

**SECTION 27-40-410. Security deposits; prepaid rent.**

(a) Upon termination of the tenancy, property or money held by the landlord as security must be returned less amounts withheld by the landlord for accrued rent and damages which the landlord has suffered by reason of the tenant's noncompliance with Section 27-40-510. Any deduction from the security/rental deposit must be itemized by the landlord in a written notice to the tenant together with the amount due, if any, within thirty days after termination of the tenancy and delivery of possession and demand by the tenant, whichever is later. The tenant shall provide the landlord in writing with a forwarding address or new address to which the written notice and amount due from the landlord may be sent. If the tenant fails to provide the landlord with the forwarding or new address, the tenant is not entitled to damages under this subsection provided the landlord (1) had no notice of the tenant's whereabouts and (2) mailed the written notice and amount due, if any, to the tenant's last known address.

(b) If the landlord fails to return to the tenant any prepaid rent or security/rental deposit with the notice required to be sent by the landlord pursuant to subsection (a), the tenant may recover the property and money in an amount equal to three times the amount wrongfully withheld and reasonable attorney's fees.

(c) If a landlord (1) rents more than four adjoining dwelling units on the premises, and (2) imposes different standards for calculating security/rental deposits required of different tenants on the premises, then, prior to the consummation of the rental agreement, the landlord shall either post in a conspicuous place on the premises, or at the place at which rental is paid a statement clearly indicating the standards by which such security/rental deposits are calculated, or shall provide each prospective tenant with a statement setting forth the standards. If a landlord fails to comply with this subsection as to a tenant, the difference between the security/rental deposit required of the tenant and the lowest security/rental deposit required of any other tenant of a comparable dwelling unit on the premises is not subject to deductions for damages by reason of the tenant's noncompliance with Section 27-40-510.

(d) This section does not preclude the landlord or tenant from recovering other damages to which he may be entitled under this chapter or otherwise.

(e) Subject to the provisions of Section 27-40-450, the holder of the landlord's interest in the premises at the time of the termination of the tenancy is bound by this section.

HISTORY: 1986 Act No. 336, Section 1; 1994 Act No. 498, Section 1.