

Haney's Bill to stop skyrocketing security deposits passes out of assembly floor

May 22, 2023



Assemblymember Matt Haney's (D-San Francisco) AB 12 passed out of the Assembly floor. It's now headed to the Senate and awaiting a referral.

AB 12 stops the practice of California landlords charging two times (and in some cases three times) the monthly rent as a security deposit. If this bill is signed into law, California will be the twelfth state in the country to limit security deposits to only one month's rent.

"When renters can't afford deposits they often have to borrow from predatory lenders, go into debt, or just stay put," said Haney who chairs the Assembly Renters Caucus. "Landlords lose out on good tenants and tenants stay in apartments that are too crowded or have unsafe living conditions. Creating a rental deposit cap is a simple change that will have an enormous impact on housing affordability for families in California."

The average rent for a two bedroom apartment in San Francisco is \$5,000. That means that a tenant could be asked to pay up to \$15,000 to move into an apartment. Security deposits are capped at one month's rent in red and blue states across the country in states such as New York, Kansas, Hawaii, and Alabama.

AB 12 will also have no effect on potential liability--landlords will still be able to seek damages from tenants who are responsible for harm to the property that exceeds the amount of the security deposit.