SECURITY DEPOSIT

Upon expiration of tenancy, the landlord must deal with the issue of application of the security deposit. For the purpose of this discussion, expiration is deemed to be the date that the tenant vacates the premises, whether the tenant voluntarily moves or is evicted. Within thirty days of the termination, the landlord is obligated to return the security deposit to the tenant, or send a letter to the tenant advising how the deposit has been applied, accompanied by the security deposit balance, if any. The letter to the tenant advising of the retention of the deposit, or any portion thereof, must set forth the purposes for which the deposit was retained (for example, delinquent rent or damages to the unit). The letter must be sent to the last known address of the tenant. If the tenant has moved without advising the landlord of his forwarding address, the landlord should send the letter to the address of the leased premise. Failure of the landlord to send this letter exposes him/her to a suit for not only the security deposit, but also to a penalty equal to the amount of the deposit. The landlord could be liable to the tenant for an amount up to double the security deposit if the letter is not strictly in accordance with the law.

Following is a copy of the Security Deposit Law as written in Chapter 535 of the Missouri Revised Statutes:

SECURITY DEPOSITS

535.300. Security deposit, limitation—return of deposit or notice of damages, when—withholding deposit, when—tenant's right to damages—security deposit defined

1. A landlord may not demand or receive a security deposit in excess of two months' rent.

2. Within thirty days after the date of termination of the tenancy, the landlord shall:

(1) Return the full amount of the security deposit; or

(2) Furnish to the tenant a written itemized list of the damages for which the security deposit or any portion thereof is withheld, along with the balance of the security deposit. The landlord shall have complied with this subsection by mailing such statement and any payment to the last known address of the tenant.

3. The landlord may withhold from the security deposit only such amounts as are reasonably necessary for the following reasons:

(1) To remedy a tenant's default in the payment of rent due to the landlord, pursuant to the rental agreement;

(2) To restore the dwelling unit to its condition at the commencement of the tenancy, ordinary wear and tear excepted; or

(3) To compensate the landlord for actual damages sustained as a result of the tenant's failure to give adequate notice to terminate the tenancy pursuant to law or the rental agreement; provided that the landlord makes reasonable efforts to mitigate damages.

4. The landlord shall give the tenant or his representative reasonable notice in writing at his last known address or in person of the date and time when the landlord will inspect the dwelling unit following the termination of the rental agreement to determine the amount of the security deposit to be withheld, and the inspection shall be held at a reasonable time. The tenant shall have the right to be present at the inspection of the dwelling unit at the time and date scheduled by the landlord.

5. If the landlord wrongfully withholds all or any portion of the security deposit in violation of this section, the tenant shall recover as damages not more than twice the amount wrongfully withheld.

6. Nothing in this section shall be construed to limit the right of the landlord to recover actual damages in excess of the security deposit, or to permit a tenant to apply or deduct any portion of the security deposit at any time in lieu of payment of rent.

7. As used in this section, the term "security deposit" means any deposit of money or property, however denominated, which is furnished by a tenant to a landlord to secure the performance of any part of the rental agreement, including damages to the dwelling unit. This term does not include any money or property denominated as a deposit for a pet on the premises.

(L. 1983 H.B. 175 § 1)