


COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act (PL 93-198) (the Act), the Council of the District of Columbia adopted Bill No. 1-8 on first and second readings March 11, 1975, and April 1, 1975, respectively. Following the signature of the Mayor on April 21, 1975, this legislation was assigned Act No. 1-10 and transmitted to both Houses of Congress for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional review period has expired and, therefore, cites the following legislation as D. C. Law No. 1-7, effective June 20, 1975.

  
STERLING TUCKER  
Chairman of the Council

D.C. LAW 1-7

In the Council of the District of Columbia

June 20, 1975

To amend the Housing Regulations of the District of Columbia  
Regarding Security Deposits for Rentals.

Be it enacted by the Council of the District of  
Columbia, That Section 101. Short Title. This act may be  
cited as the "Act to Amend the Housing Regulations Regarding  
Security Deposits."

Section 102. Findings. The Council of the District of  
Columbia finds that:

(a) Security deposits collected from tenants for  
rentals in the District of Columbia constitute substantial  
dollar holdings by landlords without requirement for payment  
of interest to such tenants.

(b) The lack of such an interest requirement, and the  
general need for stricter regulation of security deposits,  
are serious concerns of tenants which have been articulated  
to the Council and the Landlord Tenant Branch of the  
Superior Court of the District of Columbia.

(c) Additional regulation of security deposits for rentals is a necessary protection for District consumers and a material factor in the improvement of landlord-tenant relations.

Section 103. Article 290 of the Housing Regulations of the District of Columbia is amended as follows:

(a) Section 2908.3 is redesignated as section 2908.5.

(b) Section 2908.1 is amended by substitution of the following for that section: "2908.1(a) Any deposit or other payment required by an owner, on and after the effective date of this subsection, as security for performance of the tenant's obligations in a lease or rental of a dwelling unit shall not exceed an amount equivalent to the first full month's rent charged said tenant for such dwelling unit and shall be charged only once by the owner to such tenant.

"(b) All monies paid an owner by tenants for such deposits or other payment made, either before or after the effective date of this subsection, as security for performance of tenant's obligations shall be deposited by such owner in

an interest bearing escrow account established and held in trust for the sole purpose of holding such deposits or payments. The owner of more than one residential building may establish one such escrow account for holding such deposits or other payments by the tenants of such buildings. All monies held by an owner on the effective date of this subsection for such deposits or other such payments shall be paid into such an account within 30 days after such effective date.

"(c) For all monies paid to the owner by the tenant as a deposit or other payment made as security for performance of the tenant's obligations in a lease or rental of property, the owner shall clearly state in the lease or agreement or on the receipt for the deposit or other payment the terms and conditions under which such a payment was made."

(c) Section 2908.2 is amended by substitution of the following for that section:

"2908.2. (a) The owner shall tender payment to the tenant without demand, within forty-five days after the termination

of the tenancy or within forty-five days after the owner has or should have knowledge of the termination of the tenancy - whichever occurs later, of (1) any security deposit and any other similar payment paid by the tenant as a condition of his tenancy in addition to the stipulated rent and (2) any interest due the tenant on such deposit or payment, as provided in Section 2908.4, OR

"(b) Within such forty-five day period after termination of the tenancy the owner shall notify the tenant in writing to be delivered to the tenant personally or by certified mail at the tenant's last known address, of the owner's intention to withhold and apply such monies toward defraying the cost of expenses properly incurred under the terms and conditions of the security deposit agreement. The owner, within thirty days after notification to the tenant pursuant to the requirements of this section, shall tender a refund of the balance of the deposit or payment, including interest, not used to defray such expenses and at the same time give the tenant an itemized statement of the repairs and other uses to which such monies were applied and the cost of each repair or other use.

"(c) Failure by the owner to comply with subsections (a) and (b) of this section shall constitute prima facie evidence that the tenant is entitled to full return, including interest as provided in section 2908.4, of any deposit or other payment made by such tenant as security for performance of his obligations or as a condition of his tenancy, in addition to the stipulated rent. Failure of the owner to locate the tenant by personal delivery or certified mail, shall not constitute a violation of subsections (a) or (b) of this section."

(d) The following new sections shall be added after section 2908.2:

(1) "2908.3. In order to determine the amount of the security deposit or such other payment to be returned to the tenant, the owner shall inspect the dwelling unit within three days (excluding Saturdays, Sundays and holidays before or after the termination of the tenancy. The owner shall notify the tenant in writing of the time and date of such inspection. Such notice shall be delivered to the tenant, or at the dwelling unit in question, at least ten days before the date of such intended inspection. If the tenant desires to be present at such inspection, the tenant shall notify the owner in writing of such intent at least five days before the date of such intended inspection. The tenant's notice to the owner of such intent shall be evidenced by a receipt for such notice from the owner."

(2) "2908.4 The interest in the escrow account described in Section 2908.1(b), on all money paid by the tenant prior to or during the tenancy as a security deposit, decorating fee, or similar deposit or fee, shall commence on the date such money is actually paid by the tenant, or with 30 days after the effective date of this section pursuant to the last sentence of Section 2908.1(b), whichever is later, and shall accrue at a rate of not less than five percent per

annum simple interest, compounded quarterly. Such interest shall be due and payable by the owner to the tenant upon termination of any tenancy of a duration of twelve months or more, unless an amount is deducted under procedures in Section 2908.2.

"(b) On all tenancies commencing on or after effective date of this regulation, it shall be the responsibility of the owner and licensee of the residential premises and their heirs and assigns to pay to the tenant, upon the termination of the tenancy, interest at a rate of not less than five per cent per annum, calculated as simple interest, on all money paid by the tenant as a security deposit, decorating fee, or similar language. Said interest shall commence to run from the date any such money is paid by the tenant."

Section 104. Section 3102.3 of Article 310 of the Housing Regulations of the District of Columbia is amended by substitution of the following for that section:

"3102.3 The Superintendent of Licenses and Permits may upon application issue a renewal of a valid housing business license subject to subsequent determination that the applicable



provisions of these regulations are being observed. Concurrent with application for renewal of a housing business license, the licensee shall file with the Superintendent a report itemizing total security deposits being held for such housing business pursuant to section 2908 of the Housing Regulations; the nature, location and amount of the escrow account in which such deposits are being held; and any additional information which may be required by the Superintendent regarding the status of such deposits. Any licensee who fails to comply with the applicable provisions of these regulations after due notice of deficiencies may have his license suspended or revoked. (C.O. No. 57-3191)"

Section 105. Effective Date. This Act shall become effective pursuant to operation of the provisions of Section 602(c) of the "District of Columbia Self-Government and Governmental Reorganization Act" (Public Law 93-198; 87 Stat. 814).