

HOUSE BILL NO. 810

INTRODUCED BY M. CAFERRO

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING RENTAL LAWS; SPECIFYING ACCEPTABLE FORMS OF PAYMENT; PROHIBITING ADDITIONAL FEES BASED ON RENT PAYMENT TYPE EXCEPT TO RECOUP AN ELECTRONIC BANK FEE INCURRED FOR ELECTRONIC PAYMENT; PROVIDING A DEFINITION; AND AMENDING SECTIONS 70-24-103, 70-24-201, 70-33-103, AND 70-33-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 70-24-103, MCA, is amended to read:

"70-24-103. General definitions. Subject to additional definitions contained in subsequent sections and unless the context otherwise requires, in this chapter the following definitions apply:

(1) "Abandon" means to give up possession of the premises unless the landlord does not accept abandonment or surrender as provided in 70-24-426 or unless the rental agreement has been terminated as provided by law.

(2) "Action" includes recoupment, counterclaim, setoff suit in equity, and any other proceeding in which rights are determined, including an action for possession.

(3) "Actual and reasonable cost" means the actual amount of expenses and labor incurred or expended and the reasonable amount of expenses and labor estimated to be incurred or expended.

(4) "Case of emergency" means an extraordinary occurrence beyond the tenant's control requiring immediate action to protect the premises or the tenant. A case of emergency may include the interruption of essential services, including heat, electricity, gas, running water, hot water, and sewer and septic system service, or life-threatening events in which the tenant or landlord has reasonable apprehension of immediate danger to the tenant or others.

(5) "Court" means the appropriate district court, small claims court, justice's court, or city court.

(6) "Dwelling unit" means a structure or the part of a structure that is used as a home, residence,

1 or sleeping place by a person who maintains a household or by two or more persons who maintain a common
2 household. Dwelling unit, in the case of a person who rents space in a mobile home park and rents the mobile
3 home, means the mobile home itself.

4 (7) "Good faith" means honesty in fact in the conduct of the transaction concerned.

5 (8) "Guest" means a person staying with a tenant for a temporary period of time as defined in the
6 rental agreement or, if not defined in the rental agreement, for a period of time no more than 7 days unless the
7 tenant has received the landlord's written consent to a longer period of time.

8 (9) "Landlord" means:

9 (a) the owner of the dwelling unit or the building of which it is a part;

10 (b) a person who has written authorization from the owner to act as the owner's agent or assignee
11 for purposes related to the premises or the rental agreement;

12 (c) a person who has written authorization from the owner to act as a manager of the premises for
13 the purposes of the tenancy or the rental agreement; or

14 (d) a lessor who has written authorization from the owner of the premises to sublease the
15 premises.

16 (10) "Organization" includes a corporation, government, governmental subdivision or agency,
17 business trust, estate, trust, or partnership or association, two or more persons having a joint or common
18 interest, and any other legal or commercial entity.

19 (11) "Owner" means one or more persons, jointly or severally, in whom is vested all or part of:

20 (a) the legal title to property; or

21 (b) the beneficial ownership and a right to present use and enjoyment of the premises, including a
22 mortgagee in possession.

23 (12) "Person" includes an individual or organization.

24 (13) "Premises" means a dwelling unit and the structure of which it is a part, the facilities and
25 appurtenances in the structure, and the grounds, areas, and facilities held out for the use of tenants generally
26 or promised for the use of a tenant.

27 (14) "Rent" means all payments to be made to the landlord, including rent, late fees, or other
28 charges as agreed on in the rental agreement, except money paid as a security deposit.

1 (15) "Rent payment type" means all forms of payment types, including:

2 (a) cash;

3 (b) check;

4 (c) electronic; or

5 (d) other forms agreed on in the rental agreement that must comply with 70-24-203.

6 ~~(15)~~(16) "Rental agreement" means all agreements, written or oral, and valid rules adopted under 70-
7 24-311 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and
8 premises.

9 ~~(16)~~(17) "Roomer" means a person occupying a dwelling unit that does not include a toilet, a bathtub or
10 a shower, a refrigerator, a stove, or a kitchen sink, all of which are provided by the landlord and one or more of
11 which are used in common by occupants in the structure.

12 ~~(17)~~(18) "Single-family residence" means a structure maintained and used as a single dwelling unit. A
13 dwelling unit that shares one or more walls with another dwelling unit is a single-family residence if it has direct
14 access to a street or thoroughfare and does not share heating facilities, hot water equipment, or any other
15 essential facility or service with another dwelling unit.

16 ~~(18)~~(19) "Tenant" means:

17 (a) a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of others;
18 or

19 (b) a person who, with the written approval of the landlord and pursuant to the rental agreement,
20 has a sublease agreement with the person who is entitled to occupy the dwelling unit under the rental
21 agreement.

22 ~~(19)~~(20) "Unauthorized person or trespasser" means a person who:

23 (a) enters or remains after being asked to leave by the landlord and does not receive written
24 permission by the landlord to remain on the premises;

25 (b) is in violation of 45-6-201;

26 (c) is in violation of 45-6-203; or

27 (d) is in violation of 70-27-102."
28

Section 2. Section 70-24-201, MCA, is amended to read:

"70-24-201. Rental agreement -- terms and conditions. (1) A landlord and a tenant may include in a rental agreement terms and conditions not prohibited by this chapter or other rule or law, including rent, term of the agreement, and other provisions governing the rights and obligations of the parties.

(2) Unless the rental agreement provides otherwise:

(a) the tenant shall pay as rent the rental value for the use and occupancy of the dwelling unit as determined by the landlord;

(b) rent is payable at the landlord's address or using electronic funds transfer to an account designated for the payment of rent by the landlord;

(c) periodic rent is payable at the beginning of a term of a month or less and otherwise in equal monthly installments at the beginning of each month;

(d) rent is uniformly apportionable from day to day;

(e) the tenancy is week to week in the case of a roomer who pays weekly rent and in all other cases month to month; and

(f) if either party terminates the rental agreement without cause prior to the expiration date of the lease term, the aggrieved party is entitled to monetary damages up to 1 month's rent or an amount that is agreed on in the rental agreement, which may not exceed 1 month's rent. Landlords shall follow 70-24-426(3) and are entitled to rent from defaulting tenants up to the date a new tenancy starts or the date the rental agreement term expires.

(3) Rent is payable without demand or notice at the time and place agreed upon by the parties or provided for by subsection (2).

(4) A landlord may not charge an additional fee based on rent payment type except to recoup an electronic bank fee incurred for electronic payment.

Section 3. Section 70-33-103, MCA, is amended to read:

"70-33-103. Definitions. Unless the context clearly requires otherwise, in this chapter, the following definitions apply:

(1) "Abandon" means to give up possession of the premises unless the landlord does not accept

1 abandonment or surrender as provided in 70-33-426 or unless the rental agreement has been terminated as
2 provided by law.

3 (2) "Action" includes recoupment, counterclaim, setoff suit in equity, and any other proceeding in
4 which rights are determined, including an action for possession.

5 (3) "Actual and reasonable cost" means the actual amount of expenses and labor incurred or
6 expended and the reasonable amount of expenses and labor estimated to be incurred or expended.

7 (4) "Case of emergency" means an extraordinary occurrence beyond the tenant's control requiring
8 immediate action to protect the premises or the tenant. A case of emergency may include the interruption of
9 essential services, including electricity, gas, running water, and sewer and septic system service, or life-
10 threatening events in which the tenant or landlord has reasonable apprehension of immediate danger to the
11 tenant or others.

12 (5) "Court" means the appropriate district court, small claims court, justice's court, or city court.

13 (6) "Good faith" means honesty in fact in the conduct of the transaction concerned.

14 (7) "Landlord" means:

15 (a) the owner of:

16 (i) space or land, including a lot, that is rented to a tenant for a mobile home; or

17 (ii) a mobile home park;

18 (b) a person who has written authorization from the owner to act as the owner's agent or assignee
19 for purposes related to the premises or the rental agreement;

20 (c) a manager of the premises who fails to disclose the managerial position; or

21 (d) a lessor who has written authorization from the owner of the premises to sublease the
22 premises.

23 (8) "Lot" means the space or land rented and not a mobile home itself.

24 (9) "Mobile home" has the same meaning as provided in 15-1-101 and includes manufactured
25 homes as defined in 15-1-101.

26 (10) "Mobile home owner" means the owner of a mobile home entitled under a rental agreement to
27 occupy a lot.

28 (11) "Mobile home park" means a trailer court as defined in 50-52-101.

(12) "Organization" includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, and any other legal or commercial entity.

(13) "Person" includes an individual or organization.

(14) "Premises" means a lot and the grounds, areas, and facilities held out for the use of tenants generally or promised for the use of a tenant.

(15) "Rent" means all payments to be made to a landlord, including rent, late fees, or other charges as agreed on in the rental agreement, except money paid as a security deposit.

(16) "Rental agreement" means all agreements, written or oral, and valid rules adopted under 70-33-311 embodying the terms and conditions concerning the use and occupancy of the premises.

(17) "Rent payment type" means all forms of payment types, including:

(a) cash;

(b) check;

(c) electronic; or

(d) other forms agreed on in the rental agreement that must comply with 70-24-203.

~~(17)~~(18)"Tenant" means:

(a) a person entitled under a rental agreement to occupy a lot to the exclusion of others; or

(b) a person who, with the written approval of the landlord and pursuant to the rental agreement, has a sublease agreement with the person who is entitled to occupy the dwelling unit under the rental agreement.

~~(18)~~(19)"Unauthorized person or trespasser" means a person who:

(a) enters or remains after being asked to leave by the landlord and does not receive written permission by the landlord to remain on the premises;

(b) is in violation of 45-6-201;

(c) is in violation of 45-6-203; or

(d) is in violation of 70-27-102."

Section 4. Section 70-33-201, MCA, is amended to read:

1 **"70-33-201. Rental agreements.** (1) A landlord and a tenant may include in a rental agreement terms
2 and conditions not prohibited by this chapter or other rule or law.

3 (2) Unless the rental agreement provides otherwise:

4 (a) the tenant shall pay as rent the rental value for the use and occupancy of the lot as determined
5 by the landlord;

6 (b) rent is payable at the landlord's address or using electronic funds transfer to an account
7 designated for the payment of rent by the landlord;

8 (c) periodic rent is payable at the beginning of a term that is a month or less and otherwise in
9 equal monthly installments at the beginning of each month;

10 (d) rent is uniformly apportionable from day to day;

11 (e) the tenancy is from month to month; and

12 (f) if either party terminates the rental agreement without cause prior to the expiration date of the
13 lease term, the aggrieved party is entitled to monetary damages up to 1 month's rent or an amount that is
14 agreed on in the rental agreement, which may not exceed 1 month's rent. Landlords shall follow 70-33-426(2)
15 and are entitled to rent from defaulting tenants up to the date a new tenancy starts or the date the rental
16 agreement term expires.

17 (3) Rent is payable without demand or notice at the time and place agreed upon by the parties or
18 as provided by subsection (2).

19 (4) A landlord may not charge an additional fee based on rent payment type except to recoup an
20 electronic bank fee incurred for electronic payment."

21
22 NEW SECTION. SECTION 5. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

23 - END -