

Permanent Administrative Rule

Rental Housing Security Deposits

A. Purpose and Scope

Under PCC 30.01.087 Landlords in the City of Portland are limited in how much they can collect for a Security Deposit and must follow supplemental requirements on how funds can be withheld for repairs and replacements. The code also outlines requirements on the process for documenting and maintaining the Dwelling Unit Condition Report, holding a Security Deposit in a separate financial institution account, and providing notices of rights and Rent payment histories. These administrative rules provide additional clarification and requirements for several subsections of PCC 30.01.087.

B. Definitions

1. **Condition Report** is a form provided by the Landlord, noting the condition of all fixtures, appliances, equipment, and personal property listed in the Rental Agreement, and noting damage.
2. **Dwelling Unit** has the meaning given in ORS 90.100, as amended from time to time
3. **Landlord** has the meaning given in ORS 90.100, as amended from time to time.
4. **New Rental Agreement** means the initial Rental Agreement, not a renewal.
5. **PHB** means the Portland Housing Bureau.
6. **Rental Agreement** has the meaning given in ORS 90.100, as amended from time to time.
7. **Security Deposit** has the meaning given in ORS 90.100, as amended from time to time.
8. **Tenant** has the meaning given in ORS 90.100, as amended from time to time.
9. **Termination Date** means the date the tenancy terminates and Landlord takes possession of the Dwelling Unit.

C. Timing

1. For the purposes of PCC 30.01.087, the Commencement Date will be measured from the date the Tenant is legally allowed to take possession of the Dwelling Unit.
2. The Landlord must provide the Tenant a Condition Report Addendum form (“Condition Report Addendum”) for the Tenant to complete by the Commencement Date.

3. For New Rental Agreements entered into on or after March 1, 2020 all Sections of PCC 30.01.087 and the Rental Housing Security Deposits Administrative Rules apply.
4. For Rental Agreements entered into prior to March 1, 2020, PCC 30.01.087 Subsections C.2, C.4, C.5, E, F, G, and H apply, as well as Subsection (a) below.
 - a. Subsections A, B, C.4, C.5, H, and I of the Rental Housing Security Deposits Administrative Rules apply to existing and new Rental Agreements beginning March 1, 2020.
5. When timelines in PCC 30.01.087 differ from requirements in federal, state, or local law; actions should be taken as soon as practicable, but in no event later than the timelines presented in PCC 30.01.087 or the relevant federal, state, or local law; whichever is sooner.

D. Amount of Security Deposit

1. When a Dwelling Unit is regulated or certified as affordable housing by federal, state or local government and the Rent or eligibility is periodically calculated based on the Tenant's income, the contract Rent amount can be used to determine the Security Deposit amount pursuant to PCC 30.01.087.A.

E. Secure Financial Institution Accounts

1. Secure financial institution account, as used in PCC 30.01.087, means a federally insured establishment for the custody, loan, exchange or issue of money, for the extension of credit, and for facilitating the transmission of funds.
2. If the Security Deposit or last-month's Rent deposit is deposited in an interest-bearing account, the Landlord may retain up to five (5) percent of the interest earned for administrative cost.
3. For interest bearing accounts, a Tenant can request a receipt of the account once every 12 months. At the Tenant's request, the Landlord must provide a receipt of the account that shows any interest earned.

F. Condition Reports

1. The Landlord shall update the Condition Report to reflect all repairs and replacements impacting the Dwelling Unit during the term of the Rental Agreement that the Landlord intends to apply against the Tenant's Security Deposit. The Landlord shall provide to the Tenant the updated Condition Report within 15 business days of repair or replacement. The Landlord may provide maintenance work order history in place of an updated Condition Report, if it addresses Subsections a(i)-(iii) and b below.
 - a. Updated Condition Reports must describe:
 - i. The repair or replacement date(s);
 - ii. The damage being repaired or replaced; and

- iii. Any funds applied from the Security Deposit for repair or replacement.
 - b. Replaced items should be noted along with the item condition
 - c. If the Tenant disputes the updated Condition Report or maintenance work order history, the Tenant may update the Condition Report Addendum and must submit any updates to the Landlord within seven days of Tenant's receipt of the updated Condition Report
2. Within 1 week following the Termination Date, as defined in Subsection B.9 of the Rental Housing Security Deposit Administrative Rule, a Landlord shall conduct a Final Inspection to document any damage beyond ordinary wear and tear not noted on the Condition Report.

G. Security Deposit Withholdings

1. When a Landlord applies Security Deposit funds for the repair and replacement of fixtures, appliances, equipment, or personal property, these items must be first itemized in the Rental Agreement. For purposes of PCC 30.01.087 only, the following examples are a non- exhaustive list of items that would need to be itemized:

- a. Fixtures include non-permanently affixed window dressings (curtains, curtain rods, and blinds), all carpet and exposed flooring, faucets, sinks, toilets, tubs, cabinetry, installed light fixtures, hooks, and rods.
- b. Appliances or equipment include items such as refrigerators, microwave ovens, stovetops, ovens, dishwashers, and window air conditioning units.
- c. Personal Property includes other non-structural elements that would not qualify as fixtures, appliances, or equipment, such as furniture, lamps, televisions, artwork, decorative accessories, and movable tools.

To comply with this requirement, a Landlord must provide an itemized list in the Rental Agreement as described above, but does not need to identify which of the above referenced categories applies to the item.

- 2. A Landlord is not required to list structural elements in the Rental Agreement in order to apply Security Deposit funds.
 - a. For purposes of PCC 30.01.087 only, examples of structural elements include subflooring, walls, framing, roofing, plumbing, wiring, heating and permanently affixed air-conditioning systems, doors, insulation, chimneys, fireplaces, fire suppression

systems, security systems, staircases, decks, windows, and casings.

H. Applicability of other Federal, State and Local Laws

1. PCC 30.01.087 imposes requirements for handling Tenant's Security Deposit that are in addition to and not intended to supersede applicable state or federal laws. As such, when an applicable federal or state law prescribes a more stringent requirement or timeline than a local law, the Landlord can comply with the local law by meeting the applicable federal or state law requirements or timelines.

I. Responsibility

PHB is responsible for managing and implementing this rule.

J. History

Date adopted: January 31, 2020

Date effective: March 1, 2020

Date amended: July 29, 2020

Date amended: January 8, 2021

Date amended: June 29, 2022