere legal right to possession, must be delivered to the tenant at the  
12 commencement of the term of the lease. The term of the lease commences on the date the tenant  
13 is first entitled to possession. Thus, if a lease is signed on July 1 for a term to begin on August 1,  
14 the commencement date is August 1. The landlord's obligation to deliver actual possession,  
15 therefore, begins on August 1.

16  
17 **SECTION 302. LANDLORD'S DUTY TO MAINTAIN PREMISES.**

18 (a) A landlord has a duty to maintain the premises in a habitable condition, including  
19 making all necessary repairs. At a minimum, the duty to maintain requires the landlord to ensure  
20 that the premises:

21 (1) comply with all obligations imposed on the landlord by any applicable  
22 building, housing, fire, or health code, or other law;

23 (2) have effective waterproofing and weather protection of the roof and exterior  
24 walls, including windows and doors;

25 (3) have plumbing facilities that conform to applicable law and are maintained in  
26 good working order;

27 (4) have access to a water supply approved under applicable law that is capable of

1 producing hot and cold running water;

2 (5) have adequate ventilation and heating facilities that conform to applicable law

3 and are maintained in good working order;

4 (6) have electrical lighting with wiring and electrical equipment that conform to

5 applicable law and are maintained in good working order;

6 (7) have reasonable measures in place to control the presence of rodents, bedbugs,

7 other vermin, and mold or the exposure to radon, lead paint, asbestos, and other hazardous

8 substances;

9 (8) to the extent the premises include common areas and other areas under the

10 landlord's control, have the areas safe for normal and reasonably foreseeable uses consistent with

11 the lease and in good repair, have the areas clean and sanitary, and have reasonable measures in

12 place to control the presence of debris, filth, rubbish, garbage, and the items listed in paragraph

13 (7) in the areas;

14 (9) have an adequate number of appropriate receptacles in clean condition for

15 garbage, rubbish, and, if recycling services are provided or required by law, recyclable material;

16 (10) have floors, doors, windows, walls, ceilings, stairways, and railings, in good

17 repair;

18 (11) have other facilities and appliances supplied or required to be supplied by the

19 landlord in good repair;

20 (12) have in good working order locks or other security devices on all exterior

21 doors and windows that open and close, including those of the dwelling unit and other parts of

22 the premises; and

23 (13) have safety equipment required by applicable law that are maintained in good

1 working order.

2 (b) Unless the lease otherwise provides, a landlord shall provide essential services to the  
3 tenant.

4 (c) If a sublessor is a landlord for purposes of this [act], the sublessor shall have the duty  
5 to comply with subsection (a) except for duties that would require the sublessor to access  
6 portions of a dwelling unit or the premises beyond the sublessor's control.

7 **Comment**

8 Consistent with the practice of nearly every state, Section 302 recognizes that modern  
9 conditions require the proper maintenance and operation of rental housing. This section imposes  
10 certain minimum duties of repair and maintenance upon landlords consistent with prevailing  
11 public standards. Section 501 imposes corresponding duties of cleanliness and proper use within  
12 the dwelling unit upon the tenant. This section sets forth only minimum standards. Because many  
13 jurisdictions do not have building, housing, or health codes applicable to rental housing, it is  
14 appropriate that this statute incorporate minimum standards of maintenance. A lease could  
15 impose other maintenance obligations on the landlord. It could also impose other maintenance  
16 obligations on the tenant so long as those obligations do not absolve the landlord of the  
17 landlord's obligations under this section. *See* Section 203(a)(3).

18  
19 If a tenant subleases a dwelling unit with the landlord's consent then the sublessor is not a  
20 landlord under this act. See Section 103(20). If the tenant subleases the dwelling unit without the  
21 landlord's consent, the sublessor is a landlord under this act. As a landlord, the sublessor is  
22 obligated to comply with provisions of this act, including this section. However, under  
23 subsection (b), the sublessor is not required to perform duties imposed on a landlord by this  
24 section if performance of the duties would require the sublessor to access parts of the dwelling  
25 unit or premises which are beyond the sublessor's control. For example, if a subtenant's furnace  
26 ceased working but repairs would require access to a furnace outside of the dwelling unit, the  
27 sublessor would not be required to repair the furnace.

28  
29 This subsection does not mandate that the cost of compliance must be borne by the  
30 landlord. Landlords incurring costs under this section are likely to have those costs reflected in  
31 the amount of rent payable by tenants.

32  
33 Under subsection (a), the landlord has a duty to maintain facilities on the premises  
34 necessary for the provision of essential services, typically heat, water, plumbing and electricity.  
35 Under subsection (b), the landlord has the duty to provide essential services unless the lease  
36 otherwise provides. Although the landlord may have the duty to provide an essential service, the  
37 costs of these services could be shifted to the tenant.



1 landlord and tenant, if the landlord conveys in a good-faith sale to a bona fide purchaser  
2 premises that include a dwelling unit subject to the lease, the following rules apply:

3 (1) Except as otherwise provided in paragraph (2), the landlord is relieved of  
4 liability under the lease and this [act] as to events occurring after the later of the conveyance to  
5 the purchaser or the landlord's notice in a record to the tenant of the conveyance.

6 (2) Except as otherwise provided in Section 1205, the landlord remains liable to  
7 the tenant for the amount of any security deposit and unearned rent.

8 (b) A person that enters into a lease on behalf of an undisclosed owner is relieved of  
9 liability under the lease and this [act] as to events occurring after giving to the tenant a notice in  
10 a record specifying:

11 (1) the name and mailing address and any address used for the receipt of  
12 electronic communications by the owner or any person designated by the owner to which a  
13 notice or demand must be sent;

14 (2) if different from the current address to which rent is sent, the address or place  
15 to which the tenant must send rent; and

16 (3) the date of termination of the person's authority to act on behalf of the owner.

17 **Comment**

18  
19 The effect of subsection (a), which first appeared in the 1972 act, is to sever both privity  
20 of contract and privity of estate between the assigning landlord and the tenant.

21  
22 The landlord's release from liability occurs with respect to events occurring after the later  
23 of the notice to the tenant of the conveyance or the conveyance to the purchaser. If an event  
24 occurred prior to that time, the landlord could be liable. For example, suppose a landlord installs  
25 a defective smoke alarm and later sells the building to a bona fide purchaser. Thereafter a fire on  
26 the premises injures a tenant. The evidence establishes that the tenant would not have been  
27 injured if the smoke alarm had not been defective. This section would not relieve the landlord  
28 from potential liability as the smoke alarm was installed prior to the sale of the building to a third  
29 party.  
30

1 Under subsection (a)(2), the landlord remains liable for the tenant’s security deposit and  
2 unearned rent unless the landlord complies with Section 1205 to transfer the funds to the  
3 successor landlord or return them to the tenant.  
4

5 Subsection (b) applies to a manager that enters into a lease on behalf of an undisclosed  
6 owner. In that situation, the manager qualifies as a “landlord” under Section 102(20) and has all  
7 of the rights and responsibilities of a landlord under the act. Subsection (b) provides the  
8 procedures for a person in that situation to be relieved of liability under the act. Conversely,  
9 when the owner of the leased premises has been disclosed to the tenant, a manager’s only  
10 liability is as the agent of the owner. In that case, general principles of agency law under law of  
11 this state other than this act will apply.  
12

### 13 **SECTION 305. RULES OF LANDLORD.**

14 (a) A landlord may not enforce any rule in existence at the time the lease commenced that  
15 was not required by law other than this [act] or disclosed to the tenant pursuant to Section 108.

16 (b) After the commencement of a lease, a landlord may adopt or modify a rule concerning  
17 a tenant’s use and occupancy of the premises, but if the rule or modification substantially  
18 modifies the tenant’s bargain and is not required by law other than this [act], it is not enforceable  
19 against the tenant unless the tenant consents to it in a record signed by the tenant.

#### 20 **Comment**

21 Rules as commonly understood apply to the manner in which the tenant may use the  
22 premises such as rules relating to noise, the presence of animals, and the disposal of garbage. A  
23 rule would not include agreements with respect to the length of a tenancy or the amount of rent  
24 payable by a tenant.  
25

## 25 **ARTICLE 4**

### 26 **TENANT REMEDIES**

27 **SECTION 401. NOTICE AND OPPORTUNITY TO REPAIR.** Subject to Section  
28 407, if there is noncompliance by a landlord with the lease or Section 302, the tenant has the  
29 remedies under Section 402 if the tenant gives the landlord:

30 (1) notice in a record of the noncompliance; and

31 (2) an opportunity to remedy the noncompliance within the following periods:

1 (A) subject to paragraph (B), the landlord shall remedy the noncompliance not  
2 later than [14] days after the tenant gives the landlord the notice; and

3 (B) if the noncompliance by the landlord involves failure to provide an essential  
4 service which the landlord is obligated provide or poses an actual and imminent threat to the  
5 health or safety of the tenant or an immediate family member, the landlord shall remedy the  
6 noncompliance promptly, [but not later than [five] days after the tenant gives the landlord the  
7 notice.]

8 **SECTION 402. NONCOMPLIANCE BY LANDLORD; IN GENERAL**

9 (a) Subject to subsection (b) and Section 407, if a landlord's noncompliance with the  
10 lease or Section 302 materially interferes with the use and enjoyment of the premises by the  
11 tenant and is not remedied during the applicable period in Section 401, the tenant may:

12 (1) terminate the lease by giving the landlord notice in a record of the tenant's  
13 intent to terminate the lease immediately or on a later date specified in the notice, in which case:

14 (A) the tenant may recover actual damages for the period beginning the  
15 date the tenant gave the landlord the notice under Section 401 and ending on the date of  
16 termination specified in the notice, including damages based on the diminution in value of the  
17 dwelling unit as determined by the court based on evidence that need not include expert  
18 testimony; and

19 (B) the landlord shall return to the tenant the amount of any security  
20 deposit and unearned rent to which the tenant is entitled under Section 1204; or

21 (2) continue the lease and, without any additional notice, elect one of the  
22 following remedies:

23 (A) subject to Section 406, withhold the rent for the period of

1 noncompliance beginning on the date the tenant gave the landlord the notice under Section 401;

2 (B) recover actual damages for the period beginning on the date the tenant  
3 gave the landlord the notice under Section 401, including damages based on the diminution in  
4 value of the dwelling unit as determined by the court based on evidence that need not include  
5 expert testimony;

6 (C) seek injunctive relief, specific performance, or other equitable relief;

7 (D) subject to Section 404, make repairs and deduct the cost from the rent;

8 or

9 (E) subject to Section 405, secure an essential service which the landlord  
10 is obligated to provide or comparable substitute housing during the period of noncompliance.

11 (b) If a landlord's noncompliance with the lease or Section 302 materially interferes with  
12 the use and enjoyment of the premises by the tenant and the landlord is unable to remedy the  
13 noncompliance within the applicable period in Section 401 because of circumstances beyond the  
14 landlord's control, including the unavailability of materials, labor, or utilities, fire or other  
15 casualty, a natural disaster, [or] force majeure [, or the death of the landlord]:

16 (1) the tenant may terminate the lease; and

17 (2) after the tenant vacates the premises, the landlord must return to the tenant the  
18 amount of any security deposit and unearned rent to which the tenant is entitled under Section  
19 1204.

20 (c) If a landlord's noncompliance with the lease or Section 302 does not materially  
21 interfere with the tenant's use and enjoyment of the premises, the tenant may obtain the remedies  
22 provided in subsections (a)(2)(B), (C), and (D).

23 (d) A tenant may not seek a remedy under this section to the extent:

1 (1) the landlord’s noncompliance was caused by the act or omission of the tenant,  
2 an immediate family member, or another person invited on the premises by the tenant, other than  
3 the landlord or the landlord’s agent; or

4 (2) the tenant prevented the landlord from having access to the dwelling unit to  
5 make repairs or provide a remedy to the acts or omissions described in the tenant's notice under  
6 Section 401.

7 *Note to Committee: Choices in (b).*

8 **Comment**

9 This section has been modified from the 1972 act to clarify the remedies available to a  
10 tenant for a landlord’s noncompliance with the warranty provisions in Section 302 or under the  
11 lease. If there is a material noncompliance by the landlord with the lease or Section 302(a),  
12 Section 402 allows the tenant to elect from among six remedies. However, the tenant’s ability to  
13 secure essential services which the landlord is obligated to provide or substitute housing under  
14 Section 404 is only available for the landlord’s material noncompliance in providing those  
15 essential services. Not all services or obligations of the landlord described in Section 302(a) are  
16 “essential services.” See Section 102(16). See also Section 302(b) which provides that the lease  
17 may absolve the landlord of the obligation to provide essential services.

18  
19 This section also clarifies the measurement of damages when a tenant has occupied a  
20 dwelling unit in a noncompliant condition. The 1972 Act permitted recovery of the “diminution  
21 in the fair rental value” of the dwelling unit. That terminology is modified in this act to permit  
22 recovery of damages based upon the “diminution in value of the dwelling unit,” which is defined  
23 in Section 102(11) as “a reduction from the rent provided in a lease in an amount that reflects the  
24 extent to which a noncompliant condition of the premises impairs the tenant’s use and enjoyment  
25 of the dwelling unit.” The intent is to permit a court to consider such factors as the nature and  
26 duration of the defect, the proportion of the dwelling unit that is affected, the value of services to  
27 which the tenant was deprived, the degree of discomfort imposed by the defect, and the  
28 effectiveness of the landlord’s remediation efforts. For example, if, as a result of noncompliance,  
29 the tenant is deprived only of the use of office space, the diminution in value should be less than  
30 if the noncompliance results in the loss of bath and kitchen facilities in the entire dwelling unit.

31  
32 Remedies available to the tenant pursuant to Section 401 are not exclusive (see Section  
33 110).

34  
35 A duty to mitigate damages exists under Section 104(b).

36  
37 If the dwelling unit or premises are substantially damaged or destroyed as the result of a  
38 fire or other casualty to which Section 406 would apply, then the remedies in Section 406 rather

1 than this section apply.

2  
3 Subsection (d) recognizes that circumstances beyond the landlord's control may make it  
4 difficult or impossible for a landlord to make the repairs within the time limits set forth in this  
5 section. In such cases, the tenant's remedy is limited to termination.

6  
7 **SECTION 403. LANDLORD'S FAILURE TO DELIVER POSSESSION TO**  
8 **TENANT.**

9 (a) Except as otherwise provided in subsection (d), if a landlord does not deliver actual  
10 possession of the dwelling unit to the tenant as provided in Section 301, the tenant is not required  
11 to pay rent until possession is delivered, and may:

12 (1) terminate the lease by a notice in a record given to the landlord at any time  
13 before the landlord delivers possession of the unit to the tenant; or

14 (2) demand performance of the lease by the landlord and, if the tenant elects,  
15 recover actual damages and obtain possession of the unit from the landlord or any person  
16 wrongfully in possession by any lawful means that could have been used by the landlord.

17 (b) If a tenant terminates the lease under subsection (a)(1), the landlord shall return to the  
18 tenant any security deposit and unearned rent to which the tenant is entitled under Section 1204.  
19 The landlord also shall return to the tenant any fees received from the tenant.

20 (c) In addition to the rights provided to a tenant in subsections (a) and (b), if a landlord's  
21 failure to deliver possession to the tenant pursuant to Section 301 is willful, the tenant is entitled  
22 to [three] months' periodic rent or [triple] the actual damages, whichever is greater.

23 (d) If a tenant elects under subsection (a)(2) to obtain possession from a person that is  
24 wrongfully in possession, the tenant is liable to the landlord for rent and may recover from the  
25 person wrongfully in possession the damages provided in Section 802.

26

1 **Comment**

2 Under subsection (a)(2), a tenant may elect to file an action for possession directly  
3 against a holdover tenant or other person in wrongful possession of the dwelling unit.  
4

5 If the tenant elects to sue the holdover tenant for possession, the tenant effectively elects  
6 to continue the lease with the landlord and thus, under subsection (d) is liable to the landlord for  
7 rent for the period beginning with the commencement of the term of the lease.  
8

9 **SECTION 404. SELF-HELP.**

10 (a) Except as otherwise provided in this [act], if a landlord fails to comply with the lease  
11 or Section 302, the tenant may give notice to the landlord pursuant to Section 401(a) specifying  
12 the failure and, if the landlord fails to comply within the period specified in Section 401(a) and  
13 the reasonable cost of compliance does not exceed one month's rent, the tenant may repair the  
14 condition at the landlord's expense.

15 (b) Subject to subsection (d), a tenant, after submitting to the landlord an itemized  
16 statement, including receipts for purchased items and services, may deduct from the rent the  
17 actual and reasonable cost incurred or the fair and reasonable value of the work performed to  
18 repair the condition, not exceeding one month's rent, unless the tenant otherwise has been  
19 reimbursed by the landlord.

20 (c) A repair by a tenant under subsection (a) must be made in a professional manner and  
21 in compliance with applicable law.

22 (d) A tenant may not repair a condition at the landlord's expense under subsection (a) to  
23 the extent:

24 (1) the condition was caused by an act or omission of the tenant, an immediate  
25 family member, or another person invited on the premises by the tenant, other than the landlord  
26 or the landlord's agent; or

27 (2) the landlord was unable to remedy the condition within the period in Section

1 401(a) because the tenant denied the landlord access to the dwelling unit.

2 (e) A tenant's use of the remedy under this section is limited to one month's rent during  
3 any 12-month period.

4 **Comment**

5 Under subsection (b) if a tenant hires another person to perform a repair the landlord  
6 should have made, the tenant recovers the actual and reasonable cost incurred by the tenant to  
7 have the repair made. If the tenant is able to personally do the repair, the tenant is entitled to  
8 recover the fair and reasonable value of the work performed to repair.

9  
10 Under subsection (d), the tenant may not repair at a landlord's expense to the extent the  
11 damage that was repaired was caused by the tenant, an immediate family member, or another  
12 person invited on the premises by the tenant, other than the landlord or the landlord's agent. For  
13 example, if the tenant breaks the door lock, the tenant cannot deduct the cost of the repair from  
14 the rent, even if the repair was undertaken by the tenant. Subsection (d) would not preclude the  
15 tenant from making the repair, but would preclude the deduction of the costs from the rent.

16  
17 Subsection (e) is intended to assure the landlord that over any given 12-month period the  
18 landlord's costs arising as the result of the tenant's election of this self-help remedy do not  
19 exceed one month's rent. The 12-month look back period begins to run 12 months immediately  
20 before the completion of the immediate repair for which the tenant has exercised the tenant's  
21 rights under this section. For example, suppose the tenant paying monthly rent of \$500 properly  
22 contracts for a plumber to make a repair that costs \$300. The repair is completed on November  
23 10. The tenant is entitled to be reimbursed the entire \$300 if over the last 12 months, beginning  
24 with November 10 of the preceding year, the tenant never used this remedy. If over that period  
25 the tenant has previously used the remedy to the extent of \$400, the tenant would be able to  
26 recoup only \$100 of the cost of the current \$300 repair.

27  
28 **SECTION 405. LANDLORD'S WRONGFUL FAILURE TO PROVIDE**  
29 **ESSENTIAL SERVICE.**

30 (a) If, contrary to the terms of a lease or Section 302, the landlord willfully or negligently  
31 fails to provide an essential service, the tenant may give notice to the landlord pursuant to  
32 Section 401(a) specifying the failure and, if the landlord fails to comply within the period  
33 specified in Section 401(a), the tenant may:

34 (1) take appropriate measures to secure the essential service during the period of  
35 the landlord's noncompliance and deduct the reasonable cost from the rent; or

1 (2) procure comparable substitute housing at the landlord's expense during the  
2 period of the landlord's noncompliance.

3 (b) In addition to the remedy provided in subsection (a)(2), the tenant is entitled to actual  
4 damages.

5 (c) Rights of a tenant under this section do not arise if the condition was caused by the act  
6 or omission of the tenant, an immediate family member, or another person invited on the  
7 premises by the tenant, other than the landlord or the landlord's agent.

### 8 **Comment**

9  
10 This section would not apply if the landlord was absolved from providing essential  
11 services. See Section 302(b).

12  
13 Under subsection (b), a tenant's actual damages could include the difference between the  
14 rent provided in the lease and the actual and reasonable cost of substitute housing as well as  
15 moving expenses.

### 16 **SECTION 406. LANDLORD'S NONCOMPLIANCE AS DEFENSE TO ACTION** 17 18 **FOR NONPAYMENT OF RENT.**

19 (a) A tenant may defend an action by the landlord based on nonpayment of rent, whether  
20 for possession or for the unpaid rent, on the ground that no rent was due and [counterclaim] for  
21 any amount the tenant may recover under the lease or this [act].

22 (b) If a tenant is in possession of the dwelling unit when an action based on nonpayment  
23 of rent is filed by the landlord, either party may seek a court order directing the tenant to pay all  
24 or part of the unpaid rent and all additional rent as it accrues into an escrow account with the  
25 court or a bank or other entity authorized by the court to hold funds in escrow.

26 (c) If the court orders a tenant to deposit funds in an escrow account outside the court  
27 pursuant to subsection (b), the bank or entity authorized by the court to hold the funds in escrow  
28 shall provide the landlord and tenant with a monthly statement for the funds unless the court

1 otherwise provides.

2 (d) If a tenant fails to pay the rent into escrow as ordered by the court under subsection  
3 (b), the court may enter a judgment of possession in favor of the landlord.

4 (e) If rent has been paid into escrow under subsection (b) and:

5 (1) the court determines that the landlord fully complied with the lease and  
6 Section 302, the court shall order the immediate release to the landlord of rent held in escrow and  
7 direct the tenant to pay the landlord any remaining rent owed; or

8 (2) the court determines that the landlord's noncompliance with the lease or  
9 Section 302 materially interferes with the tenant's use and enjoyment of the premises, the court  
10 may order one or more of the following remedies:

11 (A) release to the landlord all or part of the rent held in escrow to be used  
12 only to bring the premises into compliance with the lease or Section 302;

13 (B) refund to the tenant all or part of the rent held in escrow in  
14 compensation for:

15 (i) a repair made by the tenant in compliance with Section 404;

16 (ii) damages based on the diminution in value of the dwelling unit  
17 as determined by the court based on evidence that need not include expert testimony; or

18 (iii) other actual damages;

19 (C) the tenant's continued payment of rent into escrow as rent becomes  
20 due or abatement of future rent until the landlord brings the premises into compliance with the  
21 lease or Section 302; or

22 (D) payment to the landlord of any rent held in escrow not otherwise  
23 payable to the tenant and any other amount the court determines the tenant owes the landlord.

## Comment

1 Under subsection (b), if either party seeks a court order for the escrow of rent, the court,  
2 in its discretion, will determine whether to order an escrow of rent. If the court orders rent to be  
3 escrowed, it shall also specify the amount to be escrowed.  
4

### 5 **SECTION 407. FIRE OR OTHER CASUALTY DAMAGE.**

6 (a) Subject to subsection (b), if a dwelling unit or premises are substantially damaged or  
7 destroyed by fire or other casualty:

8 (1) the tenant may vacate the unit immediately and not later than [14] days after  
9 vacating the unit give the landlord notice in a record of the tenant's intention to terminate the  
10 lease, in which case the lease terminates as of the date the tenant vacates the unit; or

11 (2) if a portion of the premises is rendered uninhabitable or unusable as a result of  
12 the fire or other casualty but continued occupancy of the unit is lawful, the tenant can continue  
13 the lease and is entitled to the remedies provided in Section 402(a)(2)(A), (B), (C), and (D) after  
14 complying with the provisions of Section 401.

15 (b) If a dwelling unit or premises are substantially damaged or destroyed by fire or other  
16 casualty and the repairs can only be made if the tenant vacates the dwelling unit, the landlord  
17 may give the tenant [5] days' notice in a record of the landlord's intent to terminate the lease, in  
18 which case the lease terminates as of the expiration of the [5] days or any later date set forth in  
19 the notice..

20 (c) If a lease is terminated pursuant to subsection (a)(1) or (b), the landlord shall return to  
21 the tenant the amount of any security deposit and unearned rent to which the tenant is entitled  
22 under Section 1204. In calculating the unearned rent, termination of the lease is deemed to occur  
23 on the date of the fire or other casualty.

24 (d) This section does not preclude a landlord from seeking actual damages from the  
25 tenant under law of this state other than this [act] for damages to the premises caused by the

1 tenant, an immediate family member, or another person invited on the premises by the tenant,  
2 other than the landlord or the landlord's agent.

3 **SECTION 408. UNLAWFUL REMOVAL, EXCLUSION, OR DIMINUTION OF**  
4 **ESSENTIAL SERVICE.** If a landlord unlawfully removes or excludes the tenant from the  
5 premises or willfully interrupts or causes the interruption of an essential service which the  
6 landlord is obligated to provide to the tenant:

7 (a) the tenant may recover possession or terminate the lease and, in either case, the tenant  
8 is entitled to [three] months' periodic rent or [triple] damages, whichever is greater; and

9 (b) if the lease terminates, the landlord shall return to the tenant the amount of any  
10 security deposit and unearned rent to which the tenant is entitled under Section 1204.

11 **Comment**

12  
13 This section would not apply if the landlord was absolved from providing essential  
14 services. See Section 302(b).

15  
16 **ARTICLE 5**

17 **TENANT'S DUTIES**

18 **SECTION 501. TENANT'S DUTIES.** A tenant:

19 (1) shall comply with all obligations imposed on the tenant by the lease and this [act],  
20 including the obligation to pay rent;

21 (2) shall comply with all obligations imposed on a tenant by any applicable building,  
22 housing, or health code;

23 (3) except with respect to duties imposed on the landlord by the lease, this [act], or by  
24 law of this state other than this [act], shall keep the dwelling unit as safe and sanitary as the  
25 conditions of the unit permit;

26 (4) shall remove all garbage, rubbish, and other debris from the dwelling unit in a clean

1 and safe manner;

2 (5) shall keep all plumbing fixtures in the dwelling unit or used by the tenant [as] clean as  
3 their condition permits;

4 (6) shall use in a reasonable manner all electrical, plumbing, heating, ventilating, and air-  
5 conditioning systems, and other facilities and appliances, including elevators, on the premises;

6 (7) in the absence of the landlord's consent, may not intentionally or negligently:

7 (A) destroy, deface, damage, impair, or remove any part of the premises;

8 (B) destroy, deface, damage, impair, remove, or render inoperative any safety  
9 equipment on the premises, such as smoke alarms, carbon monoxide detectors, and fire  
10 extinguishers; or

11 (C) permit an immediate family member or another person invited on the  
12 premises by the tenant to do the same;

13 (8) may not disturb or allow a person invited on the premises by the tenant, other than the  
14 landlord or the landlord's agent, to disturb the use and enjoyment of the premises by another  
15 tenant or permit an immediate family member, or another person invited on the premises by the  
16 tenant to do the same;

17 (9) may not engage in any criminal activity on the premises;

18 (10) shall notify the landlord within a reasonable time of any condition of the premises  
19 that requires repair or remediation by the landlord under the lease or Section 302;

20 (11) shall return the dwelling unit to the landlord at the termination of the lease in the  
21 same condition as it was at the commencement of the term of the lease, with the premises free of  
22 any damage caused by the tenant, an immediate family member, or another person invited on the  
23 premises by the tenant ,other than the landlord or the landlord's agent, except for:

1 (A) normal wear and tear;  
2 (B) damage resulting from a cause beyond the control of the tenant, an immediate  
3 family member, or another person invited on the premises by the tenant; and  
4 (C) additions and improvements installed on the premises with the landlord's  
5 consent; and  
6 (12) unless the landlord and tenant otherwise agree, may use the dwelling unit only for  
7 residential purposes.

8 **Comment**  
9

10 Under paragraph (3) the tenant is obligated to keep the dwelling unit in a safe or sanitary  
11 condition unless the duty to do so is imposed on another, such as the landlord. For example,  
12 because Section 302 imposes a duty on the landlord to conform plumbing fixtures to applicable  
13 law, that duty is not shifted to the tenant by this section.  
14

15 Paragraph (12) leaves to judicial determination whether the incidental use of a dwelling  
16 unit for business, professional, or other purposes would constitute a use for other than residential  
17 purposes. See 1 A.L.R. 6<sup>th</sup> 135 (2005)(collecting and analyzing cases). The provision  
18 contemplates, however, that a landlord and tenant may agree that the tenant can use the dwelling  
19 unit for both residential and commercial purposes. If the parties so agree, the tenant's actual  
20 damages for a landlord's noncompliance with the lease or this act may include foreseeable  
21 damages attributable to the commercial use.  
22

23 Section 601(b) allows the landlord to terminate a lease for tenant's material  
24 noncompliance with Section 501. If tenant's noncompliance is not material, landlord cannot  
25 terminate the lease under Section 601 but could resort to other remedies under the act. For  
26 example, if tenant's minor child draws on the rented apartment walls, the landlord could apply  
27 the security deposit to the cost of repainting the wall.  
28

29 **ARTICLE 6**

30 **LANDLORD REMEDIES**

31 **SECTION 601. TENANT'S FAILURE TO PAY RENT; OTHER**  
32 **NONCOMPLIANCE WITH LEASE.**

33 (a) Except as otherwise provided in this [act] or by law of this state other than this [act], a  
34 landlord may terminate a lease for nonpayment of rent if the rent is unpaid when due and the

1 tenant fails to pay the rent not later than [14] days after the landlord gives the tenant notice in a  
2 record of the landlord's intent to terminate the lease at the end of the [14]-day period if the rent is  
3 not paid within that period.

4 (b) Except as otherwise provided in this [act] or by law of this state other than this [act],  
5 if there is a material noncompliance with a lease or this [act] by the tenant, other than the  
6 nonpayment of rent, the landlord may give the tenant notice in a record specifying the act and  
7 omission constituting the noncompliance and that the lease will terminate on a specified date not  
8 less than [30] days after the landlord gives the tenant the notice if the noncompliance is not  
9 remedied not later than [14] days after the landlord gave the notice. If the tenant does not  
10 remedy the noncompliance adequately during the [14]-day remediation period, the landlord may  
11 terminate the lease.

12 (c) Unless otherwise provided in the lease, a landlord may terminate a lease without  
13 giving the tenant an opportunity to remedy a noncompliance:

14 (1) by giving the tenant a notice in a record that the lease will terminate  
15 immediately on a day set forth in the notice if the landlord reasonably believes:

16 (A) the tenant, an immediate family member, or another person invited on  
17 the premises by the tenant has committed a criminal act on the premises, or

18 (B) the tenant's noncompliance poses an actual and imminent threat to the  
19 health and safety of other tenants on the premises or

20 (2) by giving the tenant notice in a record that the lease will terminate on a  
21 specified date not less than [14] days after the landlord gave the notice if the noncompliance:

22 (A) is for nonpayment of rent and the tenant failed to pay rent in a timely  
23 manner on at least [two] occasions within any consecutive [four]-month period;

1 (B) is substantially the same act or omission that constituted a prior  
2 noncompliance for which notice under subsection (b) had been given within six months  
3 preceding the latest noncompliance.

4 (d) Except as otherwise provided in this [act], if a tenant's noncompliance with Section  
5 501 materially affects health or safety of other tenants on the premises or is a material  
6 noncompliance with the lease, the landlord may:

7 (1) obtain injunctive relief or specific performance; or

8 (2) regardless of whether the lease terminates as a result of the tenant's  
9 noncompliance, recover actual damages [or liquidated damages as provided by the lease].

10 **Legislative Note:** *If the state allows for liquidated damages in a lease the bracketed language*  
11 *should be included; if not, the language should be excluded.*

12

13 **Note to Committee:** *Choice necessary in (c)(1); is the 14 day period appropriate).*

14

15

#### Comment

16

17 Section 601 gives a landlord the right to terminate a lease for tenant's nonpayment of rent  
18 and other noncompliance with the lease or this act. The section should be read in conjunction  
19 with Section 801, which gives a landlord the unconditional right to terminate a periodic tenancy  
20 upon compliance with the notice provisions in that section.

21

22 If any of the provisions of subsection (c) applies, the tenant has no right to cure the  
23 noncompliance to avoid termination of the lease.

24

25 While not required by this act, good practice would suggest that a landlord taking  
26 advantage of subsection (c)(2) would include in the notice a statement of the noncompliance that  
27 had previously occurred with the time periods set forth in that subsection.

28

#### SECTION 602. WAIVER OF LANDLORD'S RIGHT TO TERMINATE.

29

30 Acceptance of rent for two or more successive rental periods by a landlord with knowledge of  
31 noncompliance by the tenant with the lease or this [act] or acceptance by the landlord of the  
32 tenant's performance that varies from the terms of the lease or this [act] constitutes a waiver of  
33 the landlord's right to terminate the lease for that noncompliance, unless the landlord and tenant

1 otherwise agree after the noncompliance occurs.

2 *Note to Committee: Do we need this section?*

3 **SECTION 603. DISTRAINT FOR RENT; LIENS.**

4 (a) Distraint for rent is abolished.

5 (b) A landlord may not create, perfect, or enforce a lien or security interest on a tenant's  
6 tangible personal property to the extent the lien or security interest secures the tenant's  
7 performance under the lease or this [act]. This subsection does not apply to a lien or security  
8 interest that was created or perfected before the effective date of this [act].

9 **Comment**

10  
11 This section prohibits the landlord from seizing the tenant's tangible personal property to  
12 satisfy the landlord's claims against the tenant or filing a lien against the tenant's tangible  
13 personal property to secure the tenant's obligations under the lease. It also prohibits a landlord  
14 from taking a security interest in any of the tenant's tangible personal property to secure the  
15 tenant's performance. On the other hand, it would not preclude a landlord taking a lien or  
16 security interest to secure performance of a tenant's contractual promises unrelated to the lease.  
17 For example, if the landlord also owned an appliance store from which tenant purchased an  
18 appliance under a monthly payment plan, a landlord's lien on the appliance to secure tenant's  
19 payment of the debt incurred in purchasing the appliance is not prohibited by this act.

20  
21 **SECTION 604. ABANDONMENT; REMEDY AFTER TERMINATION.**

22 (a) In this section, "reasonable efforts" means steps a landlord would take to rent a  
23 dwelling unit if the unit is vacated at the end of a term, including showing the unit to prospective  
24 tenants or advertising the availability of the unit.

25 (b) A tenant abandons a dwelling unit if:

26 (1) the tenant delivers possession of the unit to the landlord by returning the keys  
27 or otherwise notifies the landlord the unit has been vacated; or

28 (2) the tenant fails to pay rent for at least [five] days and has:

29 (A) vacated the unit by removing substantially all of the tenant's personal

1 property from the unit and the premises; and

2 (B) caused the termination of utility services or otherwise indicated by  
3 words or conduct that the tenant has no intention of returning to the unit.

4 (c) If a tenant abandons the dwelling unit before the end of the term, the landlord may  
5 elect to:

6 (1) accept the tenant's abandonment of the unit by notice in a record given to the  
7 tenant accepting the abandonment, in which case:

8 (A) the lease terminates as of the date of the abandonment;

9 (B) the landlord and tenant are liable to each other under the lease only for  
10 breaches occurring before the lease terminates; and

11 (C) the landlord shall return to the tenant the amount of any security  
12 deposit and unearned rent to which the tenant is entitled under Section 1204; or

13 (2) treat the abandonment as wrongful.

14 (d) If a landlord treats an abandonment of a dwelling unit as wrongful under subsection  
15 (c), the tenant remains liable under the lease and the landlord has a duty to mitigate by making  
16 reasonable efforts to rent the unit, subject to the following rules:

17 (1) The landlord's duty to mitigate does not take priority over the landlord's right  
18 to lease first any of the landlord's other dwelling units that are available to lease.

19 (2) If a landlord leases the abandoning tenant's unit to another tenant for a term  
20 beginning before the expiration of the abandoning tenant's lease, the abandoning tenant's lease  
21 terminates as of the date of the new tenancy and the landlord may recover actual damages from  
22 the abandoning tenant.

23 (3) If the landlord uses reasonable efforts to lease the dwelling unit but is unable

1 to lease it or is able to lease it only for an amount less than the rent payable by the abandoning  
2 tenant, the landlord may recover actual damages from the abandoning tenant.

3 (4) If the landlord fails to use reasonable efforts to lease the abandoning tenant's  
4 unit, the lease terminates as of the date of the abandonment and the landlord and tenant are liable  
5 to each other under the lease only for breaches occurring before the date of the abandonment.

6 (5) After deducting the landlord's actual damages, the landlord shall return to the  
7 tenant the amount of any security deposit and unearned rent to which the tenant is entitled under  
8 Section 1204.

9 (e) If a tenant wrongfully terminates the lease, the landlord is entitled to possession. The  
10 landlord also has a claim for past due rent and, unless the landlord accepts abandonment or fails  
11 to mitigate, a separate claim for actual damages for breach of the lease.

### 12 **Comment**

13  
14 Under subsection (a) the reasonable steps include advertising the unit and showing the  
15 unit to any prospective tenants. Advertising can be by a variety of means including sending  
16 emails to prospective tenants, hiring a real estate agent to locate prospective tenants, posting for  
17 rent signs on the premises, and advertising the unit for rent in newspapers or other media.

18  
19 Under subsection (b)(2)(B), the tenant might cause termination of utility services by  
20 cancelling the services or merely not paying the bill.

21  
22 In light of subsection (c), a landlord who wishes to hold an abandoning tenant liable for  
23 breaches of the lease after the tenant abandons the premises should not accept the abandonment  
24 but should treat the abandonment as wrongful. Thus, if tenant abandons the premises on the date  
25 rent would otherwise be due, rather than accepting the abandonment which would result in the  
26 tenant owing no rent, the landlord should treat the abandonment as wrongful under subsection  
27 (c)(2).

28  
29 In light of subsection (d)(1), when at the time the landlord is fulfilling the duty to  
30 mitigate the landlord has other vacant units to rent, the landlord can show and lease the other  
31 units to prospective tenants before showing the abandoned unit to prospective tenants.

32  
33 If a tenant abandons the dwelling unit, the landlord may choose to accept the  
34 abandonment, thus agreeing to a termination of the lease. If, at the time of the abandonment, the  
35 tenant is in arrears on rent, the landlord would still have a cause of action to recover the past due

1 rent. However, by accepting the abandonment the landlord would not have a cause of action for  
2 actual damages resulting from the abandonment.

3  
4 Conversely, if the landlord does not accept the abandonment, the landlord can seek to  
5 recover damages from the tenant for anticipatory breach or actual damages as provided in  
6 subsection (d)(3).

7  
8 **SECTION 605. RECOVERY OF POSSESSION LIMITED; INTERRUPTION OF**  
9 **ESSENTIAL SERVICE.**

10 (a) Except as permitted by this [act], a landlord may not recover or take possession of a  
11 dwelling unit by an action or self-help.

12 (b) Except in a case of abandonment of a dwelling unit, a landlord may not willfully  
13 interrupt or cause the interruption of an essential service to the unit.

14 **ARTICLE 7**

15 **ACCESS TO THE DWELLING UNIT**

16 **SECTION 701. LANDLORD'S ACCESS TO DWELLING UNIT.**

17 (a) A tenant may not unreasonably withhold consent to the landlord or the landlord's  
18 agent to enter the dwelling unit to inspect it; make a necessary or agreed-to repair, alteration, or  
19 improvement; supply a necessary or agreed-to service; or exhibit the unit to a prospective or  
20 actual purchaser, mortgagee, tenant, worker, contractor, or a public official responsible for  
21 enforcement of a building, housing, fire, or health code.

22 (b) In an emergency, a landlord or the landlord's agent may enter a dwelling unit without  
23 the tenant's consent. In all other cases, the landlord or the agent may enter the unit only at  
24 reasonable times with the tenant's consent and shall provide advance notice to the tenant of the  
25 intent to enter as follows:

26 (1) Except as otherwise provided in paragraph (2), the landlord or the agent shall  
27 give the tenant at least [one day's] notice of the intent to enter the unit. The notice must include

1 the intended purpose for the entry and the date and a reasonable time frame in which the landlord  
2 or the agent anticipates making the entry.

3 (2) In an emergency, when maintenance or repairs are being made at the tenant's  
4 request, or when it is otherwise impracticable to give [one day's] notice, the landlord or the agent  
5 shall give notice that is reasonable under the circumstances. If the landlord or the agent has  
6 entered when the tenant is not present and prior notice has not been given, the landlord or the  
7 agent shall place a notice of the entry in a conspicuous place in the unit indicating the fact of  
8 entry, the date and time of entry, and the nature of the emergency.

9 (c) A landlord or the landlord's agent may not abuse the right to enter a tenant's dwelling  
10 unit or use that right to harass the tenant.

11 (d) Except as otherwise provided in this section, a landlord and a landlord's agent has no  
12 other right to enter a dwelling unit unless:

13 (1) permitted by the lease or the tenant otherwise agrees;

14 (2) pursuant to a court order; or

15 (3) the tenant has abandoned the unit.

16 **Comment**

17  
18 If a landlord performs routine maintenance and pest control pursuant to a fixed schedule  
19 of entry dates, the landlord will be in compliance with the advance notice requirement of  
20 subsection (b)(1) if the landlord delivers that schedule to the tenant at the commencement of the  
21 term of the lease and includes a reasonable time frame in which the maintenance or pest control  
22 will be performed on the dates indicated in the schedule.

23  
24 **SECTION 702. REMEDIES FOR ABUSE OF ACCESS.**

25 (a) If a tenant unreasonably refuses to allow the landlord or the landlord's agent access to  
26 a dwelling unit, the court may compel the tenant to grant the landlord or the agent access or may  
27 terminate the lease. In either case, the landlord is entitled to actual damages.

1 (b) If a landlord or a landlord's agent makes an unlawful entry of a tenant's dwelling unit,  
2 a lawful entry in an unreasonable manner, or repeated demands for entry otherwise lawful but  
3 which have the effect of harassing the tenant, the tenant is entitled to seek from a court injunctive  
4 relief to prevent the recurrence of the conduct or termination of the lease. If the court awards  
5 injunctive relief or terminates the lease, the tenant is entitled to actual damages or an amount  
6 equal to [one] month's rent, whichever is greater.

7 **ARTICLE 8**

8 **PERIODIC AND HOLDOVER TENANCIES; DEATH**  
9 **OF TENANT**

10 **SECTION 801. TERMINATION OF PERIODIC TENANCY.**

11 (a) A periodic tenancy continues until the landlord or tenant gives the other the notice  
12 described in subsection (b).

13 (b) Except as otherwise provided in this [act], a periodic tenancy may be terminated as  
14 follows:

15 (1) the landlord or tenant may terminate a periodic tenancy for week to week by  
16 giving the other at least [five days'] notice in a record of the party's intent to terminate the lease  
17 on the date specified in the notice; and the landlord or the tenant may terminate a periodic  
18 tenancy for month to month by giving the other at least [one month's] notice in a record of the  
19 party's intent to terminate the lease at the end of the monthly period.

20 **Comment**

21  
22 Under subsection (b)(1), a month to month tenancy can be terminated by giving one  
23 month's notice. The termination date in the notice must coincide with the normal end of the  
24 monthly period. Thus, if the tenancy begins on the first of the month, the termination date in the  
25 notice must be on the last day of at least the next month or it could be on the last date of any  
26 month at least one month after the notice is given. If the month-to-month tenancy begins on the  
27 15<sup>th</sup> of the month, the one-month notice must have a termination date no earlier than the 14<sup>th</sup> of

1 the next month but could have a termination date on the 14<sup>th</sup> for subsequent months. Consistent  
2 with common law, this [act] would not require the notice to include a reason for the termination.

3  
4 **SECTION 802. HOLDOVER TENANCY.**

5 (a) Except as otherwise provided in subsections (b) and (c) and in Section 402(a)(2), if a  
6 tenant remains in possession without the landlord's consent after expiration of a tenancy for a  
7 fixed term or termination of a periodic tenancy, the landlord may bring an action for possession.  
8 If the tenant's holdover is willful and not in good faith, the landlord is entitled to [three] month's  
9 periodic rent or [triple] the actual damages, whichever is greater.

10 (b) Except as otherwise provided in subsection (c), if a tenant remains in possession with  
11 the landlord's consent after expiration of a tenancy for a fixed term or termination of the lease, a  
12 periodic tenancy for month to month arises under the same terms as the lease unless the landlord  
13 and tenant otherwise agree.

14 (c) If a lease provides specific consequences if a tenant remains in possession after  
15 expiration of a tenancy for a fixed term or termination of the lease, the terms of the lease control  
16 and, to the extent the tenant's continued possession is consistent with the lease, subsections (a)  
17 and (b) do not apply.

18 **Comment**

19 Although subsection (c) recognizes that a lease may provide its own remedy for holding  
20 over at the expiration of a term, the provision is subject to Section 106. Thus, a court should  
21 refuse to enforce any holdover penalties that are unconscionable.

22  
23 **SECTION 803. DEATH OF TENANT.**

24 (a) If a tenant who is the only party to a lease dies before the end of a tenancy for a fixed  
25 term or a periodic tenancy, the tenant's surviving spouse, [partner in a civil union] [or domestic  
26 partner] who resides in the dwelling unit may assume the lease by giving the landlord notice in a  
27 record not later than [20] days after the tenant's death expressing the spouse's [or partner's]

1 intent to assume the lease. Upon assuming the lease, the surviving spouse [or partner] becomes  
2 the tenant under the lease.

3 (b) Except as otherwise provided in subsection (a) or (c) or law of this state other than  
4 this [act], the landlord or a tenant representative may terminate the lease of a deceased tenant  
5 who was the only party to the lease by giving the other notice in a record of the intent of the  
6 person signing the notice to terminate the lease on a specified date at least [30] days after the  
7 giving of the notice in the case of a tenancy for a fixed term or a specified date consistent with  
8 Section 801(b) in the case of a periodic tenancy.

9 (c) If a deceased tenant was the only party to the lease and the landlord is unable to  
10 contact a tenant representative for purposes of termination under subsection (b), the landlord may  
11 terminate the lease without notice if rent that was due was not paid for at least [25] days.

### 12 **Comment**

13 Any notice in a record given under this section must comply with Section 107(c).

14 Under subsection (a) the surviving spouse [partner in a civil union, or domestic partner]  
15 may assume the lease. Upon such assumption, the spouse becomes the tenant upon the lease.  
16 An assumption does not require the landlord's consent.

17  
18 If a tenant dies during the term of a lease, either the landlord or tenant representative (as  
19 defined in Section 102(42) can elect to terminate the lease under subsection (b) unless subsection  
20 (a) or other law would prohibit the termination.

21  
22 If the tenant was the only party to the lease, the landlord may unilaterally terminate the  
23 lease if subsection (c) applies. To illustrate the operation of subsection (c), suppose the tenant of  
24 a fixed term tenancy to end on December 31 and who is the sole occupant of the dwelling unit  
25 dies on March 5 having paid rent on March 1. The landlord learns of the tenant's death on March  
26 10. Because rent was paid for March, the landlord will not be able to terminate this lease in  
27 March. If no rent was paid on April 1, however, and the landlord is unable to contact a tenant  
28 representative, the landlord would be free to unilaterally terminate the lease on or after April 25.  
29 If the landlord has contact with a tenant representative, the landlord could not terminate under  
30 subsection (c), but may terminate the lease under subsection (b).

31  
32

1 **ARTICLE 9**

2 **RETALIATION**

3 **SECTION 901. RETALIATION PROHIBITED.**

4 (a) A landlord may not engage in conduct described in subsection (b) if the landlord's  
5 dominant purpose is to retaliate against a tenant that:

6 (1) complained to a governmental agency responsible for the enforcement of:

7 (A) a building, housing, or health code violation applicable to the premises  
8 materially affecting the health or safety of the tenant or an immediate family member; or

9 (B) laws or regulations prohibiting discrimination in rental housing;

10 (2) complained to the landlord of a violation under the lease or Section 302;

11 (3) organized or became a member of a tenant's union or similar organization;

12 (4) exercised or attempted to exercise a legal right or remedy under a lease, this  
13 [act] or law of this state other than this [act]; or

14 (5) pursued an action or sought an administrative remedy against the landlord or  
15 testified against the landlord in court or in an administrative proceeding.

16 (b) Conduct that may be retaliatory under subsection 901(a) includes taking or  
17 threatening to take any of the following actions:

18 (1) increasing the rent;

19 (2) decreasing services, increasing the tenant's obligations, imposing different  
20 rules on or selectively enforcing the landlord's rules against the tenant or an immediate family  
21 member, or otherwise materially altering the terms of the lease;

22 (3) bringing an action for possession on grounds other than nonpayment of rent;

23 (4) refusing to renew a tenancy for a fixed term under a lease containing a

1 renewal option for any period after the lease would otherwise terminate;

2 (5) terminating a periodic tenancy; or

3 (6) conduct prohibited under [the criminal code].

4 (c) A landlord is not liable for retaliation if:

5 (1) the violation of which the tenant complained in subsection (a)(1) or (2) was  
6 caused primarily by the tenant, an immediate family member, or another person invited on the  
7 premises by the tenant, other than the landlord or the landlord's agent;

8 (2) the tenant's conduct described in subsection (a) was in an unreasonable  
9 manner or at an unreasonable time, or was repeated in a manner having the effect of harassing  
10 the landlord;

11 (3) the tenant was in default in the payment of rent at the time the notice of the  
12 action for possession described in subsection (b)(3) was sent;

13 (4) the tenant, an immediate family member, or another person invited on the  
14 premises by the tenant, other than the landlord or the landlord's agent, engaged in conduct that  
15 presented a threat to the health or safety of another tenant on the premises;

16 (5) the tenant, an immediate family member, or another person invited on the  
17 premises by the tenant, other than the landlord or the landlord's agent, engages in a criminal act;

18 (6) the landlord is seeking to recover possession based on a notice to terminate the  
19 lease and the notice was given to the tenant before the tenant engaged in conduct described in  
20 subsection (a); or

21 (7) compliance with a building, housing, or health code requires alteration,  
22 remodeling, or demolition that effectively would deprive the tenant of the use of the premises.

1 **Comment**

2 Subsection (a)(4) includes the tenant’s use of any defenses arising under this act to an  
3 action for possession or unpaid rent.

4  
5 **SECTION 902. TENANT REMEDIES FOR RETALIATORY CONDUCT.**

6 (a) If a landlord’s dominant purpose for engaging in conduct described in Section 901(b)  
7 is to retaliate against the tenant for conduct described in Section 901(a):

8 (1) the tenant has a defense against an action for possession, may recover  
9 possession, or may terminate the lease; and

10 (2) the tenant is entitled to [three] months’ periodic rent or [triple] the actual  
11 damages, whichever is greater.

12 (b) If the lease terminates under subsection (a), the landlord shall return to the tenant the  
13 amount of any security deposit and unearned rent to which the tenant is entitled under Section  
14 1204

15 (c) A tenant’s exercise of a right under this section does not release the landlord from  
16 liability under Section 401.

17 **SECTION 903. PRESUMPTION OF RETALIATORY CONDUCT.**

18 (a) Except as otherwise provided in subsection (b), evidence that a tenant has engaged in  
19 conduct described in Section 901(a) within [six months] before the landlord’s alleged retaliatory  
20 conduct creates a presumption that the dominant purpose of the landlord’s conduct was  
21 retaliation.

22 (b) A presumption does not arise under subsection (a) if the tenant engaged in conduct  
23 described in Section 901(a) after the landlord gave notice to the tenant of the landlord’s intent to  
24 take one of the actions described in Section 901(b)(1), (2), (3), or (4).

25 (c) If a presumption arises under subsection (a), the landlord may rebut the presumption

1 by a preponderance of evidence showing a nonretaliatory purpose arising at or a short time  
2 before the landlord's conduct described in Section 901(b).

3 **ARTICLE 10**

4 **DISPOSITION OF TENANT'S PERSONAL PROPERTY**

5 **SECTION 1001. DISPOSITION OF TENANT'S PERSONAL PROPERTY ON**  
6 **THE PREMISES; IN GENERAL.**

7 (a) For purposes of this [article], possession of a dwelling unit is relinquished to the  
8 landlord when:

9 (1) the tenant vacates the unit at the termination of the tenancy;

10 (2) the landlord regains actual possession under to a court order; or

11 (3) the tenant abandons the unit under Section 604.

12 (b) If personal property remains on the premises after possession of a dwelling unit has  
13 been relinquished to the landlord, the landlord shall:

14 (1) subject to subsection (c), give the tenant notice in a record advising the tenant  
15 of the tenant's right to retrieve the personal property; and

16 (2) store or leave the property in the unit or other place of safekeeping and  
17 exercise reasonable care in moving or storing the property.

18 (c) The notice required under subsection (b)(1) must be posted at the dwelling unit and:

19 (1) sent to either any forwarding address the tenant provided to the landlord or an  
20 address provided by the tenant to the landlord pursuant to Section 109, or, if neither, to the  
21 address of the unit;

22 (2) inform the tenant of the right to contact the landlord to claim the property  
23 within the period specified in subsection (d), subject to the payment of the landlord's moving and

1 storage costs; and

2 (3) provide a telephone number, electronic mail address, or mailing address at  
3 which the landlord may be contacted.

4 (d) If a tenant contacts the landlord not later than [eight] days after the landlord gives the  
5 notice to the tenant under subsection (b), the landlord shall permit the tenant to retrieve the  
6 personal property not later than [15] days after the date of contact or within a longer time period  
7 to which the parties agree.

8 (e) The landlord may require the tenant to pay the reasonable moving or storage costs  
9 before retrieving the personal property.

10 (f) This section does not prohibit the landlord from immediately disposing of perishable  
11 food, hazardous materials, and garbage, or turning over animals to an animal control officer,  
12 humane society, or other individual or organization willing to care for the animals.

13 (g) Unless a landlord and tenant otherwise agree, if the tenant fails to contact the landlord  
14 as provided in subsection (d) or to retrieve personal property as provided in subsection (e), the  
15 personal property shall be deemed abandoned and:

16 (1) if the landlord estimates the fair market value of the personal property to be no  
17 more than \$[1,000], the landlord may dispose of the property in any manner the landlord  
18 considers appropriate; or

19 (2) if the landlord estimates the fair market value of the personal property to be  
20 greater than \$[1,000], the landlord shall sell it [in a commercially reasonable manner] and treat  
21 the net proceeds, after deducting the reasonable costs of moving, storing and disposing of the  
22 property, as a part of the tenant's security deposit.

23 (h) A landlord that complies with this section is not liable to another person that has a

1 claim or interest in the personal property removed from the premises or the security deposit or  
2 unearned rent.

3 **Comment**  
4

5 This section applies, for example, if a lease terminates early as the result of an act of  
6 domestic violence. However, if there are co-tenants to the lease such that the lease does not  
7 terminate then this section does not apply. In the latter case, control of the dwelling unit remains  
8 with the other tenants; it does not belong to the landlord. Thus, if the tenant whose interest in the  
9 lease is released leaves personal property at the dwelling unit, that tenant would need to contact  
10 the remaining tenants to retrieve that property.

11  
12 **SECTION 1002. DISPOSITION OF PERSONAL PROPERTY ON TENANT'S**  
13 **DEATH.**

14 (a) Except as otherwise provided in this section, if a tenant who is the sole occupant of a  
15 dwelling unit dies leaving personal property in the dwelling unit, the deceased tenant's rights and  
16 responsibilities under Section 1001 apply to a tenant representative.

17 (b) If a landlord has terminated the lease pursuant to Section 803(c) because the landlord  
18 has been unable to contact a tenant representative, the landlord:

19 (1) shall mail a notice to the deceased tenant at the deceased tenant's last known  
20 address or other address of the deceased tenant known to the landlord stating:

21 (A) the name of the deceased tenant and address of the dwelling unit;

22 (B) the approximate date of the deceased tenant's death;

23 (C) that the premises contain personal property that is subject to disposal  
24 by the landlord if unclaimed by a personal representative, contact person, or heir of the deceased  
25 tenant not later than [60] days after the notice was sent; and

26 (D) the landlord's name, telephone number, and mail or electronic mail  
27 address at which the landlord may be contacted to claim the personal property; and

28 (2) with the exercise of reasonable care, may inventory the personal property,

1 remove it from the dwelling unit, and store it in another place for safekeeping.

2 (c) A tenant representative may retrieve the deceased tenant's personal property from the  
3 landlord not later than [60] days after the landlord gave the notice in subsection (b). Before  
4 retrieving the property, the tenant representative must pay the landlord's reasonable costs of  
5 inventorying, moving, and storing the property.

6 (d) If a deceased tenant's personal property is not retrieved within the time period in  
7 subsection (c), the landlord may dispose of the personal property in compliance with Section  
8 1001(g).

### 9 **Comment**

10  
11 Subsection (a) permits a tenant's representative to exercise a deceased tenant's rights and  
12 responsibilities regarding removal of the deceased tenant's personal property from the premises.  
13 When a tenant who is the sole occupant of the dwelling unit dies, the tenant's representative or  
14 the landlord may elect to terminate the lease pursuant to Section 803. If that election is made  
15 and the dwelling unit is vacated, possession of the dwelling unit is relinquished to the landlord  
16 pursuant to Section 1001(a), triggering the provisions of that section governing the disposition of  
17 the deceased tenant's personal property. The tenant representative typically will be the personal  
18 representative of the deceased tenant's estate, but if no personal representative has been  
19 appointed, the tenant representative will be the contact person under Section 109 or, in the  
20 absence of a contact person, an heir of the deceased tenant under the state's intestate succession  
21 laws. See Section 102(42). In the latter case, the landlord has no obligation to identify all of the  
22 deceased tenant's heirs and may give possession to *any* individual the landlord knows to be an  
23 heir of the deceased tenant.

24  
25 Subsections (b) through (d) provide a process through which the landlord may dispose of  
26 the personal property if no tenant representative is identified. Although the procedures in  
27 subsections (b)-(d) generally parallel the provisions regarding disposition of the deceased  
28 tenant's personal property in Section 1001, some variation is required in the type of notice that  
29 must be given and the time period for a tenant representative to retrieve the property.

30  
31 Sections 1001 and 1002 do not govern the ultimate disposition of the personal property  
32 removed from the property by a tenant representative; those rights are determined under the  
33 state's law governing decedents' estates. Thus, the tenant representative takes possession of the  
34 personal property subject to those other laws.

### 35 36 **SECTION 1003. EXERCISE OF RIGHTS BY CONTACT PERSON.**

37 (a) If a landlord learns of the death of a tenant who was the sole occupant under the lease

1 at the time of death and the tenant had designated a contact person under Section 109(b), and the  
2 landlord, on reasonable inquiry, has no knowledge that a personal representative has been  
3 appointed for the deceased tenant's estate, the landlord:

4 (1) shall notify the contact person of the tenant's death;

5 (2) shall give the contact person access to the premises at a reasonable time and in  
6 the presence of the landlord for the purpose of removing any personal property from the dwelling  
7 unit and other personal property of the tenant elsewhere on the premises;

8 (3) may require the contact person or any person that removes personal property  
9 from the premises to prepare and sign an inventory of the property being removed; and

10 (4) shall return to the contact person the deceased tenant's security deposit and  
11 unearned rent to which the tenant would otherwise have been entitled under Section 1204.

12 (b) A person accepts appointment as a contact person by exercising authority pursuant to  
13 this [act] or by any other assertion or conduct indicating acceptance.

14 (c) Once a contact person or the landlord knows of the appointment of a personal  
15 representative for the deceased tenant's estate, the contact person's authority to act under this  
16 [act] terminates.

17 (d) A landlord that complies with this section is not liable to another person that has a  
18 claim or interest in the personal property removed from the premises or the security deposit or  
19 unearned rent.

20 (e) A landlord that willfully violates subsection (a) is liable to the estate of the deceased  
21 tenant for actual damages.

22 **Comment**

23  
24 The purpose of this section is to authorize a contact person to remove the tenant's  
25 personal property and receive the return of the security deposit and unearned rent. Whether the

1 contact person is entitled to keep any of the tenant's personal property or security deposit will  
2 depend on law other than this act.

3  
4 **ARTICLE 11**

5 **EFFECT OF DOMESTIC VIOLENCE**

6 **SECTION 1101. EARLY RELEASE OR TERMINATION OF LEASE BECAUSE**  
7 **OF ACT OF DOMESTIC VIOLENCE.**

8 (a) Subject to subsection (e), if a victim of an act of domestic violence is a tenant or  
9 immediate family member and has a reasonable fear of a further act of domestic violence by  
10 continued residence in the dwelling unit, the tenant shall be released from the lease, without the  
11 necessity of the landlord's consent, by giving the landlord a notice that complies with subsection  
12 (b) and one of the following:

13 (1) a copy of an outstanding court order that restrains a perpetrator from contact  
14 with the tenant or an immediate family member;

15 (2) evidence of the conviction of a perpetrator for an act of domestic violence  
16 against the tenant or an immediate family member; or

17 (3) verification in a record signed by the tenant and attesting third party which  
18 complies with Section 1103.

19 (b) In order to be released from a lease under subsection (a), the tenant shall give the  
20 landlord notice in a record that:

21 (1) states the tenant's intent to be released from the lease on a date no earlier than  
22 [30] days from the date of the notice or, if the perpetrator is a co-tenant of the dwelling unit, any  
23 earlier date;

24 (2) states facts giving rise to the fear of an act of further domestic violence by  
25 continued residence in the dwelling unit; and

1 (3) is given to the landlord

2 (A) not later than [90] days after an act of domestic violence;

3 (B) at any time while there is an outstanding court order preventing  
4 contact with the tenant because of an act of domestic violence committed by the perpetrator; or

5 (C) if the perpetrator was incarcerated, not later than [90] days after the  
6 tenant learns that the perpetrator is no longer confined.

7 (c) If a tenant is the only tenant who is a party to the lease:

8 (1) a release under subsection (a) terminates the lease on the date specified in the  
9 notice described in subsection (b) if the tenant vacates the dwelling unit on or before that date;

10 and

11 (2) the tenant is not liable for rent accruing after the lease terminates or other  
12 actual damages resulting from the termination of the lease, but the tenant remains liable to the  
13 landlord for rents and other amounts owed to the landlord before the termination of the lease.

14 (d) If multiple tenants are parties to the lease:

15 (1) a tenant is released as of the date in the notice if the tenant vacates the  
16 dwelling unit on or before that date, but the release of one tenant under this section does not  
17 terminate the lease with respect to other tenants;

18 (2) a tenant who is released from the lease is not liable to the landlord or any other  
19 person for rent accruing after the tenant's release or actual damages resulting from the tenant's  
20 release from the lease;

21 (3) any other tenant under the lease may recover from the perpetrator actual  
22 damages resulting from the termination; and

23 (4) the landlord is not required to return to the released tenant or a remaining

1 tenant any security deposit or unearned prepaid rent to which the tenant is otherwise entitled  
2 under Section 1204 until the lease terminates with respect to all tenants.

3 (e) This section does not apply if the tenant seeking the release is a perpetrator.

4 **Comment**

5 Section 1101 is self-executing. Upon filing the appropriate documentation the tenant is  
6 released from the lease; no additional action is required or expected on the part of the landlord as  
7 would be the case when a tenant abandons the dwelling unit and an issue arises regarding the  
8 landlord's acceptance of the tenant's surrender.

9  
10 Under subsection (a)(1) and (b)(3), the court order could be issued by a state or federal  
11 court, a tribal court order, or a court of a foreign jurisdiction.

12  
13 Under subsection (d)(2), a tenant who is released from the lease is not liable to the  
14 landlord or another person for rent or actual damages. Thus, if T and T-1 are co-tenants but T is  
15 released from the lease as a result of an act of domestic violence committed by P, T would not be  
16 liable for rent to the landlord for the period after the release. Furthermore, T would not be liable  
17 to T-1 when, following T's release from the lease, T-1 is liable to the landlord for all of the rent  
18 accruing after T's release. Under subsection (d)(3), however, T-1 could make a claim against the  
19 perpetrator for the additional rent T-1 owes.

20  
21 **SECTION 1102. LANDLORD'S OBLIGATIONS IN EVENT OF EARLY**

22 **RELEASE OR TERMINATION.** If a tenant is released from a lease under Section 1101, the  
23 landlord:

24 (1) except as otherwise provided in Section 1101(d)(4), shall return to the tenant the  
25 amount of any security deposit and unearned rent to which the tenant is entitled under Section  
26 1204 after the tenant vacates the dwelling unit;

27 (2) may not assess a fee or other penalty against the tenant for exercising a right granted  
28 under Section 1101; and

29 (3) may not disclose information required to be reported to the landlord under Section  
30 1101 unless:

31 (A) the tenant provides specific, time-limited, and contemporaneous

1 consent to the disclosure in a record signed by the tenant; or

2 (B) the information is required to be disclosed by a court order or law of  
3 this state other than this [act].

4 **SECTION 1103. VERIFICATION.**

5 (a) A verification provided by a tenant under Section 1101(a)(3) must include the  
6 following:

7 (1) from the tenant:

8 (A) the tenant's name and the address of the dwelling unit;

9 (B) the approximate dates during which an act of domestic violence  
10 occurred;

11 (C) the approximate date of the most recent act of domestic violence;

12 (D) a statement that because of an act of domestic violence, the tenant or  
13 an immediate family member has a reasonable fear that the tenant or the immediate family  
14 member will suffer a further act of domestic violence by continued residence in the dwelling  
15 unit;

16 (E) the date for the termination of the lease or the tenant's release from the  
17 lease; and

18 (F) a statement that the tenant understands that the statements could be  
19 used in court and that the tenant could be liable for perjury as well as the damages provided in  
20 subsection (b) for making a verification that contains a representation of a material fact known  
21 by the tenant to be false; and

22 (2) from an attesting third party:

23 (A) the name, business address, and business telephone number of the

1 attesting third party;

2 (B) the capacity in which the attesting third party received the information  
3 regarding the act of domestic violence;

4 (C) a statement that the attesting third party has read the tenant's  
5 verification and has been advised by the tenant that the tenant or an immediate family member is  
6 the victim of an act of domestic violence and has a reasonable fear that the tenant or the  
7 immediate family member will suffer a further act of domestic violence by continued residence  
8 in the dwelling unit; and

9 (D) a statement that the attesting third party, based on the tenant's  
10 verification, believes the tenant and understands that the verification may be used as the ground  
11 for releasing the tenant from a lease or terminating the tenant's interest under the lease.

12 (b) If a tenant submits to the landlord a verification that contains a representation of a  
13 material fact known by the tenant to be false, the landlord is entitled to an amount up to [three]  
14 months' periodic rent or [triple] actual damages, whichever is greater.

15 **Comment**

16  
17 The following is an example of a verification that would comply with this section.

18 **Verification**

19  
20 I, \_\_\_\_\_[insert name of tenant], state that:

21 (a) I am a tenant of a dwelling unit located at  
22 \_\_\_\_\_[insert address of dwelling unit];

23 (b) I or an immediate family member has been a victim of an act of domestic violence  
24 occurring to the best of my knowledge on or over a period  
25 \_\_\_\_\_[insert time period over which acts of one  
26 or more act of domestic violence occurred] which acts have created a reasonable fear that I or an  
27 immediate family member will suffer a further act of domestic violence by continued residence  
28 in the dwelling unit;

29 (c) The most recent act of domestic violence occurred on or about  
30 \_\_\_\_\_ [insert date]; and

31 (d) The date in the notice accompanying this verification that I have specified as the date

1 on which I am released from the lease is less than 90 days after the date of the most recent act of  
2 domestic violence.

3 I declare that the above statement is true and accurate to the best of my knowledge and  
4 belief and that I understand it could be used as evidence in court. I further understand that if I  
5 submit to the landlord a verification that contains a representation of material fact known by me  
6 to be false, I could be subject to a penalty for perjury and the landlord may recover from me the  
7 greater of three months' rent or three times the landlord's actual damages.  
8

9 \_\_\_\_\_  
[Tenant's signature]

10  
11 I, \_\_\_\_\_, [insert name of attesting third party] state that:

12 (a) I am a \_\_\_\_\_ [insert whichever is applicable: law  
13 enforcement official, a licensed health care professional, a victim's advocate, or a victim-  
14 services provider];

15 (b) My business address and phone number is: \_\_\_\_\_;

16 (c) The individual who signed the preceding statement has informed me that the  
17 individual or an immediate family member is a victim of an act of domestic violence based upon  
18 the acts listed in the preceding statement which acts have created a reasonable fear that the tenant  
19 or an immediate family member will suffer a further act of domestic violence by continued  
20 residence in the dwelling unit described in the preceding statement; and

21 (d) I have read and reasonably believe the preceding statement recounting an act of  
22 domestic violence and understand that the tenant who made the statement may use this document  
23 as a ground for terminating the tenant's lease for the dwelling unit described in the preceding  
24 statement.  
25

26 \_\_\_\_\_  
[Attesting third party's signature]

27  
28 **SECTION 1104. PERPETRATOR'S LIABILITY FOR DAMAGES.**

29 (a) A landlord may recover from a perpetrator actual damages resulting from a tenant's  
30 exercise of a right under Section 1101 and, if the perpetrator is a party to the lease who remains  
31 in possession of the dwelling unit, hold the perpetrator liable on the lease for all obligations  
32 under the lease or this [act].

33 (b) A perpetrator is not entitled to actual damages resulting from the exercise of a right by  
34 a tenant under Section 1101 or by a landlord under this section.

35 **SECTION 1105. CHANGE OF LOCKS AS RESULT OF AN ACT OF**  
36 **DOMESTIC VIOLENCE.**

37 (a) Subject to subsections (b) and (c), if a tenant or an immediate family member has

1 been the victim of an act of domestic violence and the tenant has a reasonable fear that the  
2 perpetrator or other person acting on the perpetrator's behalf may attempt to gain access to the  
3 dwelling unit, the tenant, without the landlord's consent, may cause the locks or other security  
4 devices for the dwelling unit to be changed or rekeyed by a licensed [qualified] person in a  
5 professional manner and shall give a key or other means of access to the new locks or security  
6 devices to the landlord and any other tenant that is a party to the lease, other than the perpetrator.

7 (b) If the locks or other security devices are changed or rekeyed under subsection (a)(1),  
8 the landlord may change or rekey them a second time, at the tenant's expense, to ensure  
9 compatibility with the landlord's master key or other means of access or otherwise accommodate  
10 the landlord's reasonable commercial needs.

11 (c) If a perpetrator is a party to the lease, the locks or other security devices may not be  
12 changed or rekeyed under subsection (a) unless there is a court order, other than an ex parte  
13 order, expressly requiring the perpetrator to vacate the dwelling unit or to have no contact with  
14 the tenant and a copy of the order has been given to the landlord.

15 (d) A perpetrator is not entitled to actual damages or other relief against a landlord or a  
16 tenant complying with this section.

### 17 **Comment**

18  
19 The tenant is not required to comply with Section 1101 to cause a change of the locks to  
20 the dwelling unit.

21  
22 When a perpetrator is a tenant under the lease, subsection (c) would permit a change of  
23 locks only if a court has expressly ordered the perpetrator to vacate the residence.

24  
25 This section is designed to allow a tenant who is the victim of domestic violence to  
26 change the locks or other security devices without first giving the landlord an opportunity to  
27 change them, thus allowing the victim to make the change as quickly as possible. Nothing in this  
28 section would prohibit the landlord on the landlord's own initiative to change the locks or other  
29 security devices on behalf of the tenant at the tenant's expense or for the tenant to contact the  
30 landlord for the change.





1 landlord may not alter the obligations of another tenant under the lease. For example, the  
2 landlord could not increase the rent of the remaining tenant. If the lease, however, had treated  
3 the perpetrator and the remaining tenant as jointly liable for the rent, the remaining tenant would  
4 be liable for all of the remaining rent. In this case, the remaining tenant would have a cause of  
5 action for damages against the perpetrator.  
6

7 Under this section the landlord could terminate the perpetrator’s interest as a tenant even  
8 though there is no judicial determination that the perpetrator committed an act of domestic  
9 violence. This is entirely consistent with the right of a landlord to terminate the interest of any  
10 tenant who engages in other types of criminal activity on the premises in violation of Section  
11 501, even though the tenant has not been found guilty of a crime. See Section 601. In either case,  
12 of course, if the tenant refuses to surrender possession of the premises to the landlord upon  
13 termination of the lease and the landlord sues for possession, the defendant (tenant) could claim a  
14 wrongful termination claiming the tenant did not commit the acts as claimed by the landlord. In  
15 this case, the landlord would have the burden to prove by a preponderance of the evidence that  
16 the landlord had the right to terminate the tenancy. This means the landlord has the burden to  
17 prove the defendant was a perpetrator or otherwise committed a criminal act entitling the  
18 landlord to terminate the lease.  
19

20 *Note: Comment needs revision if Committee adopts new proposed language on*  
21 *reasonably belief in Section 601.*  
22

23 **SECTION 1108. LIMITATIONS ON LANDLORD’S CONDUCT WITH**  
24 **RESPECT TO VICTIMS OF AN ACT OF DOMESTIC VIOLENCE.**

25 (a) In this section, “tenant” includes an applicant seeking to enter into a lease with a  
26 landlord.

27 (b) Except as otherwise provided in subsection (d), a landlord may not engage in conduct  
28 described in subsection (c) when the landlord’s dominant purpose for engaging in the conduct is  
29 because:

30 (1) the tenant or an immediate family member is or has been the victim of an act  
31 of domestic violence;

32 (2) an act of domestic violence against a tenant or an immediate family member  
33 resulted in a violation of the lease or this [act] by the tenant; or

34 (3) a complaint of activities relating to an act of domestic violence against the

1 tenant or an immediate family member resulted in a police or emergency response.

2 (c) The following conduct is prohibited under subsection (b):

3 (1) taking or threatening to take any of the actions in Section 901(b); or

4 (2) refusing or threatening to refuse to let a dwelling unit.

5 (d) A landlord may terminate the lease of a tenant if the landlord gave the tenant prior  
6 notice in a record regarding a perpetrator's commission of an act of domestic violence against  
7 the tenant or an immediate family member, and subsequently:

8 (1) the tenant invites the perpetrator onto the premises or, without the landlord's  
9 permission, allows the perpetrator to occupy the dwelling unit; and

10 [(2) the landlord can demonstrate that:

11 (A) an [actual or imminent] threat [is likely to][could occur] to [other  
12 tenants on the premises, the landlord or landlord's agents providing services on the premises]  
13 [other individuals on the premises] if the lease is not terminated, or

14 (B) the perpetrator has damaged [or is likely to damage] the premises.]

15 [(2) the perpetrator damaged the premises or otherwise disturbed the use and  
16 enjoyment of the premises by other tenants.]

17 (e) If a landlord willfully violates subsection (b):

18 (1) the tenant may:

19 (A) terminate the lease;

20 (B) defend an action for possession on the ground that the landlord  
21 willfully has violated this section; or

22 (C) obtain appropriate injunctive relief; and

23 (2) the tenant is entitled to an amount equal to [three] months' periodic rent or

1 [triple] damages, whichever is greater.

2 **ARTICLE 12**

3 **SECURITY DEPOSITS, FEES, AND UNEARNED RENT**

4 **SECTION 1201. PAYMENTS REQUIRED AT THE COMMENCEMENT OF**  
5 **LEASE.**

6 (a) Except as otherwise provided in subsections (b) and (c), a landlord may not require  
7 the tenant to pay, at or before the commencement of the lease, more than [two] months of  
8 periodic rent, including, in any combination, prepaid rent and a security deposit.

9 (b) Subsection (a) does not apply to the first month's rent, application fees, surety bonds,  
10 insurance premiums, cleaning fees, or pet fees.

11 (c) If a lease is for a furnished dwelling unit or the tenant keeps pets in the premises or is  
12 permitted by the lease to make alterations to the premises, the landlord may require the tenant to  
13 pay an additional security deposit in an amount commensurate with the additional risk of damage  
14 to the premises.

15 (d) A landlord may not charge a pet fee or additional security deposit for service animals.

16 **Comment**

17  
18 With a few exceptions, the provisions in Article 12, in common with the rest of this act,  
19 establish rules that may not be varied by agreement of the parties. In the few cases in which a  
20 provision is intended to be a "default" rule – to apply when the parties' agreement is silent on an  
21 issue – the rule indicates that fact by stating: "Unless a landlord and tenant otherwise agree . . . ."

22  
23 The intent of subsection (a) is to limit the payments that a landlord may require a tenant  
24 to make at the beginning of the lease to the equivalent of the first and last month's rent plus a  
25 one-month security deposit. The number of months is bracketed, however, to give legislatures  
26 the option to choose a number appropriate for market conditions within their own states.

27  
28 Nothing in this section prohibits a tenant from voluntarily making other payments. Thus a  
29 tenant may prepay rent for several more months in advance – or even the full term – if the tenant  
30 is in the financial position to do so.

1           **SECTION 1202. LANDLORD, TENANT, AND THIRD PARTY INTERESTS IN**  
2 **SECURITY DEPOSIT.**

3           (a) The following rules apply to a landlord's interest in a security deposit:

4                   (1) The landlord's interest in a tenant's security deposit is limited to a security  
5 interest.

6                   (2) Notwithstanding law other than this [act], a landlord's security interest in a  
7 tenant's security deposit is effective against and has priority over each creditor and transferee of  
8 the tenant.

9                   (3) Subject to subsection (d), a creditor and transferee of the landlord can acquire  
10 no greater interest in a security deposit than the interest of the landlord.

11           (b) The following rules apply to a tenant's interest in a security deposit:

12                   (1) The tenant's interest in a security deposit held in a bank account has priority  
13 over any right of set-off that the bank in which the account is maintained may have for  
14 obligations owed to the bank by the landlord other than charges normally associated with the  
15 bank's maintenance of the account.

16                   (2) The tenant's interest is not adversely affected if the security deposit is  
17 commingled with the security deposits of other tenants in a bank account pursuant to Section  
18 1203(a)(3).

19                   (3) The effect of commingling not permitted by this [act] is determined by law of  
20 this state other than this [act].

21           (c) Unless a landlord and tenant otherwise agree, if a tenant fails to pay rent when due  
22 and the landlord applies the whole or any portion of a security deposit toward the payment of  
23 rent that is due, the landlord is entitled to an amount equal to the amount of the security deposit

1 applied and a court may award the landlord an additional amount up to [twice] the periodic rent.

2 (d) Nothing in subsection (a)(3) abrogates generally applicable rules of law relating to the  
3 negotiability of money.

4 **Comment**

5  
6 Subsection (a) intends to clarify the priority of the landlord’s interest in security deposits  
7 as a security interest if the tenant files for bankruptcy. This prevents creditors of the tenant from  
8 obtaining an interest in the security deposit (and similarly protects the tenant if the landlord goes  
9 into bankruptcy). If the tenant is in financial stress, subsection (a) is a useful clarification that  
10 can benefit the tenant’s creditors whether or not the tenant files a bankruptcy petition because it  
11 makes clear that the security deposit is an asset of the tenant.

12  
13 Subsection (b)(1) prohibits a bank from setting off any claim it has against the landlord  
14 other than for charges normally associated with the maintenance of the account. The section is  
15 mandatory and neither the landlord nor the tenant nor the landlord nor the bank can contract  
16 otherwise.

17  
18 If the bank imposes a maintenance fee, the landlord would then have a duty to replenish  
19 the account for those charges.

20  
21 Under subsection (b)(3), the effect of commingling not permitted by this [act], as, for  
22 example, when the landlord commingles the landlord’s personal funds with the security deposit,  
23 is governed by law other than this act.

24  
25 Subsection (c) addresses the common misconception of tenants that the security deposit  
26 may be used in lieu of paying rent, particularly the last month’s rent. The primary purpose of a  
27 security deposit is to provide the landlord with funds to reimburse the landlord for the costs  
28 incurred in remedying any damages to the dwelling unit by the tenant. If the tenant could  
29 withhold rent only to have it charged against the security deposit, the landlord would have no  
30 funds to pay for any damages. A tenant that willfully withholds the last month’s rent is subject to  
31 the penalty imposed by this section.

32  
33 Under subsection (d), whether a transferee of funds from a bank account maintained for  
34 the purpose of holding security deposits takes the funds free from the tenant’s interest is  
35 governed by other law.

36  
37 **SECTION 1203. SAFEKEEPING OF SECURITY DEPOSIT.**

38 (a) With respect to funds constituting a security deposit, a landlord:

39 (1) shall maintain the ability to identify the funds:

40 (A) by holding the funds in a bank account that is maintained by a bank

1 doing business in this state and is used exclusively for security deposits; and

2 (B) by maintaining records that indicate at all times the amount of the  
3 funds attributable to each tenant whose funds are being held in the account; and

4 [(2) shall notify the bank that maintains the bank account in a signed record that  
5 the account is a special account for the purpose of holding security deposits]; and

6 (3) may commingle the funds received from other tenants as security deposits in  
7 the same bank account but may not commingle other funds, including the landlord's personal or  
8 business funds, in the same bank account.

9 (b) If a landlord willfully fails to comply with subsection (a), the tenant is entitled to  
10 actual damages [or one month's periodic rent, whichever is greater].

11 (c) A bank holding funds pursuant to subsection (a) has no duty to ensure the proper  
12 application of the funds.

13 (d) Unless a lease provides otherwise, a landlord is not required to deposit a security  
14 deposit into an interest-bearing account or to pay a tenant any interest thereon.

15 *Legislative Note: If an enacting state wishes to require the payment of interest on a security*  
16 *deposit, subsection (e) should be deleted.*

17  
18  
19

### 20 **Comment**

21 Section 1203 introduces a new requirement that landlords segregate security deposits  
22 from the landlord's other funds. Imposing the safekeeping requirements ensures that the funds  
23 are available for return as required under various provisions in the act.

24 The segregation requirement does not apply to prepaid rent. By definition, rent payments  
25 made by or on behalf of the tenant for future dates, even if required by the terms of the lease or  
26 as a condition of entering into the lease, are not security deposits. Rather, they are payment for  
27 those future dates, discharging, to the extent of the payment, the obligation to pay rent for those  
28 dates. Accordingly, unlike security deposits, the tenant no longer owns the funds paid as rent.  
29 Several provisions of this act require a landlord to return to the tenant the amount of unearned  
30 rent. If a landlord fails to comply with such a requirement, the aggrieved tenant would have a  
31 right to a money judgment but would have no in rem claim to the unearned rent.  
32

1 Subsection (b) does not preclude the landlord or tenant from recovering other damages to  
2 which the landlord or tenant may be entitled under this [act].  
3

4 **SECTION 1204. RETURN OF SECURITY DEPOSIT AND UNEARNED RENT.**

5 (a) At the termination of a lease, the tenant is entitled to the amount by which the security  
6 deposit and any unearned rent exceeds the amount that the landlord is owed for unpaid rent due  
7 under the lease and any other amount that the landlord is owed under the lease or this [act].

8 (b) No later than [30] days after a lease terminates and the tenant vacates the premises,  
9 the landlord shall make a good-faith determination of the amount to which the tenant is entitled  
10 under subsection (a) and shall give that amount to the tenant or to a contact person designated  
11 pursuant to Section 109 personally or by sending it to the tenant or the contact person postage or  
12 cost of transmission provided for to a bank account or an address provided for by the tenant or  
13 contact person or, in the absence of that address, to the address specified in Section 109(b).

14 (c) If a landlord gives the tenant or a contact person designated pursuant to Section 109  
15 less than the entire amount of the security deposit and unearned rent that the landlord received  
16 from the tenant, the landlord shall provide the tenant or the contact person with a record  
17 specifying the property damage or other unfulfilled obligations of the tenant to which the  
18 security deposit or unearned rent was applied and the amount applied to each item.

19 (d) If the tenant disputes the amount of security deposit retained by the landlord, the  
20 tenant may recover the difference between an amount to which a court determines that the tenant  
21 is entitled under subsection (a) and the amount sent to the tenant or a contact person under  
22 subsection (b).

23 [(e) If a landlord fails to comply with subsection (b) or (c), the tenant is entitled to an  
24 additional [\$250] or twice the amount recoverable under subsection (d), whichever is greater,  
25 unless the landlord's only noncompliance with subsection (b) or (c) was the failure to pay the

1 cost of postage or transmission or to use the proper address.]

2 (f) Notwithstanding law of this state other than this [act], a security deposit or unearned  
3 rent to which the tenant is entitled but is unclaimed by the tenant for more than [180] days after  
4 the tenancy has ended, including the amount of any unsuccessful electronic transfers or any  
5 check that remains outstanding at the end of the [180]-day period, is unclaimed property under  
6 [cite to state unclaimed property act]].

7 (g) If the amount of a security deposit and unearned rent that exceeds the amount that the  
8 landlord is owed for unpaid rent under the lease is insufficient to reimburse the landlord for  
9 damages from the tenant's noncompliance with the lease, the landlord may recover from the  
10 tenant actual damages.

11 *Legislative Note: Consideration should be given to appropriate amendments to the state's*  
12 *unclaimed property act to implement the provisions of subsection (f), if necessary.*

13

14

#### Comment

15

16 Subsection (e) provides a penalty when the landlord fails to comply with any of the  
17 requirements of subsections (b) and (c), including the failure to act within the applicable time  
18 period, the failure to provide a record to explain why the security deposit was not returned in  
19 full, and the failure to return an amount equal to the landlord's good faith calculation of the sum  
20 to which the tenant is entitled. If the landlord has acted in good faith, but merely erred in  
21 determining the amount owed, subsection (d) permits the tenant to recover the amount to which  
22 the tenant is entitled and subsection (e) would not apply.

23

24 The time frame set forth in subsection (f) may supersede the time limits for other forms  
25 of unclaimed property provided in other law of the state.

26

#### 27 **SECTION 1205. DISPOSITION OF SECURITY DEPOSIT AND UNEARNED**

#### 28 **RENT UPON TERMINATION OF LANDLORD'S INTEREST IN PREMISES.**

29 (a) Not later than [30] days after the termination of a landlord's interest in the premises by  
30 sale, assignment, appointment of receiver, mortgage foreclosure, or otherwise, the landlord shall:

31 (1) transfer to the person succeeding the landlord's interest in the premises any

1 security deposit and an amount equal to the unearned rent being held by the landlord and notify  
2 the tenant in a record of the amount transferred to the successor and of any claims previously  
3 made against the security deposits or unearned rent and of the successor's name and address; or

4 (2) if the lease terminates as a result of the sale, assignment, appointment of  
5 receiver, mortgage foreclosure, or otherwise, return the security deposit and an amount equal to  
6 the unearned rent to the tenant pursuant to Section 1204.

7 (b) If the landlord dies before the termination of the lease, the personal representative of  
8 the landlord's estate becomes the landlord until such time as the personal representative  
9 distributes the premises to the successor as determined by the law of this state other than this  
10 [act]. If the personal representative distributes the premises to the successor prior to the  
11 termination of the lease, the personal representative shall also distribute to the successor any  
12 security deposit and an amount equal to the unearned rent being held by the personal  
13 representative and notify the tenant in a record of the amount transferred to the successor and of  
14 any claims previously made against the security deposits or unearned rent and of the successor's  
15 name and address.

16 (c) If a landlord or the personal representative of the landlord's estate complies with  
17 subsection (a) or (b), as the case may be, the landlord or the landlord's estate is relieved from  
18 further liability with respect to the security deposit and unearned rent.

19 (d) Subject to subsection (e), the person succeeding to the landlord's interest in the  
20 premises has all of the rights and obligations of a landlord under this [article] with respect to any  
21 security deposits and unearned rent held by the predecessor landlord that has not been returned to  
22 the tenant whether or not the security deposit and unearned rent were sent to the successor.

23 (e) If the landlord's interest is terminated by foreclosure, the successor's liability under

1 subsection (c) is limited to the amount of a security deposit or unearned rent received by the  
2 successor.

3 **Comment**

4  
5 Section 1205 is a new section that provides for disposition of security deposits and  
6 unearned rent after a transfer of the landlord’s interest in the premises.

7  
8 **ARTICLE 13**

9 **MISCELLANEOUS PROVISIONS**

10 **SECTION 1301. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In

11 applying and construing this uniform act, consideration must be given to the need to promote  
12 uniformity of the law with respect to its subject matter among states that enact it.

13 **SECTION 1302. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL**

14 **AND NATIONAL COMMERCE ACT.** This [act] modifies, limits, and supersedes the federal  
15 Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et seq.,  
16 but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or  
17 authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15  
18 U.S.C. Section 7003(b).

19 **SECTION 1303. REPEALS.** The following are repealed:

20 (a) . . . .

21 (b) . . . .

22 (c) . . . .

23 **SECTION 1304. EFFECTIVE DATE.** This [act] takes effect on [insert date]. This

24 [act] only applies to leases made after the effective date of this [act].