

AN ACT

ENTITLED, An Act to establish certain provisions regarding commercial security deposits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 43-32 be amended by adding a NEW SECTION to read:

For the purposes of this section, the term, commercial premises, means any real property for lease that does not consist of residential property, agricultural land, or any quantity of municipal lots. A lessor of commercial premises shall, within sixty days after the termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return any security deposit to the tenant, or furnish to the tenant, a written statement showing the specific reason for the withholding of the deposit or any portion thereof. The lessor may withhold from the deposit only the amounts reasonably necessary to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement or to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted. Within ninety days after termination of the tenancy, upon request of the lessee, the lessor shall provide the lessee with an itemized accounting of any deposit withheld.

Any lessor of a commercial premises who fails to comply with this section shall forfeit all rights to withhold any portion of the deposit.

The bad faith retention of a deposit or any portion of a deposit by a lessor of commercial premises in violation of this section, including failure to provide the written statement and itemized accounting required by this section, shall subject the lessor to punitive damages not to exceed two hundred dollars.

An Act to establish certain provisions regarding commercial security deposits.

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I certify that the attached Act
originated in the

SENATE as Bill No. 99

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 99

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State