

Department of Planning and Budget
2013 Fiscal Impact Statement

1. Bill Number: HB1736

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Farrell, P. F.

3. Committee: General Laws

4. Title: Real Estate Board; protection of escrow funds by real estate licensee, rental agreement.

5. Summary: This bill provides that any prepaid rent paid more than one month prior to the due date and all security deposits paid to a licensed broker in connection with the lease shall be placed in an escrow account by the end of the fifth business banking day following receipt, unless otherwise agreed to in writing by the principals to the lease transaction. The bill provides how long the funds must remain in the escrow account. Additionally, any application deposit paid by a prospective tenant for the purpose of being considered as a tenant for a dwelling unit to a real estate licensee acting on behalf of the landlord shall be placed in escrow by the end of the fifth business banking day following approval of the rental application by the landlord.

As substituted, the bill language is reorganized. In addition, a line is added that specifies that any rent paid less than a month prior to the rent due date shall be considered current rent and does not need to be deposited to an escrow account.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: None. See #8.

8. Fiscal Implications: This bill does not result in a fiscal impact to the Department of Professional and Occupational Regulation.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/30/13

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