Section 15B: Entrance of premises prior to termination of lease; payments; receipts; interest; records; security deposits

Section 15B. (1) (a) No lease relating to residential real property shall contain a provision that a lessor may, except to inspect the premises, to make repairs thereto or to show the same to a prospective tenant, purchaser, mortgagee or its agents, enter the premises before the termination date of such lease. A lessor may, however, enter such premises:

(i) in accordance with a court order;

(ii) if the premises appear to have been abandoned by the lessee; or

(iii) to inspect, within the last thirty days of the tenancy or after either party has given notice to the other of intention to terminate the tenancy, the premises for the purpose of determining the amount of damage, if any, to the premises which would be cause for deduction from any security deposit held by the lessor pursuant to this section.

(b) At or prior to the commencement of any tenancy, no lessor may require a tenant or prospective tenant to pay any amount in excess of the following:

(i) rent for the first full month of occupancy; and,

(ii) rent for the last full month of occupancy calculated at the same rate as the first month; and,

(iii) a security deposit equal to the first month's rent provided that such security deposit is deposited as required by subsection (3) and that the tenant is given the statement of condition as required by subsection (2) provided, however, that the executive office of housing and livable communities may promulgate regulations to authorize a lessor and a tenant or prospective tenant to agree to the payment of a fee in lieu of payment of a security deposit; provided further, that any such regulations shall:

(A) require the lessor to utilize a fee collected to waive a security deposit to cover for unpaid rent or unit damage that applies to the tenant’s lease;

(B) require that a fee so collected be:

(I) entirely or partially non-refundable; provided, however, that the lessor shall disclose that the fee is non-refundable in the lease; provided further, that the tenant shall agree to the fee and acknowledge that the tenant understand that it is entirely or partially non-refundable, as the case may be, in writing; and

(II) a recurring monthly fee, or payable upon any schedule and in an amount that the lessor and tenant agree upon, as authorized by the executive office;

(C) limit the total sum of the fee or recurring payments, regardless of the duration of the lease and any extensions thereto, to an amount not to exceed 1 month’s rent;

(D) require that the fee be made optional for both the tenant and the lessor and that the tenant be permitted to choose to pay a full security deposit rather than the fee;

(E) require a lessor who offers such a fee in lieu of security deposit:

(I) to offer the option of a fee in lieu of a security deposit to every prospective tenant whose application for occupancy has been approved, regardless of income, race, gender, gender identity, disability, sexual orientation, immigration status, size of household or credit score; and

(II) not to consider such factors and categories when setting the amount of the fee; and

(F) allow a tenant who agrees to pay a fee to waive a security deposit to opt-out of the obligation to pay such fee if such tenant pays the security deposit that would otherwise be in effect for the tenant’s apartment on the day the tenant chooses to opt-out of such fee; provided further, that the sum of fees paid to waive a security deposit and the payment of the security deposit shall not exceed, in total, the amount of 1 month’s rent; and provided further, that the executive office shall consult with the office of the attorney general prior to promulgating regulations authorizing a fee in lieu of a security deposit under this section.; and,

(iv) the purchase and installation cost for a key and lock.

(c) No lease or other rental agreement shall impose any interest or penalty for failure to pay rent until thirty days after such rent shall have been due.

(d) No lessor or successor in interest shall at any time subsequent to the commencement of a tenancy demand rent in advance in excess of the current month's rent or a security deposit in excess of the amount allowed by this section. The payment in advance for occupancy pursuant to this section shall be binding upon all successors in interest.

(e) A security deposit shall continue to be the property of the tenant making such deposit, shall not be commingled with the assets of the lessor, and shall not be subject to the claims of any creditor of the lessor or of the lessor's successor in interest, including a foreclosing mortgagee or trustee in bankruptcy; provided, however, that the tenant shall be entitled to only such interest as is provided for in subsection (3)(b).

(2)(a) Any lessor or his agent who receives, at or prior to the commencement of a tenancy, rent in advance for the last month of the tenancy from a tenant or prospective tenant shall give to such tenant or prospective tenant at the time of such advance payment a receipt indicating the amount of such rent, the date on which it was received, its intended application as rent for the last month of the tenancy, the name of the person receiving it and, in the case of an agent, the name of the lessor for whom the rent is received, and a description of the rented or leased premises, and a statement indicating that the tenant is entitled to interest on said rent payment at the rate of five per cent per year or other such lesser amount of interest as has been received from the bank where the deposit has been held payable in accordance with the provisions of this clause, and a statement indicating that the tenant should provide the lessor with a forwarding address at the termination of the tenancy indicating where such interest may be given or sent.

Any lessor or his agent who receives said rent in advance for the last month of tenancy shall, beginning with the first day of tenancy, pay interest at the rate of five per cent per year or other such lesser amount of interest as has been received from the bank where the deposit has been held. Such interest shall be paid over to the tenant each year as provided in this clause; provided, however, that in the event that the tenancy is terminated before the anniversary date of such tenancy, the tenant shall receive all accrued interest within thirty days of such termination. Interest shall not accrue for the last month for which rent was paid in advance. At the end of each year of tenancy, such lessor shall give or send to the tenant from whom rent in advance was collected a statement which shall indicate the amount payable by such lessor to the tenant. The lessor shall at the same time give or send to such tenant the interest which is due or shall notify the tenant that he may deduct the interest from the next rental payment of such tenant. If, after thirty days from the end of each year of the tenancy, the tenant has not received said interest due or said notice to deduct the interest from the next rental payment, the tenant may deduct from his next rent payment the interest due.

If the lessor fails to pay any interest to which the tenant is then entitled within thirty days after the termination of the tenancy, the tenant upon proof of the same in an action against the lessor shall be awarded damages in an amount equal to three times the amount of interest to which the tenant is entitled, together with court costs and reasonable attorneys fees.

(b) Any lessor or his agent who receives a security deposit from a tenant or prospective tenant shall give said tenant or prospective tenant at the time of receiving such security deposit a receipt indicating the amount of such security deposit, the name of the person receiving it and, in the case of an agent, the name of the lessor for whom such security deposit is received, the date on which it is received, and a description of the premises leased or rented. Said receipt shall be signed by the person receiving the security deposit.

(c) Any lessor of residential real property, or his agent, who accepts a security deposit from a tenant or prospective tenant shall, upon receipt of such security deposit, or within ten days after commencement of the tenancy, whichever is later, furnish to such tenant or prospective tenant a separate written statement of the present condition of the premises to be leased or rented. Such written statement shall also contain a comprehensive listing of any damage then existing in the premises, including, but not limited to, any violations of the state sanitary or state building codes certified by a local board of health or building official or adjudicated by a court and then existing in the premises. Such statement shall be signed by the lessor or his agent and contain the following notice in twelve-point bold-face type at the top of the first page thereof:

''This is a statement of the condition of the premises you have leased or rented. You should read it carefully in order to see if it is correct. If it is correct you must sign it. This will show that you agree that the list is correct and complete. If it is not correct, you must attach a separate signed list of any damage which you believe exists in the premises. This statement must be returned to the lessor or his agent within fifteen days after you receive this list or within fifteen days after you move in, whichever is later. If you do not return this list, within the specified time period, a court may later view your failure to return the list as your agreement that the list is complete and correct in any suit which you may bring to recover the security deposit.''

If the tenant submits to the lessor or his agent a separate list of damages, the lessor or his agent shall, within fifteen days of receiving said separate list, return a copy of said list to the tenant with either such lessor's signed agreement with the content thereof or a clear statement of disagreement attached.

(d) Every lessor who accepts a security deposit shall maintain a record of all such security deposits received which contains the following information:—

(i) a detailed description of any damage done to each of the dwelling units or premises for which a security deposit has been accepted, returned to any tenant thereof or for which the lessor has brought suit against any tenant;

(ii) the date upon which the occupancy of the tenant or tenants charged with such damage was terminated; and

(iii) whether repairs were performed to remedy such damage, the dates of said repairs, the cost thereof, and receipts therefor.

Said record shall also include copies of any receipt or statement of condition given to a tenant or prospective tenant as required by this section.

Said record shall be available for inspection upon request of a tenant or prospective tenant during normal business hours in the office of the lessor or his agent. Upon a wrongful failure by the lessor or his agent to make such record available for inspection by a tenant or prospective tenant, said tenant or prospective tenant shall be entitled to the immediate return of any amount paid in the form of a security deposit together with any interest which has accrued thereon.

The lessor or his agent shall maintain said record for each dwelling unit or premises for which a security deposit was accepted for a period of two years from the date of termination of the tenancy or occupancy upon which the security deposit was conditioned.

(3) (a) Any security deposit received by such lessor shall be held in a separate, interest-bearing account in a bank, located within the commonwealth under such terms as will place such deposit beyond the claim of creditors of the lessor, including a foreclosing mortgagee or trustee in bankruptcy, and as will provide for its transfer to a subsequent owner of said property. A receipt shall be given to the tenant within thirty days after such deposit is received by the lessor which receipt shall indicate the name and location of the bank in which the security deposit has been deposited and the amount and account number of said deposit. Failure to comply with this paragraph shall entitle the tenant to immediate return of the security deposit.

(b) A lessor of residential real property who holds a security deposit pursuant to this section for a period of one year or longer from the commencement of the term of the tenancy shall, beginning with the first day of the tenancy, pay interest at the rate of five per cent per year, or other such lesser amount of interest as has been received from the bank where the deposit has been held payable to the tenant at the end of each year of the tenancy. Such interest shall be paid over to the tenant each year as provided in this clause, provided, however, that in the event that the tenancy is terminated before the anniversary date of the tenancy, the tenant shall receive all accrued interest within thirty days of such termination. Such interest shall be beyond the claims of such lessor, except as provided for in this section. At the end of each year of a tenancy, such lessor shall give or send to the tenant from whom a security deposit has been received a statement which shall indicate the name and address of the bank in which the security deposit has been placed, the amount of the deposit, the account number, and the amount of interest payable by such lessor to the tenant. The lessor shall at the same time give or send to each such tenant the interest which is due or shall include with the statement required by this clause a notification that the tenant may deduct the interest from the tenant's next rental payment. If, after thirty days from the end of each year of the tenancy, the tenant has not received such notice or payment, the tenant may deduct from his next rent payment the interest due.

(4) The lessor shall, within thirty days after the termination of occupancy under a tenancy-at-will or the end of the tenancy as specified in a valid written lease agreement, return to the tenant the security deposit or any balance thereof; provided, however, that the lessor may deduct from such security deposit for the following:

(i) any unpaid rent or water charges which have not been validly withheld or deducted pursuant to any general or special law

(ii) any unpaid increase in real estate taxes which the tenant is obligated to pay pursuant to a tax escalation clause which conforms to the requirements of section fifteen C; and

(iii) a reasonable amount necessary to repair any damage caused to the dwelling unit by the tenant or any person under the tenant's control or on the premises with the tenant's consent, reasonable wear and tear excluded. In the case of such damage, the lessor shall provide to the tenant within such thirty days an itemized list of damages, sworn to by the lessor or his agent under pains and penalties of perjury, itemizing in precise detail the nature of the damage and of the repairs necessary to correct such damage, and written evidence, such as estimates, bills, invoices or receipts, indicating the actual or estimated cost thereof. No amount shall be deducted from the security deposit for any damage to the dwelling unit which was listed in the separate written statement of the present condition of the premises which was required to be given to the tenant prior to the execution of the lease or creation of the tenancy pursuant to clause (c) of subsection (2) or any damages listed in any separate list submitted by the tenant and signed by the lessor or his agent pursuant to said clause (c), unless the lessor subsequently repaired or caused to be repaired said damage and can prove that the renewed damage was unrelated to the prior damage and was caused by the tenant or by any person under the tenant's control or on the premises with the tenant's consent. Nothing in this section shall limit the right of a landlord to recover from a tenant, who wilfully or maliciously destroys or damages the real or personal property of said landlord, to the forfeiture of a security deposit, when the cost of repairing or replacing such property exceeds the amount of such security deposit.

No deduction may be made from the security deposit for any purpose other than those set forth in this section.

(5) Whenever a lessor who receives a security deposit transfers his interest in the dwelling unit for which the security deposit is held, whether by sale, assignment, death, appointment of a receiver or trustee in bankruptcy, or otherwise, the lessor shall transfer such security deposit together with any interest which has accrued thereon for the benefit of the tenant who made such security deposit to his successor in interest, and said successor in interest shall be liable for the retention and return of said security deposit in accordance with the provisions of this section from the date upon which said transfer is made; provided however, that the granting of a mortgage on such premises shall not be a transfer of interest. The successor in interest shall, within forty-five days from the date of said transfer, notify the tenant who made such security deposit that such security deposit was transferred to him and that he is holding said security deposit. Such notice shall also contain the lessor's name, business address, and business telephone number, and the name, business address, and business telephone number of his agent, if any. Said notice shall be in writing.

Upon such transfer, the lessor or his agent shall continue to be liable with respect to the provisions of this section until:

(a) there has been a transfer of the amount of the security deposit so held to the lessor's successor in interest and the tenant has been notified in writing of the transfer and of the successor in interest's name, business address, and business telephone number;

(b) there has been compliance with this clause by the successor in interest; or

(c) the security deposit has been returned to the tenant.

In the event that the lessor fails to transfer said security deposit to his successor in interest as required by this subsection the successor in interest shall, without regard to the nature of the transfer, assume liability for payment of the security deposit to the tenant in accordance with the provisions of this section; provided, however, that if the tenant still occupies the dwelling unit for which the security deposit was given, said successor in interest may satisfy such obligation by granting the tenant free use and occupancy of the dwelling unit for a period of time equivalent to that period of time for which the dwelling unit could be leased or occupied if the security deposit were deemed to be rent. The liability imposed by this paragraph shall not apply to a city or town which acquires title to property pursuant to chapter sixty or to a foreclosing mortgagee or a mortgagee in possession which is a financial institution chartered by the commonwealth or the United States. The term ''rent'', as used in the preceding sentence, shall mean the periodic sum paid by the tenant for the use and occupation of the dwelling unit in accordance with the terms of his lease or other rental agreement.

(6) The lessor shall forfeit his right to retain any portion of the security deposit for any reason, or, in any action by a tenant to recover a security deposit, to counterclaim for any damage to the premises if he:

(a) fails to deposit such funds in an account as required by subsection (3);

(b) fails to furnish to the tenant within thirty days after the termination of the occupancy the itemized list of damages, if any, in compliance with the provisions of this section;

(c) uses in any lease signed by the tenant any provision which conflicts with any provision of this section and attempts to enforce such provision or attempts to obtain from the tenant or prospective tenant a waiver of any provision of this section;

(d) fails to transfer such security deposit to his successor in interest or to otherwise comply with the provisions of subsection (5) after he has succeeded to an interest in residential real property; or,

(e) fails to return to the tenant the security deposit or balance thereof to which the tenant is entitled after deducting therefrom any sums in accordance with the provisions of this section, together with any interest thereon, within thirty days after termination of the tenancy.

(7) If the lessor or his agent fails to comply with clauses (a), (d), or (e) of subsection 6, the tenant shall be awarded damages in an amount equal to three times the amount of such security deposit or balance thereof to which the tenant is entitled plus interest at the rate of five per cent from the date when such payment became due, together with court costs and reasonable attorney's fees.

(7A) Whenever a lessor who receives rent in advance for the last month of tenancy transfers his interest in the dwelling unit for which the rental advance was received, whether by sale, assignment, death, appointment of a receiver or trustee in bankruptcy, or otherwise, the lessor shall credit an amount equal to such rental advance together with any interest which has accrued thereon for the benefit of the tenant who made such rental advance, to the successor in interest of such lessor, and said successor in interest shall be liable for crediting the tenant with such rental advance, and for paying all interest accrued thereon in accordance with the provisions of this section from the date upon which said transfer is made; provided, however, that the granting of a mortgage on such premises shall not be deemed a transfer of interest. The successor in interest shall, within forty-five days from the date of said transfer, notify the tenant who made such rental advance that such rental advance was so credited, and that such successor has assumed responsibility therefor pursuant to the foregoing provision. Such notice shall also contain the lessor's name, business address, and business telephone number, and the name, business address, and business telephone number of his agent, if any. Said notice shall be in writing.

Upon such transfer, the lessor or his agent shall continue to be liable with respect to the provisions of this section until:—(a) there has been a credit of the amount of the rental advance so held to the lessor's successor in interest and the tenant has been notified in writing of the transfer and of the successor in interest's name, business address, and business telephone number; (b) there has been compliance with this clause by the successor in interest; or (c) the rental advance has been credited to the tenant and all accrued interest has been paid thereon.

In the event that the lessor fails to credit said rental advance to his successor in interest as required by this subsection, the successor in interest shall, without regard to the nature of the transfer, assume liability for crediting of the rental advance, and payment of all interest thereon to the tenant in accordance with the provisions of this section; provided, however, that if the tenant still occupies the dwelling unit for which the rental advance was given, said successor in interest may satisfy such obligation by granting the tenant free use and occupancy of the dwelling unit for a period of time equivalent to the period of time covered by the rental advance. The liability imposed by this subsection shall not apply to a city or town which acquires title to property pursuant to chapter sixty or to a foreclosing mortgagee or a mortgagee in possession which is a financial institution chartered by the commonwealth or by the United States.

(8) Any provision of a lease which conflicts with any provision of this section and any waiver by a tenant or prospective tenant of any provision of this section shall be deemed to be against public policy and therefore void and unenforceable.

(9) The provisions of this section shall not apply to any lease, rental, occupancy or tenancy of one hundred days or less in duration which lease or rental is for a vacation or recreational purpose.