

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, 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://beta.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, renters may request a receipt from their landlord showing the amount of money in the account and the interest.

DEPRECIATED VALUE OF ITEMS 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 anything that is attached to your rental unit (like carpeting, flooring, window blinds, cabinets, sinks, tubs, doors, etc.)
 - “Appliances and equipment” means anything that is included in your rental unit but not permanently attached to it (like a refrigerator or stove)
 - “Personal property” means anything that is included as part of your rental unit that is not a fixture or appliance (like furniture, dishes, or other items that may be included in a furnished apartment)
- The landlord must also include in the rental agreement a statement of the current depreciated value of any fixtures, appliances, or equipment, or personal property in the rental unit.
 - “Current depreciated value” means the value of the item at the time that it was bought, minus a percentage based on how old the item is
 - For example, a refrigerator that was bought new five years ago for \$1000 has a current depreciated value of about \$670, based on its depreciation over the five years that it’s been in use.
 - If an item is damaged during your tenancy, the landlord can only deduct the *depreciated value* of the item from your security deposit, not the value of the item when it was new or the cost of replacement.
- The depreciated value for items in the rental unit must be calculated according to the Depreciation Schedule published by the Portland Housing Bureau.
 - Appliances or Equipment (includes items such as refrigerators, microwave ovens, stovetops, ovens, dishwashers, etc.) depreciate over 15 years, or 6.67% per year.
 - Fixtures that are Carpets and Window Dressings (includes items such as carpet, flooring that is not permanently attached, blinds, curtains, etc.) depreciate over 10 years, or 10% per year.
 - Fixtures not including Carpets and Window Dressings (includes items such as faucets, sinks, toilets, tubs, permanently attached flooring, cabinetry, etc.) depreciate over 20 years, or 5% per year.
 - Personal Property (includes all other non-structural elements not covered by the fixtures, appliances, or equipment depreciation schedule) depreciate over 30 years, or 3.34% per year.

CONDITION REPORTS

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

- Within 7 days of moving into your rental unit, you may submit to your landlord a “Tenant’s Condition Report” that notes the conditions of all fixtures, appliances, equipment and personal property listed in the rental agreement and noting any damage.

- “Fixtures” means anything that is attached to your rental unit (like carpeting, flooring, window blinds, cabinets, sinks, tubs, doors, etc.)
 - “Appliances and equipment” means anything that is included in your rental unit but not permanently attached to it (like a refrigerator or stove)
 - “Personal property” means anything that is included as part of your rental unit that is not a fixture or appliance (like furniture, dishes, or other items that may be included in a furnished apartment)
- If your landlord does not dispute the Tenant’s Condition Report, then it establishes the baseline condition of your rental unit and everything in your rental unit at the time that you moved in.
 - Your landlord will not be allowed to deduct anything from your deposit to repair or replace something that is noted in the Condition report
 - If your landlord disagrees with the Tenant’s Condition Report, you and your landlord can find a neutral third party to look at the rental unit and make a Condition Report.
 - The third party should be neutral (not a friend or family member of you or your landlord) and you should independently document the condition of your rental unit (especially the condition of items that could be contested in the future).
 - If you and your landlord can’t agree on the third party’s Condition Report, then the Tenant’s Condition Report establishes the baseline condition of your rental unit.
 - If you do not submit a Tenant’s Condition Report, then your landlord must provide you with a condition report with digital photographs within 17 days from the date that you move into the rental unit.
 - Your landlord must update the condition report throughout your tenancy to reflect any repairs. The updated condition reports and/or maintenance work order history must describe:
 - The repair or replacement date(s);
 - The damage being repaired or replaced;
 - The updated depreciation value; and
 - Any funds applied from the Security Deposit for repair or replacement.
 - If you dispute the updated Condition Report or maintenance work order history, then you and your landlord may attempt to obtain 3rd party validation of the updated condition.

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 only withhold funds from your security deposit for:
 - The actual amount that it cost to return the rental unit to the same condition that it was in at the time that you moved in.
- 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.
 - Cleaning or repairing the carpet or flooring, unless provided for in the rental agreement AND the cleaning or repair is needed because of use beyond ordinary wear and tear.
 - The landlord can only charge for cleaning or repairing a specific area of the carpet or flooring
 - The landlord cannot charge for cleaning or replacement of all of the carpet or flooring, unless all of the carpet or flooring has been damaged or is dirty
 - Painting the walls, unless:
 - The renter painted the walls without permission OR
 - Repainting a specific area of the walls is necessary because of damage to the paint in that specific area

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 may only withhold funds from your security deposit for:
 - The depreciated value of fixtures, appliances, equipment and personal property that were identified in the Rental agreement.
 - Landlords are not required to list structural elements in the Rental agreement to apply security deposit funds to their replacement and/or

repair. The Portland Housing Bureau's Administrative Rules for the Ordinance state that "Structural elements could include subflooring, walls, framing, roofing, piping, staircases, etc."

- The actual amount that it cost to return the rental unit to the same condition that it was in at the time that you moved in.
- Visual damage beyond normal wear and tear, but only if visual damages are documented by your landlord with photographs.
- Labor costs greater than \$200, but only if your landlord documents that costs are reasonable and consistent with the rates in the Portland Metro region.

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 double the amount of the security deposit, 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 <http://oregonlawhelp.org//resource/oregon-legal-aid-offices>
- Legal services are 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/poverty-guidelines>. (For one person in 2020, the income limit is \$15,950 per year.) 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 legal services, 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
- 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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