

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 414 (Pellerin)
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Fiscal: No
Urgency: No
ID

SUBJECT

Residential tenancies: return of security

DIGEST

This bill requires a landlord to return any remaining security deposit at the end of a residential tenancy to the tenant electronically if the tenant paid rent or the deposit electronically, and amends the process by which the remaining deposit and required itemized statement of deductions is delivered to the tenant or tenants, as specified.

EXECUTIVE SUMMARY

Renting housing in California is incredibly expensive. In addition to rent, landlords often require tenants to provide an amount of money as security for the unit before they can move in. Under California law, landlords may only require specified amounts for deposits, and landlords must return the deposit within 21 days of the end of the tenancy, less any specified, allowable deductions. Deposits pose significant burdens on prospective tenants, and the unlawful withholding or delay of a tenant's deposit after the tenancy has ended threatens a tenant's financial well-being. Moreover, under current law, the landlord must return the remaining deposit and provide an itemized statement of any deductions by personal delivery to the tenant, by first-class mail, or electronically upon agreement with the tenant. AB 414 aims to limit delays in the return of deposits caused by returning such deposits by mail by requiring a landlord to return the remaining deposit electronically if they received any rental payments or the security deposit from the tenant electronically. AB 414 also amends various provisions regarding how the itemized statement is delivered to the tenant, and adds provisions specifying how the landlord must return the remaining deposit and provide the itemized statement when there are multiple adult tenants in the unit. AB 414 is author-sponsored, and is supported by the California Apartment Association. It is opposed by the Southern California Rental Housing Association and a variety of other, regional apartment and rental housing associations.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Defines “security” for the rental of residential property as a payment, fee, deposit, or charge, that is imposed at the beginning of the tenancy to be used for any purpose by the landlord, including but not limited to:
 - a) Processing a new tenant;
 - b) Ensuring advance payment of rent;
 - c) Compensating for nonpayment of rent;
 - d) Repairing damages to the property, other than ordinary wear and tear, caused by the tenant or the tenant’s guest or licensee;
 - e) For tenancies beginning on or after January 1, 2003, cleaning the property upon termination of the tenancy in order to restore the same level of cleanliness the property had at the beginning of the tenancy; or
 - f) Cover any obligation, as established by the rental agreement, to restore, replace, or return personal property or accessories, other than due to ordinary wear and tear. (Civ. Code § 1950.5 (b).)
- 2) Excludes from the definition of “security” any permissible application screening fee that a landlord charges a prospective tenant. (Civ. Code § 1950.6.)
- 3) Limits the amount of a security deposit a landlord can collect for a residential tenancy to no more than one month's rent, regardless of whether the property is furnished or unfurnished. (Civ. Code § 1950.5 (c)(1).)
- 4) Establishes that, notwithstanding (3), above, small landlords who meet the following requirements may demand or receive a security deposit of up to two months’ rent:
 - a) the landlord is a natural person or a limited liability company in which all members are natural persons; and
 - b) the landlord owns no more than two residential rental properties that collectively include no more than four dwelling units offered for rent. (Civ. Code § 1950.5 (c)(5)(A).)
- 5) Clarifies that notwithstanding (4), above, service members, as defined, may not be required to pay more than one month’s rent in security deposit. (Civ. Code § 1950.5 (c)(5)(B).)
- 6) Permits a landlord to claim only that portion of the security deposit reasonably necessary for the purposes set forth in 1) above. Prohibits a landlord from asserting a claim against the tenant or the security for damages or defective conditions that preexisted the tenancy, ordinary wear and tear, or the cumulative effects of wear and tear. Limits any claims against the tenant or the deposit for materials or supplies for work on the property to a reasonable amount necessary to restore the premises

back to the condition it was in at the inception of the tenancy, exclusive of ordinary wear and tear. Prohibits a landlord from requiring a tenant to pay for, or from asserting against the tenant or the deposit, professional carpet cleaning or other professional cleaning services, unless they are reasonably necessary to return the premises to the condition it was at the start of the tenancy, less ordinary wear and tear. (Civ. Code § 1950.5 (e).)

- 7) Provides that, within a reasonable time after notification of either party's intention to terminate the tenancy, or before the end of the lease term, the landlord must notify the tenant in writing, as specified, of the tenant's option to request an initial inspection where the tenant may be present, so that the tenant can have the opportunity to remedy any deficiencies to avoid deductions from their deposit. (Civ. Code § 1950.5 (f)(1).)
- 8) Establishes that a landlord must provide the tenant with an itemized statement, based on the inspection, specifying repairs or cleanings that are proposed to be the basis of any deductions from the security the landlord intends to make, as permitted. Provides that the landlord must give the statement to the tenant at the inspection, if the tenant is present, or must be left inside the unit, and that the statement must include the text of Civil Code Section 1950.5(b)(1)-(4). (Civ. Code § 1950.5 (f)(2).)
- 9) Provides that, during the period following the initial inspection until termination of the tenancy, the tenant has the opportunity to remedy identified deficiencies in order to avoid deductions from their security deposit, and permits a landlord to use the security deposit for itemized deductions that were not cured by the tenant, as provided. Also permits a landlord to use the security deposit for any permitted purposes, as provided, that occurs between completion of the initial inspection and termination of the tenancy, or that was not identified during the initial inspection due to the presence of a tenant's possessions on the premises. (Civ. Code § 1950.5 (f)(3)-(5).)
- 10) Establishes that, no later than 21 calendar days after the tenant has vacated the premises, but not earlier than the time that either the landlord or the tenant provides a notice to terminate the tenancy or not earlier than 60 calendar days prior to the expiration of a fixed-term lease, the landlord must furnish the tenant, by personal delivery or by pre-paid first-class mail, a copy of an itemized statement, along with specified supporting documents, indicating the basis for, and the amount of, any security received and the disposition of the security, and must return any remaining portion of the security to the tenant. After either the tenant or the landlord provides the other notice of their intent to terminate the tenancy, they may mutually agree to have the remainder of the deposit returned electronically to a bank account or other financial institution designated by the tenant, and the landlord and tenant may

agree to have the itemized statement and all required documents emailed to the tenant instead. (Civ. Code § 1950.5 (h)(1).)

- a) If the tenant requests specified documentation within 14 calendar days of receiving the itemized statement, the landlord must provide the required documentation within 14 calendar days of the request from the tenant. (Civ. Code § 1950.5(h)(5).)

11) Requires the landlord to provide to the tenant, along with the itemized statement, copies of documents showing charges incurred and deducted by the landlord to repair or clean the premises, as follows:

- a) If the landlord or landlord's employee did the work, the itemized statement must reasonably describe the work performed. The itemized statement must include the time spent and the reasonable hourly rate charged;
- b) If the landlord or landlord's employee did not do the work, the landlord must provide the tenant a copy of the bill, invoice, or receipt supplied by the person or entity performing the work. The itemized statement must provide the tenant with the name, address, and telephone number of the person or entity, if the bill, invoice, or receipt does not include that information;
- c) If a deduction is made for materials or supplies, the landlord shall provide a copy of the bill, invoice, or receipt. If a particular material or supply item is purchased by the landlord on an ongoing basis, the landlord may document the cost of the item by providing a copy of a bill, invoice, receipt, vendor price list, or other vendor document that reasonably documents the cost of the item used in the repair or cleaning of the unit; and
- d) If the deduction is made for repairs or cleanings permitted by these provisions, the landlord must provide photographs taken as provided, along with a written explanation of the cost of the allowable repairs or cleanings. (Civ. Code § 1950.5 (h)(2).)

12) Permits, if a repair cannot reasonably be completed within 21 days after the tenant vacates the premises, or if the required documents from a person or entity providing services, materials, or supplies are not given to the landlord within the 21-day period, the landlord to deduct from the tenant's deposit the amount of a good faith estimate of the charges that will be incurred, and provide that estimate to the tenant with the itemized statement, as specified. (Civ. Code § 1950.5(h)(3).)

13) Requires a landlord or their agent, within a reasonable time upon the termination of the landlord's interest in the premises, to either transfer the portion of the security remaining after any lawful deductions to the landlord's successor in interest and notify the tenant, or return the portion of the security deposit remaining after any

lawful deductions to the tenant, with the required accounting of those deductions. (Civ. Code § 1950.5(i).)

- 14) Requires the landlord to deliver to the landlord's successor in interest, prior to any voluntary transfer of the landlord's interest a written statement indicating: the security remaining after any lawful deductions; an itemization of those lawful deductions; and whether the landlord intends to return the remaining deposit to the tenant or transfer it to the landlord's successor in interest. (Civ. Code § 1950.5(j).)
- 15) Specifies that a tenant may receive statutory damages of up to twice the amount of the security deposit, in addition to actual damages, if the landlord retains or claims the tenant's deposit or any portion thereof in bad faith violation of the above provisions, and specifies that a landlord is not entitled to any deductions from a tenant's deposit if they violate the above provisions in bad faith. Provides that, in any action under Section 1950.5, the landlord has the burden of proof as to the reasonableness or lawfulness of the amounts claimed. (Civ. Code §§ 1950.5(h)(7), (m).)
- 16) Specifies that an action under Civil Code Section 1950.5 may be brought in small claims court, if the damages claimed are within the jurisdictional amount allowed for small claims court cases. (Civ. Code § 1950.5(n).)

This bill:

- 1) Requires a landlord that received a tenant's security deposit or rental payments electronically to return the remainder of the tenant's deposit electronically to a bank account or other financial institution designated by the tenant in writing, or by any electronic or virtual method available to the landlord if agreed to in writing by the tenant. Permits the landlord and tenant agree in writing that the remainder of the deposit be returned by another method, including but not limited to, by personal delivery or by a check mailed by first-class mail.
- 2) Specifies that, upon the termination of the landlord's interest in the rental property and the transfer of the security to the landlord's successor in interest, as permitted by law, the landlord's successor in interest must return the remainder of the security electronically only if the landlord's successor in interest received rental payments from the tenant electronically.
- 3) Requires, if the landlord or the landlord's successor in interest received the security deposit or any rental payments from the tenant electronically, the landlord must, within a reasonable time after notification of either party's intent to terminate the tenancy, or before the end of the lease term, notify the tenant in writing of their right to receive the security deposit back electronically. Specifies that this notice

requirement does not apply if the landlord and tenant previously entered into an agreement designating another method of delivery.

- 4) Requires the landlord, except as provided in (5), below, to provide the itemized statement to the tenant by personal delivery or first-class mail with prepaid postage.
- 5) Permits the itemized statement to be provided to the tenant by email to an account provided by the tenant, or by mail to an address provided by the tenant, through a mutual agreement between the landlord and the tenant entered into at the beginning of the tenancy, or at any time during or after the tenancy.
- 6) Requires that, if there are multiple adult tenants residing in the unit, the landlord return the remainder of the security deposit by check payable to all adult tenants listed on the rental or lease agreement at the time that the tenancy is terminated, and requires the landlord to provide the itemized statement by personal delivery or by first-class mail with prepaid postage to any adult tenant the landlord chooses.
- 7) Permits the landlord and all adult tenants to enter into a mutual written agreement at the commencement of the tenancy or any time during or after the tenancy, to specify:
 - a) how the remaining deposit will be returned, including whether it will be returned to a specific tenant or divided among multiple tenants, with allocation percentages, and that the deposit is either returned by check by first-class mail with prepaid postage, or by an electronic deposit to a bank or other financial institute designated by each adult tenant; and
 - b) for each adult tenant, whether the landlord will provide the itemized statement by email or first-class mail, with prepaid postage, along with a forwarding address or email account for doing so.

COMMENTS

1. Author's statement

According to the author:

As the cost of living continues to increase, delays in security deposit returns and tenants' anxiety about when checks will arrive via mail increasingly force tenants into precarious financial situations. With deposits usually equal to one month's rent, the speed with which they are returned to renters is of great importance. AB 414 makes a common sense update to equalize the relationship between tenant and landlord.

Specifically, AB 414 will require that a landlord return a security deposit to a tenant via electronic means if the tenant originally paid the security deposit

electronically or made rental payments via electronic means. By updating the Civil Code to reflect the prevalence of electronic payments and make their electronic return to the default, AB 414 ensures the timely return of security deposits and increases accountability regarding the 21 day timeline.

2. With California's housing crisis, timely return of tenants' deposits is essential

Almost 17 million Californians rent their apartments or homes, accounting for about 44 percent of all individuals in the state.¹ Yet at the same time, California is experiencing record high prices for homes and rent. In the past decade, median rents in the state have increased dramatically. In 2022, the median gross rent in the state was \$1,870, which represented about an eight percent increase per year from the median gross rent in 2019.² As a result for these high rents, significant numbers of California renters pay a disproportionate amount of their income toward rent and struggle to make ends meet. In 2019, 51.8 percent of California renters were cost-burdened, in which their rent costs exceeded 30 percent of their household income, and 27.3 percent were severely cost-burdened, in which their rent costs exceeded 50 percent of their household income.³ Moreover, 78 percent of extremely low-income households are severely cost burdened, meaning that they spend more than half of their income on housing costs, and 52 percent of low-income households are severely cost burdened.⁴ The state's high rents significantly affect people of color, who disproportionately account for the state's renters.⁵

The financial strain of the high cost of renting in California is made worse by the fact that most rentals require a substantial security deposit in order to begin the tenancy. Security deposits are typically paid to ensure that the landlord will be covered in the case that the tenant fails to pay rent or causes significant damage to the property, and are required to be paid up front before the tenancy may start. Given how high rents in California are, this deposit often represents a significant outlay of money for a renter. In theory, the tenant will receive their deposit back at the end of the tenancy, less any costs for which the deposit was held as security. However, a tenant does not always receive their deposit back, or does not receive their deposit back in a timely manner. At the same time, landlords get to hold onto tenants' deposits for the duration of their tenancy, and keep any interest that accrues on those funds during that time. Thus, for lower income renters, the security deposit, and any delay in its return at the end of their lease,

¹ Monica Davalos et al, California's 17 Million Renters Face Housing Instability and Inequity Before and After COVID-19, California Budget & Policy Center (Jan. 2021), available at <https://calbudgetcenter.org/resources/renters-face-housing-instability-and-inequity-before-and-after-covid-19/>.

² U.S. Census Bureau, Table: Median Gross Rent by Bedroom, American Community Survey (multiple years) (accessed May 29, 2024), available at <https://data.census.gov/>.

³ Davalos *supra* note 1, p. 3.

⁴ California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

⁵ Davalos *supra* note 1, p. 6.

may be a major barrier to accessing housing or moving between rental units, and may cause significant financial strain.

3. California's landlord-tenant laws

Recognizing the importance of housing and the significant financial impact that the high costs of housing has on Californians, the state has enacted a variety of laws to protect the state's renters and their security deposits. In 2023, the Legislature enacted AB 12, which prohibits most landlords from requiring a deposit of greater than one month's rent. (AB 12 (Haney), Ch. 733, Stats. 2023). In addition, existing law limits what landlords can deduct from a tenant's security deposit at the end of the tenancy.

Landlords may only deduct from a tenant's deposit costs related to: the compensation of a landlord for a tenant's default in the payment of rent; the repair of damages to the property, except for ordinary wear and tear, caused by the tenant or their guests; the cleaning of the premises upon termination of the tenancy necessary to return the unit to the same cleanliness it was in at the beginning of the tenancy, and to remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property. (Civ. Code § 1950(b).) The landlord may only deduct from the deposit those amounts reasonably necessary for those purposes, and may not deduct or claim any amount of the deposit to cover damages to the property that existed prior to the beginning of the tenancy or to cover ordinary wear and tear. (Civ. Code § 1950(e).)

In addition to these limitations on what a landlord may deduct from a tenant's deposit, the law outlines a process by which the tenant can be made aware of any repairs or costs that may be needed before the lease ends. The landlord must notify the tenant in writing that they may request an "initial inspection" prior to their vacating the unit to document the condition of the unit and potential repairs needed for which the landlord would deduct costs from the deposit, and the tenant may request this initial inspection in writing. (Civ. Code § 1950.5(f).) This inspection must take place no earlier than two weeks before the end of the lease, and provides the tenant the opportunity to fix any deficiencies or damage to the unit before the lease ends in order to avoid deductions from their deposit. The landlord must give the tenant an itemized statement of the repairs and cleanings that the landlord intends to make and deduct from the deposit, and the tenant is allowed to try to remedy the deficiencies before the end of the tenancy. The landlord may still deduct from the tenant's deposit the costs of any deficiency identified in the inspection that was not remedied by the tenant, or the costs of deficiencies that either arose between the initial inspection and the end of the lease or that were not discovered during the inspection because of the presence of the tenant's possessions. (*Id.*) Exempt from this initial inspection requirement are circumstances in which the tenancy is terminated through an unlawful detainer action in court.

Within 21 calendar days of the tenant vacating the unit, the landlord must return the full deposit, or provide the tenant with a detailed, itemized statement describing the

original reason for the deposit, the deposit amount received, and how much the landlord is returning. (Civ. Code § 1950.5(g).) Along with the statement, the landlord must include copies of documents showing the charges incurred and deducted from the deposit to clean or repair the unit, including a copy of any bill, invoice, or receipt for materials or supplies. (*Id.*) If the tenant requests documentation to support the itemized statement within 14 days of receiving the statement, the landlord must provide the documentation within 14 days. (*Id.*) The law includes an exception to this documentation requirement for deductions for repairs and cleaning that together are not more than \$125.

The landlord must return the remaining deposit and provide the itemized statement to the tenant by personal delivery, or by first-class mail with prepaid postage. (Civ. Code § 1950.5(h)(1).) The deposit is thus typically returned by check. However, the parties may mutually agree when either provides the other notice of their intent to terminate the tenancy to have the landlord deposit the remaining portion of the deposit electronically to a bank account or financial institution designated by the tenant, and they also may mutually agree that the landlord provide the itemized statement by email.

Failure by the landlord to return the remaining deposit and provide the itemized statement within the 21-day timeline can expose the landlord to liability. If the landlord fails in bad faith to comply with the inspection and notice requirements or to return the deposit within 21 days, they forfeit their ability to claim any deductions from the deposit. (Civ. Code § 1950.5(h)(7).) In addition, if the landlord claims prohibited deductions from the deposit or retains the deposit in violation of these provisions, including by withholding the deposit beyond the 21-day period, and this was done in bad faith, they can be liable to the tenant for actual damages and an amount up to twice the deposit. (Civ. Code § 1950.5(m).)

4. AB 414 aims to require landlords to return the remaining deposit electronically if the tenant made payments electronically

Despite these requirements, tenants do not always receive their deposits back in a timely manner. According to the author, these delays sometimes can happen because the deposit is being returned by mail, per current law. As previously discussed, delays in tenants receiving their deposits back can have serious consequences and financial strain for the tenant. Moreover, the author asserts that, in current times, more and more tenants are making payments for their rent or for deposits electronically, whether through electronic funds transfers, online property management portals, or through the wide array of applications like Zelle and other online services that allow for electronic payments. Despite these facts, absent an agreement between the landlord and tenant, the deposit must be returned by mail or in person by law.

AB 414 proposes to re-work these requirements for the return of a tenant's deposit so that, if electronic payments have been utilized and relied upon by the landlord and

tenant, the landlord must return the deposit electronically as well. According to the author, this will ensure that tenants receive their deposits back in a timely manner. AB 414 also permits the deposit to be returned through another method, including through mail, if the landlord and tenant mutually agree to that other method. It should be noted that, if a landlord returns a deposit after the 21 days, regardless of the method by which they are returning the deposit, they are in violation of current law. Still, AB 414 provides tenants more certainty regarding how their deposit will be returned, and may provide a more expedient return of the deposit when the parties have already transacted together electronically.

5. AB 414 makes other changes to how the itemized statement may be delivered and for circumstances in which there are multiple tenants

AB 414 makes minor changes to the law regarding how the itemized statement is delivered to a tenant. Current law requires the itemized statement to be delivered by personal delivery or by first-class mail, or by email if the tenant and landlord mutually agree after either provides notice to the other of the termination of the tenancy. AB 414 would slightly rework these provisions to allow a landlord and tenant to agree, at the commencement of the tenancy or at any time during or after it, to have the itemized statement emailed or mailed to a specific address provided by the tenant.

AB 414 also includes provisions relating to circumstances in which there is more than one adult tenant residing in the unit. It requires that, when there are multiple adult tenants living in the unit, the landlord return the remainder of the security by check payable to all adult tenants that were listed on the rental or lease agreement. This would mean that all adult tenants would have to sign the check in order for it to be cashed. For the itemized statement, when there are multiple adult tenants, the landlord would be required to deliver the itemized statement either by personal delivery or by first-class mail to the adult tenant of the landlord's choice. However, AB 414 also would permit a landlord and all adult tenants to enter into an agreement at any point in the tenancy to specify how the security deposit will be returned and allocated between the tenants, and whether the landlord will provide the itemized statement by email or first-class mail to each adult tenant.

6. Arguments in support

According to the California Apartment Association, which supports AB 414:

[AB 414] provides important clarity regarding the return of security deposits in residential tenancies.

We appreciate [the author's] collaboration with CAA in developing provisions that offer flexibility for returning security deposits in a manner agreed upon by both the owner and tenant, including the option of electronically transferring any

remaining funds. The bill's added guidance on how to handle the return of a security deposit when multiple tenants are vacating a unit is particularly beneficial. We believe AB 414 thoughtfully balances the interests of both property owners and tenants.

7. Arguments in opposition

According to the California Rental Housing Association, which opposes AB 414:

AB 414's requirement that security deposit refunds be processed electronically if originally received by a landlord electronically, unless otherwise mutually agreed, is overly prescriptive. This provision disregards the operational realities and sophistication of many of today's landlords, particularly small, independent housing providers, who might accept a singular electronic payment but lack the consistent infrastructure or preference for processing electronic refunds, and thereby forcing them to utilize unfamiliar processes.

By imposing a requirement on housing providers to refund security deposits electronically may expose unsuspecting property owners to a variety of online fraud schemes. Payment fraud is a growing fraud type that involves the use of false or stolen payment information to obtain money and can occur in a variety of ways, but it often includes fraudulent actors stealing bank account information to make unauthorized transactions. Inexperienced housing providers can easily fall prey to phishing attacks that may appear to be requested by renters, or money could mistakenly be directed to the wrong person or account other than the tenant who is eligible for a refund.

Also, the ambiguity surrounding what constitutes "received electronically" further opens the door to disputes and legal interpretation. Further, AB 414's proposed new mandate requiring written notification to tenants about their right to an electronic refund, when applicable, adds another layer of administrative burden to an already regulated process.

The most significant concern lies with the stipulation that if multiple adult tenants reside in a unit, the security deposit must be returned via a single check made payable to all adult tenants. While seemingly equitable on the surface, this can lead to considerable logistical complications for tenants. It creates the potential for delays in accessing funds due to the practical challenges of securing multiple endorsements, especially if tenants have moved to different locations or have strained relationships. Banks may require all named payees to be present, presenting a significant logistical nightmare for tenants to simply cash that check and obtain the portion of the security deposit they are entitled to. This provision also inadvertently inserts landlords into potential disputes between co-tenants

regarding the division of funds, which is outside the scope of their typical responsibilities.

Lastly, current law already allows for mutual agreement on electronic deposits and email statements, providing sufficient flexibility without the need for these new, potentially burdensome, and often impractical requirements. Clearly, AB 414 appears to attempt to create solutions for problems that simply do not exist while adding unnecessary red tape, exposing tenants and landlords to fraud, causing disputes among multiple tenants on a lease, and creating potential for increased litigation, thereby impacting both landlord operating costs and the efficiency of processing security deposit refunds.

SUPPORT

California Apartment Association

OPPOSITION

Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Apartment Association, California Southern Cities
Berkeley Property Owner's Association
California Rental Housing Association
East Bay Rental Housing Association
Nor Cal Rental Property Association
North Valley Property Owners Association
Santa Barbara Apartment Association, Inc. DBA Santa Barbara Rental Property Association
Southern California Rental Housing Association

RELATED LEGISLATION

Pending Legislation:

AB 1365 (Garcia, 2025) requires a landlord to accept payment of rent or a security deposit by a tenant by an electronic funds transfer from a CalAccount created by the bill to provide every Californian with access to a voluntary, zero-fee, zero-penalty, federally insured transaction account and related payment services at no cost. AB 1365 is currently pending in the Assembly Appropriations Committee.

AB 924 (Davies, 2025) requires a landlord to pay a calculated share of the security deposit to a tenant who terminated the tenancy because they, a household member, or an immediate family member was a victim of an act of domestic violence or similar violent crime if there are multiple tenants on the lease, and a tenant states on their

written notice that they are terminating the lease because another tenant committed the specified crime, as specified. AB 924 is currently pending before the Assembly Judiciary Committee.

Prior Legislation:

AB 2785 (Wilson, 2024) would have required that, when a landlord deposits a tenant's security deposit into a bank account or other financial institution, this account only contain deposit funds, and that, if the account is interest-bearing, the interest be paid to the tenant. AB 2785 died on the Assembly's inactive file.

AB 611 (Menjivar, Ch. 287, Stats. 2023) amended, among other things, a prohibition on landlords requiring security deposits of more than one month's rent from a service member, requiring the landlord to specify in the rental agreement that a higher deposit is being required because of the tenant's poor credit score, and requiring that the additional amount of deposit be returned after six months if the tenant does not owe rent or the higher amount is not because of the tenant's prior history of residential property damage.

AB 12 (Haney, Ch. 733, Stats. 2023) limited allowable security deposits that a landlord may charge a residential tenant to the amount equal to one month of rent, with exceptions.

AB 2297 (Wicks, 2022) would have required a landlord who offers a tenant the option of paying a fee in lieu of the security deposit to take certain action, including offering the tenant the option of paying a deposit, and would allow a tenant paying a fee in lieu of a deposit to stop paying the fee and pay a deposit at any time. AB 2297 died in the Assembly Judiciary Committee.

AB 3260 (Wicks, 2020) would have required a landlord of residential property to authorize a tenant, in place of paying the full amount of a security deposit, to satisfy security through obtaining and maintaining rental security insurance coverage, by obtaining a surety bond, or paying the security in monthly installments. AB 3260 died on the Assembly Third Reading file.

SB 644 (Glazer, Ch. 602, Stats. 2019) prohibited a landlord from demanding or receiving security from a service member who rents residential property in excess of one month's rent, or in excess of two month's rent if the unit is furnished.

PRIOR VOTES:

Assembly Floor (Ayes 66, Noes 1)

Assembly Judiciary Committee (Ayes 12, Noes 0)
