

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2715

By: Shelton

AS INTRODUCED

An Act relating to landlord and tenant; amending 41 O.S. 2001, Section 115, which relates to the Residential Landlord and Tenant Act; requiring a landlord to present certain process in writing; requiring a landlord to return certain monies upon the denial of a rental agreement; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 41 O.S. 2001, Section 115, is amended to read as follows:

Section 115. A. Any damage or security deposit required by a landlord of a tenant must be kept in an escrow account for the tenant, which account shall be maintained in the State of Oklahoma with a federally insured financial institution. Misappropriation of the security deposit shall be unlawful and punishable by a term in a county jail not to exceed six (6) months and by a fine in an amount not to exceed twice the amount misappropriated from the escrow account.

B. Upon termination of the tenancy, any security deposit held by the landlord may be applied to the payment of accrued rent and the amount of damages which the landlord has suffered by reason of the ~~tenant's~~ noncompliance by the tenant with this act and the rental agreement, all as itemized by the landlord in a written statement delivered by mail to be by return receipt requested and to be signed for by any person of statutory service age at such address or in person to the tenant if ~~he~~ the tenant can reasonably be found. If the landlord proposes to retain any portion of the security

deposit for rent, damages or other legally allowable charges under the provisions of this act or the rental agreement, the landlord shall return the balance of the security deposit without interest to the tenant within thirty (30) days after the termination of tenancy, delivery of possession and written demand by the tenant. If the tenant does not make such written demand of such deposit within six (6) months after termination of the tenancy, the deposit reverts to the landlord in consideration of the costs and burden of maintaining the escrow account, and the interest of the tenant in that deposit terminates at that time.

C. If a landlord utilizes a tenant screening process prior to entering a rental agreement with an applicant, the items checked by the landlord for the screening process shall be in writing and shall be presented to the potential tenant. If a landlord has accepted a security deposit or any prepaid rent prior to the completion of the screening process and the tenant is subsequently denied the rental of the property, the security deposit and any prepaid rent shall be returned to the applicant in full.

~~€~~ D. Upon cessation of ~~a landlord's~~ an interest of the landlord in the dwelling unit including, but not limited to, termination of interest by sale, assignment, death, bankruptcy, appointment of receiver or otherwise, the person in possession of the ~~tenants'~~ damage or security deposits of the tenant at ~~his~~ the option of the landlord or pursuant to court order shall, within a reasonable time:

1. Transfer said deposits to the ~~landlord's~~ successor of the landlord in interest and notify the tenants in writing of such transfer and of the ~~transferee's~~ name and address of the transferee;
or

2. Return the deposits to the tenants.

~~€~~ E. Upon receipt of the transferred deposits under paragraph 1 of subsection ~~€~~ D of this section, the transferee, in relation to

such deposits, shall have all the rights and obligations of a landlord holding such deposits under this act.

~~E.~~ F. If a landlord or manager fails to comply with this section or fails to return any prepaid rent required to be paid to a tenant under this act, the tenant may recover the damage and security deposit and prepaid rent, if any.

~~F.~~ G. Except as otherwise provided by the rental agreement, a tenant shall not apply or deduct any portion of the security deposit from the last month's rent or use or apply such ~~tenant's~~ security deposit of the tenant at any time in lieu of payment of rent.

~~G.~~ H. This section does not preclude the landlord or tenant from recovering other damages to which he may be entitled under this act.

SECTION 2. This act shall become effective November 1, 2006.

50-2-7675 MD 01/15/06