

Bill to ban expensive security deposits passes legislature and heads to Newsom's desk

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Assemblymember Matt Haney's (D-San Francisco) AB 12 cleared its final legislative hurdle by passing out of the California State Senate with 21 votes and the Assembly with a final vote of 50 to 18.

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."

AB 12 will not impact small landlords. Mom and pop landlords that own only 2 properties with a total of no more than 4 units will be exempt. It will also not have any 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.

If the bill is signed by Governor Newsom, it will go into effect statewide by June of 2024.