



CALIFORNIA

New California law to limit how much landlords can charge for security deposits

An undated file photo of an apartment for rent sign. (Getty Images)

by: [Iman Palm](#)

Posted: Oct 16, 2023 / 03:20 PM PDT

Updated: Oct 16, 2023 / 04:21 PM PDT

SHARE



A [California](#) bill turned law will limit how much landlords can charge for security deposits.

Gov. Gavin Newsom signed [Assembly Bill 12 into law](#), which states that security deposits can't be any larger than one month's rent, on Oct. 11. The law is slated to take effect on July 1, 2024.

[Assembly Bill 12](#) was introduced by San Francisco Democratic Assemblymember Matt Haney and aimed to cap the cost of security deposits as part of a broader effort to make housing units more affordable statewide.

[IRS postpones tax filing deadline one month for California storm victims](#) >

Landlords could charge up to three months' rent as a security deposit, plus the first month's rent, due to an [older California law](#).

In [Los Angeles](#), where the average median rent is \$2,895, a security deposit can cost nearly \$9,000. In [San Francisco](#), where the median rent is \$3,495, security deposits can cost more than \$10,000.

Now that Newsom signed the bill into law, California became the 12th state to pass a bill that limits security deposit requirements.

New York, Alabama and Hawaii are among the few states that have passed similar legislation.

"When renters can't afford deposits, they often have to borrow from predatory lenders, go into debt, or just stay put," Haney said in a statement.

[Gov. Gavin Newsom has vetoed these bills so far](#) >

"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."

When news of the bill was released, the [California Apartment Association](#) issued a statement renewing its opposition of the proposal.

Debra Carlton, executive vice president of state public affairs at CAA, wrote an [opposition letter](#) to Haney saying that the bill would limit “a property owner’s ability to financially cover property damage or unpaid rent is an unfair imposition for rental housing provider.”

[Suggest a Correction](#)

Copyright 2023 Nexstar Media Inc. All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.

SPONSORED CONTENT

CCPA Notice

TOP STORIES



Maine’s close-knit deaf community is grieving in ...



Live updates | Israeli military says its ground forces ...



FTX founder Sam Bankman-Fried acknowledges in court ...



READ NEXT >

Authorities arrest 2 men in connection with dead body found in barrel in Malibu; 1 connected to shirtless El Monte smash-and-grab



READ NEXT >

Next story in 5

Cancel