Rep. Alexander Jr., Hills. 29
February 17, 2026
2026-0763h
07/09

Amendment to HB 1336-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to regulated conditional deposits.

Amend the bill by replacing all after the enacting clause with the following:

1 New Subdivision; Regulated Conditional Deposits. Amend RSA 540-A by inserting after section 8 the following new subdivision:

Regulated Conditional Deposits

540-A:9 Regulated Conditional Deposits.

I. A regulated conditional deposit shall be treated as part of the security deposit for purposes of RSA 540-A:6 through RSA 540-A:8, except as otherwise specifically provided. Landlords may accept payment of a regulated conditional deposit in installments.

II. An applicant may offer, and a landlord may accept or suggest, a regulated conditional deposit if an applicant fails to meet the landlord's approval criteria, provided that the unmet criteria were disclosed prior to, or concurrently with, the submission of the rental application and payment of any application fees, and further provided that at least one of the following is true:

(a) The applicant's credit score fails to meet the landlord's requirements, and the landlord's minimum credit score requirement does not exceed 650.

(b) The applicant's combined verifiable household gross income from lawful sources, for any size household exceeds 350 percent of the federal poverty guidelines for a household size of 2 as reported annually by the United States Department of Health and Human Services and fails to meet the landlord's requirements, provided the landlord's minimum gross income requirement does not exceed 3 times the monthly rent.

(c) The applicant fails to meet the landlord's requirements regarding prior eviction proceedings, excluding cases dismissed without judgment against the tenant and excluding cases where the tenant provides a verifiable decision from the court that clearly states the basis for the eviction was for one of the following reasons:

(1) Lead abatement pursuant to RSA 540:2, II(f);

(2) Expiration of the lease pursuant to RSA 540:2, II(i); or

(3) Other good cause pursuant to RSA 540:2, II(e), where the other good cause was the landlord's intent to renovate the unit, to remove the unit from the rental market, or to transfer

or sell the property absent tenants; the landlord's intent to lease the unit to relatives; the tenant's refusal to agree to a rent increase; or other reasons that are clearly not due to the fault of the tenant.

(d) The applicant fails to meet the landlord's requirements regarding outstanding unpaid judgments issued within 7 years of the tenant's application, unless the tenant verifiably demonstrates that he or she is in compliance with all orders or agreements for periodic payments on the judgments, and has maintained such compliance for the earlier of the preceding 12 months or until the judgments were paid in full.

(e) The prospective landlord was unable to verify the present landlord reference and the most recent prior landlord reference.

III. Nothing in this section shall be construed to:

(a) Compel a landlord to accept a regulated conditional deposit as a compensating factor;

(b) Compel a landlord to approve an applicant who fails to meet their approval criteria; or

(c) Limit a landlord's ability to set approval criteria at their discretion; provided, however, that a landlord may not accept a regulated conditional deposit on the basis of an approval criterion that is more restrictive than established under RSA 540-A:9, II. If no condition set forth under RSA 540-A:9, II applies, then the limits set forth under RSA 540-A:6, I shall apply.

IV. Prior to accepting a regulated conditional deposit, a landlord shall provide written notice to the applicant specifying the grounds for the regulated conditional deposit, informing the applicant of their right to request a re-screening under RSA 540-A:9, VI and disclosing any fees for re-screening.

V. The use of the following notice language, in at least 12-point type, provided prior to accepting a regulated conditional deposit, shall satisfy the notice requirements of RSA 540-A:9, IV:

USE OF REGULATED CONDITIONAL DEPOSIT

Regulated Conditional Deposit Definition:

RSA 540-A:5, V. "Regulated conditional deposit" means an amount accepted by a landlord pursuant to RSA 540-A:9, up to an additional one month's rent in excess of the limit set forth in RSA 540-A:6, I(a).

Regulated Conditional Deposit Notice:

The applicant does not meet one or more of the following application criteria from RSA 540-A:9, I. Indicate which one or more apply:

__(a) The applicant's credit score fails to meet the landlord's requirements, and the landlord's minimum credit score requirement does not exceed 650.

__(b) The applicant's combined verifiable household gross income from lawful sources, for any size household exceeds 350 percent of the federal poverty guidelines for a household size of 2 as reported annually by the United States Department of Health and Human Services and fails to meet the

landlord's requirements provided the landlord's minimum gross income requirement does not exceed 3 times the monthly rent.

__(c) The applicant fails to meet the landlord's requirements regarding prior eviction proceedings, excluding cases dismissed without judgment against the tenant, and excluding cases where the tenant provides a verifiable decision from the court that clearly states the basis for the eviction was for one of the following reasons:

(1) Lead abatement pursuant to RSA 540:2, II(f);

(2) Expiration of the lease pursuant to RSA 540:2, II(i); or

(3) Other good cause pursuant to RSA 540:2, II(e), where the other good cause was the landlord's intent to renovate the unit, to remove the unit from the rental market, or to transfer or sell the property absent tenants; landlord's intent to lease the unit to relatives; tenant's refusal to agree to a rent increase; or other reason which is clearly not due to fault of the tenant.

__(d) The applicant fails to meet the landlord's requirements regarding outstanding unpaid judgments issued within 7 years of the tenant's application, unless the tenant verifiably demonstrates that he or she is in compliance with all orders or agreements for periodic payments on the judgments and has maintained such compliance for the earlier of the preceding 12 months or until the judgments were paid in full.

__(e) The prospective landlord was unable to verify present landlord reference and most recent prior landlord reference.

Regulated Conditional Deposit Re-Screening:

RSA 540-A:9, VI. A tenant who provided a regulated conditional deposit and who has not been in material breach of the lease, including nonpayment or late payments of monies owed, may submit a written request for re-screening at their own expense no more than once every 6 months in the case of RSA 540-A:9, I(a)-(d), and no more than once in any 12-month period in the case of RSA 540-A:9, I(e). If a tenant establishes that they meet the landlord's standard rental criteria, the landlord shall issue a refund of any regulated conditional deposit or apply any regulated conditional deposit to the tenant's future rental obligations within 30 days of the tenant's complete submission for re-screening.

The cost of re-screening is $_____.

Landlord has provided the regulated conditional deposit notices above.

Tenant acknowledges receipt of the regulated conditional deposit notices above.

Tenant Signature: _____ Date: _____

Landlord Signature: _____ Date: _____

VI. A tenant who provided a regulated conditional deposit and who has not been in material breach of the lease, including nonpayment or late payments of monies owed, may submit a written request for re-screening at their own expense no more than once every 6 months in the case of RSA 540-A:9, I(a)-(d), and no more than once in any 12-month period in the case of RSA 540-A:9, I(e). If a

tenant establishes that they meet the landlord's standard rental criteria, the landlord shall issue a refund of any regulated conditional deposit or apply any regulated conditional deposit to the tenant's future rental obligations within 30 days of the tenant's complete submission for re-screening.

VII. The administrative office of the courts shall add to the aggregate data it reports the number of writs of possession issued monthly and annually in this state and the grounds upon which the writs of possession were issued.

2 New Subparagraph; Prohibited Practices and Security Deposits; Security Deposits; Remedies. Amend RSA 540-A:8, I by inserting after subparagraph (b) the following new subparagraph:

(c) Any landlord who does not comply with RSA 540-A:9 shall be deemed to have violated RSA 358-A:10, I.

3 Prohibited Practices and Security Deposits; Security Deposits; Procedure. Amend RSA 540-A:6, I(a) to read as follows:

I.(a) [~~A~~] ***Except as provided for in RSA 540-A:9, (a), a*** landlord shall not demand or receive any security deposit in an amount or value in excess of one month's rent [~~or $100, whichever is greater~~]. Nothing in this section shall prohibit a landlord from entering into a written lease that requires the quarterly or less frequent payment of rent; provided, however, that the security deposit received in addition to the initial rent payment may not exceed the equivalent of one month's rent.

4 Prohibited Practices and Security Deposits; Security Deposits; Return of Security Deposit. Amend RSA 540-A:7, I to read as follows:

I.***(a)*** Except as provided in RSA 540-A:6, IV(c) ***and RSA 540-A:7, I(a)***, a landlord shall return a security deposit to a tenant and pay the interest due, if any, within 30 days from the termination of the tenancy. If there are any damages to the premises, excluding reasonable wear and tear, the landlord may deduct the costs of repair from the security deposit. The landlord shall provide the tenant with a written, itemized list of any damages for which the landlord claims the tenant is liable, which shall indicate with particularity the nature of any repair necessary to correct any damage and satisfactory evidence that repair necessary to correct these damages has been or will be completed. Satisfactory evidence may include, but not be limited to, receipts for purchased repair materials and labor estimates, bills or invoices indicating the actual or estimated cost thereof.

(b) Any third-party payment on behalf of the tenant shall be disclosed to the landlord on or prior to receipt of such payment. If any portion of a security deposit was paid by a third party on behalf of the tenant, the landlord may return any refundable portion of such contribution to the third party in accordance with its written instructions, provided a copy of such instructions was delivered to the tenant in writing, including by electronic communications, prior to the tenant's acceptance of such contribution. Absent any agreement to the contrary, the landlord shall make any deductions first from tenant-paid funds and second from any known third-party funds. The landlord shall furnish an itemized statement of any deductions from third-party funds within 30 days of a written

request by the third party. A landlord who, in good faith, apportions third-party funds in compliance with this section shall be discharged of liability related to such apportionment.

5 Prohibited Practices and Security Deposits; Security Deposits; Definitions. Amend RSA 540-A:5, II to read as follows:

II. "Security deposit" means all funds in excess of the monthly rent which are transferred from the tenant to the landlord for any purpose. ***A security deposit shall not include an advance payment of rent and shall not be required to be held in escrow, trust, or reserve. A landlord may accept an advance rent payment when such rent is applied to uninterrupted, consecutive rental periods, beginning with the first rental period that has not yet been paid.***

6 New Paragraph; Prohibited Practices and Security Deposits; Security Deposits; Definitions. Amend RSA 540-A:5 by inserting after paragraph IV the following new paragraph:

V. “Regulated conditional deposit” means an amount accepted by a landlord pursuant to RSA 540-A:9, up to an additional one month’s rent in excess of the limit set forth in RSA 540-A:6, I(a).

7 Effective Date. This act shall take effect January 1, 2027.

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AMENDED ANALYSIS

This bill allows for the use of regulated conditional deposits by landlords and tenants and clarifies that advance rental payments need not be held in escrow, a trust, or a reserve account.