

DRAFT POLICY

Exhibit A

30.01.087 Security Deposits.

A. In addition to the protections set forth in the Act and Section 30.01.085, the following additional protections regarding security deposits apply to Tenants that have a Rental Agreement or a Dwelling Unit covered by the Act.

B. If a Landlord requires, as a condition of move in, first month's Rent and last month's Rent, a Landlord may not collect more than an amount equal to one-half of a month's Rent as a security deposit. If a Landlord requires, as a condition of move in, either first month's Rent or last month's Rent, a Landlord may not collect more than an amount equal to a month's Rent as a security deposit. If a Tenant does not meet eligibility criteria, a Landlord may require, as a condition of move in, an amount equal to one-half of a month's Rent as a security deposit in addition to the other amounts previously listed in this subsection. This additional security deposit must be allowed in installments over a 2-6 month period if requested by the Tenant. A Tenant that defaults on the terms of the security deposit payment plan may be considered in violation of the lease. This Subsection does not apply to providers of affordable housing that receive a public subsidy to provide such affordable housing.

C. To the extent that a Landlord withholds an amount from a security deposit to repair damages to the premises beyond ordinary wear and tear, "ordinary wear and tear" shall mean, for purposes of this Section, deterioration that occurs without deliberate or negligent destruction, damage, or removal of any part of the premises, equipment, furnishings or appliances by the Tenant, a member of the Tenant household or other persons on the premises with the Tenant's consent.

To charge for carpets, a Landlord must take into consideration the cost only of the contiguous area where the carpet is required to be replaced due to damage, and may not take into consideration the original expense of the carpet for the entire Dwelling Unit. A Landlord may not charge for interior painting of a residence, except what is necessary to repair specific damage made to a wall beyond ordinary wear and tear and to repaint walls that were painted by the Tenant without permission. Basic cleaning is presumed to be ordinary wear and tear and nothing in this Subsection shall be construed to mean that a Landlord may charge for cleaning costs that do not address damage or filth beyond ordinary wear and tear.

In order to determine the amount reasonably necessary to repair a damaged item, unless rebutted by documentation of an item's value to the contrary by the Landlord, the original purchase price of non-structural items is presumed to depreciate at a rate of 3.6% for a period of 27 years. Before final agreement of a rental contract, whether a lease or month to month, the

Landlord must provide the prospective Tenant with a list of the non-structural items in the Dwelling Unit including their depreciated value at the time of move-in.

D. Within one week of move-in, a Tenant may complete and submit to the Landlord, a condition report (on a form provided by the Landlord) noting any and all damage in the Dwelling Unit (the "Condition Report"). If the Tenant submits a Condition Report to the Landlord within one week of move in, that Condition Report shall be the proof of the condition of the unit at move in in order to assess damage beyond reasonable wear and tear at move out. If, after the first week, the Tenant has not completed a Condition Report, a Landlord may complete a Condition Report and provide a copy to the Tenant. Any damages noted in the Condition Report completed by the Landlord upon move-in must also be documented in photographs and provided to the Tenant. Within one week of move-out or within one week of becoming aware of a move-out, the Landlord shall conduct a walk-through of the Dwelling Unit to document damage beyond ordinary wear and tear not noted on the Condition Report (the "Final Inspection"). A Tenant, and/or the Tenant's representative, has the right to be present for the Final Inspection, but may choose not to participate.

Any damage for which a Landlord intends to withhold a portion of a Tenant's security deposit must be documented in writing and include proof of depreciated value for non-structural items including but not limited to original receipts or demonstration of a similar make and model, and visual damage must be documented in photographs and provided to the Tenant at the same time as the written accounting required under ORS 90.300 (12). To the extent that a Landlord seeks to charge labor costs greater than \$200 to a Tenant, the Landlord must provide documentation demonstrating that the labor costs are reasonable and consistent with the typical hourly rates in the metropolitan region. A Landlord may not charge for damage noted on the Condition Report as submitted upon move-in. At the same time the Landlord returns a security deposit or provides a written accounting of damages, they must also provide a written accounting of the Tenant's rental payment history that covers the dates of their tenancy up to 2yrs.

Any outstanding debts owed to the landlord above and beyond what was covered in the security deposit must be accepted in installments over a 2-12 month period as requested by the Tenant. This payment plan must be in writing, signed by both parties, with original copies provided to both parties. A Landlord may not turn a debt over to a collection agency until the Tenant defaults on the terms of the payment plan or fails to enter into a payment plan within 2 months of being notified of outstanding debt. In the event that damage is associated with a Tenant disability, including but not limited to the installation of ramps or other accessibility devices, the Tenant must be given 2-18months to pay off debt above and beyond the security deposit.

E. Within 2 weeks of receipt of a security deposit, a Landlord must deposit the money in a separate checking, savings, money market, or client trust account and provide the bank institution name and account number in writing to the Tenant. If the account bears interest, the Landlord is required to pay such interest in full to the Tenant upon move-out unless it is used to cover any claims for damage. For interest bearing accounts, the Landlord must provide a receipt of the account and any interest earned at the Tenant's request, no more than once per year. A

Landlord may pool multiple security deposits in a single account so long as the account is separate from the Landlord's personal funds, is not accessed except to deposit and withdraw Tenant deposits, and Landlord can provide an individual accounting of each Tenant deposit and the interest earned thereon. A landlord shall have six (6) months from the effective date of this Subsection to comply with the requirements of this Subsection.

F. A Landlord that fails to comply with any of the requirements set forth in Section 30.01.87 shall be liable to the Tenant for the security deposit, a penalty in the amount equal to two times the security deposit, as well as attorney fees and costs (collectively, "Damages"). Any Tenant claiming to be aggrieved by a Landlord's noncompliance with the foregoing has a cause of action in any court of competent jurisdiction for Damages and any such other remedies as may be appropriate. **NEEDS REVISIONS?**

G. Contemporaneously with the delivery of the written accounting required by ORS 90.300 (12), the Landlord must also deliver to the Tenant a written notice of rights regarding security deposits ("Notice of Rights"). Such Notice of Rights must specify all of Tenant's right to damages under this Section. The requirement in this Section may be met by delivering a copy of this Section to the Tenant along with contact information for the nearest Legal Aid Services of Oregon office or the Oregon State Bar.