

SENATE No. 64

By Mr. Brennan, a petition (accompanied by bill, Senate, No. 64) of John A. Brennan, Jr., and Thomas M. Gallagher for legislation to require the payment of interest on rent collected in advance for the last month of tenancy. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-two.

**AN ACT REQUIRING THE PAYMENT OF INTEREST ON RENT COLLECTED
IN ADVANCE FOR THE LAST MONTH OF TENANCY.**

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 186 of the General Laws, as most recently amend-
2 ed by Chapter 553 of the Acts of 1978, is hereby further
3 amended by inserting after the last sentence in Section 15B
4 (2) (a) the following sentences: —

5 If said rent for the last month of tenancy is held for a period
6 of one year or longer from the commencement of the term of
7 tenancy, then the landlord shall, beginning with the first day of
8 the tenancy, pay interest at the rate of five percent per year,
9 payable to the tenant at the end of each year of the tenancy.
10 Such interest shall be paid over to the tenant each year as pro-
11 vided in this clause, provided, however, that in the event that
12 the tenancy is terminated before the anniversary date of the
13 tenancy, the tenant shall receive all accrued interest within
14 thirty days of such termination. Interest shall not accrue for
15 the last month for which the rent was paid in advance. Any
16 rent collected in advance received by such lessor shall be held
17 in a separate, interest-bearing account in a bank, located with-
18 in the Commonwealth under such terms as will place such rent
19 beyond the claim of creditors of the lessor, including a fore-
20 closing mortgagee or trustee in bankruptcy, and as will pro-
21 vide for its transfer to a subsequent owner of said property.
22 A receipt shall be given to the tenant within thirty days after

23 such rent is received by the lessor which receipt shall indicate
24 the name and location of the bank in which the rent has been
25 deposited and the amount and account number of said rent.
26 Failure to comply with this paragraph shall entitle the tenant
27 to immediate return of the rent. At the end of each year of
28 a tenancy, such lessor should give or send to the tenant from
29 whom rent in advance was collected a statement which shall
30 indicate the name and address of the bank in which said ad-
31 vance payment has been placed, the amount of the deposit,
32 the account number, and the amount of interest payable by
33 such lessor to the tenant. The lessor shall at the same time
34 give or send to each such tenant the interest which is due or
35 shall give or send a notification that the tenant may deduct
36 the interest from the tenant's next rental payment. If, after
37 thirty days from the end of each year of the tenancy, the
38 tenant has not received such notice of payment, the tenant
39 may deduct from his next rent payment the interest due. Said
40 rent collected in advance shall continue to be the property of
41 the tenant making such rent, shall not be commingled with the
42 assets of the lessor, and shall not be subject to the claims of
43 any creditor of the lessor or of the lessor's successor in in-
44 terest, including a foreclosing mortgagee or trustee in bank-
45 ruptcy; provided, however, that the tenant shall be entitled to
46 only such interest as is provided for above.