

## RENTER'S HANDBOOK ON PORTLAND'S SECURITY DEPOSIT ORDINANCE

Most landlords require renters to pay a “security deposit” when they move in to a new rental unit. A security deposit is a refundable deposit paid by a tenant to a landlord so that the landlord can make sure that the tenant follows the rental agreement and leaves the rental unit in a similar condition when the move out. When a tenant moves out, the deposit can be used by the landlord to pay any unpaid rent and fees, and to pay for any damage caused by the tenant beyond normal wear and tear. Any remaining amount must be returned to the tenant and the landlord must provide a written accounting for any amount that was not returned. These requirements are stated in ORS 90.300 and discussed at length in LASO’s “Renter’s Handbook on Security Deposits”.

Starting on March 1, 2020, renters in the City of Portland have additional protections under the City’s Rental Housing Security Deposit Ordinance (Portland City Code 30.01.087). **Most of these new protections only apply to renters who have moved into their rental unit on or after March 1, 2020.** However, some new protections apply to all renters in the City of Portland. You should carefully review each section of this handbook to make sure that the protection applies to your situation.

This packet contains information for renters in Portland about these additional limitations on a landlord’s rights to collect and make deductions from a security deposit. For general information about security deposits, please refer to LASO’s “Renter’s Handbook on Security Deposits” at <https://www.oregonrentersrights.org/deposits>

More information about the City of Portland’s new rules for security deposits is available from the Portland Housing Bureau’s Rental Services Office. The Rental Services Office can be reached by phone at 503-823-1303, by email at [rentalservices@portlandoregon.gov](mailto:rentalservices@portlandoregon.gov), and in person at 421 SW 6th Avenue, Suite 500, Portland, Oregon 97204.

You can also view the text of the security deposit ordinance, Portland’s rules for how to follow the ordinance, and other information at <https://www.portland.gov/phb/rental-services/security-deposits>

It is **very important** throughout the entire time that you are renting to **keep records of your written communications** with your landlord.

This packet contains the following:

- Information about tenants’ rights regarding security deposits at the time of move-in, during the tenancy, and at the time of move-out
- Information about what a landlord can and cannot deduct from security deposits in the City of Portland.
- Information about what to do if a landlord violates the ordinance
- Information about where to get legal help

## **AMOUNT OF SECURITY DEPOSIT AT MOVE-IN**

**These requirements ONLY apply to renters who have moved into their rental unit on or after March 1, 2020.**

At move-in, your landlord cannot charge more than:

- One and a half month's rent, if your landlord requires a pre-payment of last month's rent as part of the deposit.

OR

- One month's rent, if your landlord does not require a pre-payment of last month's rent.

However, if your landlord agrees to accept an additional deposit in exchange for approving an otherwise denied application, the landlord is allowed to charge an additional half month's rent. If the landlord is charging an additional deposit, your landlord must allow you to pay the additional half month's rent in installment payments for up to 3 months.

## **BANK DEPOSIT OF TENANT FUNDS**

**These requirements ONLY apply to renters who have moved into their rental unit on or after March 1, 2020.**

- Your landlord must deposit your security deposit into a federally insured bank account that is separate from your landlord's personal and business operating accounts.
- For any rental agreement that starts on or after March 1, 2020, in the City of Portland, the rental agreement must include the name of the bank where the security deposit has been deposited and whether the account bears interest.
- If the account is interest-bearing, your landlord must pay the interest to you at the same time that the landlord returns your deposit, minus an optional 5% deduction from the interest earned.
- Once every 12 months, tenants may request a receipt from their landlord showing the amount of money in the account and the interest.

## **DESCRIPTION OF FIXTURES, APPLIANCES, EQUIPMENT AND PERSONAL PROPERTY IN THE RENTAL UNIT**

**These requirements ONLY apply to rental agreements in the City of Portland starting on or after March 1, 2020.**

- The landlord must include in the rental agreement a description of any fixtures, appliances, or equipment, or personal property that is in the rental unit and that the landlord wants the security deposit to cover.

- “Fixtures” means non-permanently affixed window dressing (curtains, curtain rods, and blinds), all carpet and exposed flooring, faucets, sinks, toilets, tubs, cabinetry, installed light fixtures, hooks and rods.
  - “Appliances and equipment” include items such as refrigerators, microwave ovens, stovetops, ovens, dishwashers and window air conditioning units.
  - “Personal property” means anything that is included as part of your rental unit that is not a fixture or appliance (like furniture, dishes, laptops, televisions, artwork, or other items that may be included in a furnished apartment).
- The landlord is **not** required to list structural elements in the Rental Agreement in order to apply Security Deposit funds. Examples of structural elements include subflooring, walls, framing, roofing, plumbing, wiring, heating and permanently affixed air-conditioning systems, doors, insulation, chimneys, fireplaces, fire suppression systems, security systems, staircases, desks, windows and casings.

### **CONDITION REPORTS**

**These requirements ONLY apply to renters who have moved into their rental unit on or after March 1, 2020.**

- The landlord must provide to the tenant a Condition Report Addendum for the tenant to complete by the Commencement Date.

#### **Preparing and Updating the Condition Report and Condition Report Addendum:**

- a. Prior to the Commencement Date, the landlord is required to make reasonable efforts to schedule a time which is convenient for both the landlord and the tenant for a walk through of the unit to complete a report (“Condition Report”) noting the condition of all fixtures, appliances, equipment and personal property listed in the rental agreement and noting damage. Both the tenant and the landlord should sign the Condition Report. The landlord should take pictures of the items noted in the Condition Report and share those photographs with the tenant.
  
- b. Should the landlord and tenant be unable to schedule a mutually convenient time to walk through the unit to complete the Condition Report, the landlord should complete the Condition Report prior to the Commencement Date. The landlord should take pictures of the items noted in the Condition Report and share those photographs with the tenant on the Commencement Date.
  
- c. Within 7 days following the Commencement Date, the tenant may complete and submit to the landlord a Condition Report Addendum on a form provided by the landlord. Landlords are required to provide this Addendum form to their tenants. If the tenant does not complete and submit a Condition Report Addendum to the landlord within 7 days of the Commencement Date, then the landlord’s Condition Report becomes final.

d. If the tenant submits a Condition Report Addendum, the landlord has 7 days to dispute the Condition Report Addendum in writing. If the landlord fails to timely dispute the Condition Report Addendum, then the Condition Report, as modified by the Condition Report Addendum, shall establish the baseline condition of the Dwelling Unit as of the Commencement Date against which the landlord will be required to assess any Dwelling Unit repair or replacement needs identified in a Final Inspection (defined below) that will result in costs that may be deducted from the Tenant Security Deposit as of termination of the Rental Agreement (the "Termination Date").

e. If the landlord disputes the Condition Report Addendum, and the landlord and tenant are unable to resolve the dispute as to the condition of the Dwelling Unit at the Commencement Date, the Condition Report and Condition Report Addendum shall be retained by the landlord. Any unresolved dispute as to the condition of the Dwelling Unit as of the Commencement Date shall be resolved, if necessary, in any court of competent jurisdiction.

f. The landlord shall update the Condition Report to reflect all repairs and replacements impacting the Dwelling Unit during the term of the Rental Agreement and shall provide the updated Condition Report to the tenant, and the tenant may complete or update the Condition Report Addendum to reflect all repairs and replacements.

- Your landlord may not charge for the repair of any damage or replacement of malfunctioning or damaged appliances, fixtures, equipment, or personal property that was originally noted that way on the Condition Report. Your landlord also may not charge for any appliance, fixture, equipment or personal property that was never specifically listed on the original Condition Report.
- Your landlord must update the condition report throughout your tenancy to reflect any repairs. The landlord is supposed to provide you with either an updated Condition Report or Maintenance Work Order History within 15 business days of repair or replacement. The updated Condition Reports and/or Maintenance Work Order History must describe:
  - The repair or replacement date(s);
  - The damage being repaired or replaced; and
  - Any funds applied from the Security Deposit for repair or replacement. Replaced items should be noted along with the item condition.
- If you dispute an updated Condition Report / Maintenance Work Order History, then you may update the Condition Report Addendum. You must submit any updates to the landlord within seven days of your receipt of an updated Condition Report / Maintenance Work Order History.

## AMOUNTS WITHHELD FOR REPAIRS

**These requirements apply to all renters in the City of Portland, no matter when you moved into your rental unit:**

- Your landlord may apply the Tenant Security Deposit to the cost of replacement of flooring material only if repair or replacement is necessitated by use in excess of ordinary wear and tear and is limited to the costs of repair or replacement of the discrete impacted area and not for the other areas of the Dwelling Unit. A “discrete impacted area” is defined as the general area of the dwelling unit where the repair or replacement is needed, which may include an entire room, closet, hallway, stairway, or other defined space, but not beyond.
- Your landlord may not withhold funds from your security deposit for:
  - Routine maintenance and ordinary wear and tear.
  - Failure and/or damage that was not caused by a renter’s acts or omissions.
  - Costs reimbursed to your landlord by their insurance or by a warranty.
  - Painting the walls, unless:
    - The tenant painted the walls without the landlord’s permission OR
    - Repainting an area of the walls that is necessary because of specific damage in excess of normal wear and tear.

**These requirements ONLY apply to renters who have moved into their rental unit on or after March 1, 2020:**

- Within 1 week after your tenancy ends (meaning the date that you move out and return the keys to the landlord), you have the option to demand that your landlord do a walkthrough with you and/or your representative and provide you with at least 24 hours’ notice of the date and time of the walkthrough.
- Your landlord should prepare an itemization describing any repair and replacement in accordance with the fixture, appliances, equipment, or personal property identified in the Rental Agreement. Your landlord should document any visual damage in excess of normal wear and tear with photographs that the landlord should then provide to you with a written accounting in accordance with 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. Your landlord may not charge for the repair of any damage or replacement of malfunctioning or damaged appliances, fixtures, equipment, or personal property noted on the Condition Report.

## **NOTICE OF RIGHTS**

**These requirements apply to all renters in the City of Portland.**

Your landlord must provide you with a notice of your rights regarding your security deposit when they provide you with the final accounting of your deposit. This must be provided within 31 days after your tenancy ends (the date that you move out and return the keys to your landlord.) The Notice should inform you of your rights for damages for violations of the Ordinance.

## **RENT PAYMENT HISTORY**

**These requirements apply to all renters in the City of Portland.**

Within 5 business days of: (1) receiving a request from a tenant, (2) receiving notice from a tenant of intent to terminate the tenancy, or (3) when a landlord gives a notice of intent to terminate a tenancy, your landlord must provide you with a written accounting of your rent payment history and a fully completed Rent History Form (landlords can obtain the Form on the Portland Housing Bureau's website).

## **DAMAGES**

If your landlord fails to comply with any of the requirements of the Portland Security Deposit Ordinance, then your landlord is potentially liable to you for an amount up to \$250 per violation plus actual damages, reasonable attorney fees and costs. A tenant who believes that their landlord has failed to comply with the Ordinance may file a lawsuit in court for damages and such other remedies as may be appropriate.

## LEGAL HELP

- For free legal assistance for low-income individuals, you can call Legal Aid Services of Oregon. In Multnomah, Clackamas, Hood River, Wasco, or Sherman county, you can call Legal Aid at 503-224-4086. For resources for other Oregon locations, visit <https://oregonlawhelp.org/resource/oregon-legal-aid-offices>
- Free legal assistance is generally only available to people whose income is at or below 125% of the federal poverty level, which you can check at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. However, you may be able to qualify if you have other expenses. If you qualify for public assistance – SNAP, TANF, or SSI – you probably qualify for legal services.
- If your income is too high to qualify for free legal assistance, you can contact the Oregon State Bar's lawyer referral service at 800-452-7636.
- A list of attorneys who represent low income tenants is included at the end of this packet.
- If you decide to bring a claim without an attorney, you may bring your claim in Small Claims Court. Legal Aid has a handbook on representing yourself in Small Claims Court. You can find it on: [www.oregonrentersrights.org](http://www.oregonrentersrights.org)
- There is also information and assistance available to help you represent yourself in court. For more information, go to your county law library or visit <http://www.courts.oregon.gov/help/Documents/civiltrialbrochure.pdf>

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