



2026 South Dakota Legislature

Senate Bill 4

Introduced by: **Senator Rohl**

1 **An Act to revise procedures for returning and withholding security deposits for**
 2 **residential premises.**

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

4 **Section 1. That § 43-32-24 be AMENDED:**

5 **43-32-24.** Every lessor of residential premises shall, within ~~two weeks~~ twenty-one
 6 days after the termination of the tenancy and receipt of the tenant's mailing address or
 7 delivery instructions, return the security deposit described in § 43-32-6.1 to the tenant,
 8 or furnish to the tenant, a written statement showing the specific reason for ~~the~~
 9 ~~withholding of the deposit,~~ or any portion thereof of the deposit. The lessor may withhold
 10 from ~~such the~~ deposit only ~~such the~~ amounts ~~as are~~ reasonably necessary to ~~remedy:~~

11 (1) Remedy tenant defaults in the payment of ~~rent or of other:~~

12 (a) Rent; and

13 (b) Other funds due to the landlord pursuant to an agreement ~~or to restore;~~
 14 and

15 (2) Restore the premises to their condition at the commencement of the tenancy,
 16 ordinary wear and tear excepted.

17 Within forty-five days after termination of the tenancy, upon request of the lessee,
 18 the lessor ~~shall~~ must provide the lessee with an itemized accounting of any deposit
 19 withheld.

20 Any lessor of residential premises who fails to comply with this section ~~shall forfeit~~
 21 forfeits all rights to withhold any portion of ~~such the~~ deposit.

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