

CONSUMER ALERT

KNOW YOUR RIGHTS AS A CALIFORNIA TENANT SECURITY DEPOSITS

California has strict rules about tenant security deposits that all residential landlords and property managers must follow. (Civ. Code, § 1950.5.) Knowing the rules can help tenants protect their hard-earned money.

- Security deposits are refundable. A security deposit belongs to the tenant, but the landlord is allowed to hold on to it until the tenant moves out. If a landlord sells the property, the landlord must either return the deposit or give it to the new owner to hold on to. By law, security deposits must be returned when the tenant moves out, minus allowed expenses.
- The law limits the amount of security deposits.
 - Until July 1, 2024, the limit is two times the monthly rent (or, for furnished units, three times the rent).
 - After July 1, 2024, the limit is one month's rent. For landlords who own no more than two residential rental properties that collectively include no more than four total units for rent, the limit is two times the monthly rent, but only if the landlord is a natural person or a limited liability company in which all members are natural persons.
- Landlords can only use security deposits for the following specified expenses:
 - o Past-due rent.
 - The cost of repairing damages caused by tenants or their guests, not including ordinary wear and tear.
 - The cost of cleaning the property so that it is as clean as when the tenant first moved in.
 - The cost of replacing or restoring the landlord's personal property, such as furniture, but only if the rental agreement says this is allowed.
- Security deposits MAY NOT be used for other costs, such as (1) damages that were already there when the tenant moved in; (2) unreasonable or unnecessary expenses; or (3) ordinary wear and tear.
- Take advantage of the right to an inspection before move-out. After learning that a tenant plans to move, landlords must notify tenants of the right to ask for an initial inspection so that the tenant has a chance to fix any issues and avoid charges. If the tenant asks for an inspection, it must happen within the two weeks before the tenant moves out.
 - The tenant has the right to be there during the inspection.
 - The landlord must identify the damages the landlord intends to deduct from the security deposit and give the tenant an itemized statement so that the tenant has a chance to fix the problems before getting charged.
- Within 21 days after move-out, the landlord must send the tenant an itemized statement explaining in detail any deductions from the security deposit (unless they total less than \$125), and return the rest of the deposit.
 - o If the landlord did the repairs, the statement must show the work done, the time spent, and the hourly rate.
 - o If someone else did the work, the landlord must provide a copy of the bill for the work.
 - o If the work cannot be finished in 21 days, the statement must give a good faith cost estimate. The landlord must then provide the final statement and return the remaining deposit within 14 days of finishing work.
- Check local city or county rules, which may have more tenant protections or landlord requirements. For example, some cities make landlords pay interest on security deposits.



- Additional protections apply to service members. If you are a service member, you may be entitled to lower security deposits and certain eviction protections. Ask your base legal office for help. For the legal office's contact information, ask your command or visit legalassistance.law.af.mil.
- Landlords can face penalties for breaking the security deposit laws.
 - If a tenant files a court case claiming the security deposit laws were violated, the landlord has to prove that the amounts deducted were reasonable. If the landlord acted in bad faith, courts can award the tenant his or her actual loss plus up to twice the amount of the deposit.
 - O Get help from a lawyer! If you cannot afford a lawyer, you may qualify for free or low-cost legal aid. To find a legal aid office near where you live, visit <u>LawHelpCA</u>.¹ Then click on the tab in the middle of the page that says "Find Legal Help," and enter your county. If you do not qualify for legal aid and need help finding a lawyer, visit the <u>California State Bar webpage</u>² to find a local certified lawyer referral service, or visit the <u>California Courts' webpage</u>³ for tenants facing evictions.

For more information and resources, visit www.oag.ca.gov/housing.



^{1 &}lt;a href="https://www.lawhelpca.org/issues/housing/evictions">https://www.lawhelpca.org/issues/housing/evictions

² www.calbar.ca.gov/Public/Need-Legal-Help/Using-a-Certified-Lawyer-Referral-Service

³ www.selfhelp.courts.ca.gov/eviction-tenant