

## FAQs

# SECURITY DEPOSITS



### ***What is a security deposit?***

Scan for RI Security Deposit Law:



A landlord typically requires a tenant to pay a security deposit at the start of the tenancy to cover damages to rental property, trash removal and unpaid rent when the tenant moves out.



### ***Can a tenant also be required to pay a furniture security deposit?***

Yes. A landlord can require a tenant to pay a separate furniture security deposit in addition to a regular security deposit if the rental is furnished and the replacement value of the furniture is \$5,000 or more.



### ***What is the maximum that a tenant can be required to pay as a security deposit?***

The maximum that a landlord can require a tenant to pay as a security deposit of any kind (security, cleaning, pet, last month's rent, etc.) in Rhode Island is the equivalent of one month's rent plus a furniture deposit equal to one month's rent if the rental unit meets the requirements.



### ***Must a security deposit be held in an escrow account?***

No. While it's a good idea for a landlord to hold a security deposit or furniture security deposit in an escrow account, Rhode Island law does not require a landlord to do so.



**Q *Must a landlord pay interest on a tenant’s security deposit?***

No. Rhode Island law does not require a landlord to pay interest.

**Q *What happens to a tenant’s security deposit if the rental unit is sold during the tenancy?***

The landlord would transfer the security deposit to the new owner. The original landlord is responsible for the security deposit too until the original landlord sends a written notice to the tenant that includes the name, address, and phone number of the new owner. The notice must certify that there are no outstanding housing code violations, or the original landlord must provide all notices of housing code violations to the tenant.

**Q *How do landlords and tenants avoid a security deposit dispute?***

**► MOVING IN:**

Tenants and landlords should have photos and/or photos taken and test all appliances before the tenant moves in. Make a note of anything that doesn’t work on a premises condition form and have everyone sign it.

**► DURING:**

Tenants should keep the rental unit clean. Tenants should report any problems promptly to the landlord or property manager so that the problem doesn’t get worse and lead to higher costs to repair. Keep written documentation, like a text or email, to show when the request was made. Landlords or property managers should also document when the tenant reported problems and when they were resolved.

- ◇ Keep the rental unit, appliances, sinks, toilets, etc. clean.
- ◇ Promptly throw out trash.
- ◇ Use all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, reasonably.
- ◇ Do not grow, sell or use illegal substances.
- ◇ Do not smoke or have pets without the landlord’s consent. Both can cause odors and damage to the rental unit.

**► MOVING OUT:**

The tenant must remove all of their belongings and sweep/vacuum the rental unit, and clean the refrigerator, stove, bathtub, etc. Tenants and landlords should have photos and/or videos taken and test all appliances before the tenant moves out. Make a note of the condition on a premises condition form.



**Q What can a landlord legally deduct from a security deposit?**

Rhode Island law allows a landlord to deduct the following:

- ◇ Unpaid rent owed by the tenant.
- ◇ Reasonable cleaning expenses, excluding ordinary wear and tear.
- ◇ Reasonable trash disposal expenses.
- ◇ Physical damage to the property, including furniture, caused by the tenant or tenant’s guests.

Landlords or property managers should photograph or video any damages and obtain written estimates about the cost to repair the problems.

A landlord cannot deduct “ordinary wear and tear.”

**Q What is the difference between “ordinary wear and tear” and damage?**

Whenever a property is lived in, it is normal to have scuff marks from a tenant’s everyday use of the property.

“Ordinary wear and tear” means “deterioration of the premises which is the result of the tenant’s normal non-abusive living and includes, but is not limited to, deterioration caused by the landlord’s failure to prepare for expected conditions or by the landlord’s failure to comply with his or her obligations.”

ORDINARY WEAR AND TEAR	DAMAGE
Faded paint	Wall painted by a tenant without the landlord’s consent
Scuff marks and smudges on the paint	Hole punched into a wall
Worn carpet	Stains from spills
Streaks on a window	Broken or cracked window
Dust bunnies	Boxes, junk, food, and trash left by the tenant

**Q How would a security deposit be handled if a roommate moves out during the term of the rental agreement?**

Roommates should discuss with the landlord or property manager how they would handle the share of a security deposit if roommates change during the term of the rental agreement. If the landlord agrees, the new roommate can pay the outgoing share of the security deposit, to the landlord, who can then release the former roommate’s share of the deposit.



**Q What can a landlord legally deduct from a furniture deposit?**

Rhode Island law allows a landlord to deduct:

- ◇ Reasonable cleaning expenses and repairs, excluding ordinary wear and tear
- ◇ Physical damages caused by the tenants or tenants' guests

**Q When must a landlord return the tenant's security deposit?**

A landlord must return the tenant's security deposit or send a written notice itemizing any deductions from the security deposit within twenty days after the later of

- ◇ The termination of the tenancy
- ◇ The tenant delivers possession of the unit
- ◇ The tenant provides the landlord with a forwarding address to which the deposit can be sent

**Q What are the penalties if a landlord fails to comply with the security deposit law?**

The tenant can require the landlord to pay the amount owed plus damages of twice that amount and any "reasonable" attorney's fees paid by the tenant.

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