AB 12 (Haney) Security Deposits  
Vote No

The members of the California Apartment Association ask that you Vote No on AB 12 when it comes before you on the Assembly Floor. AB 12 will reduce the security deposit a rental property owner can collect from an applicant-tenant. While current law allows an owner to ask a tenant to pay up to two months’ rent for an unfurnished unit and up to three months’ rent for a furnished unit, AB 12 will reduce this amount to one months’ rent, regardless of whether the unit is furnished or not.

The average court eviction can take up to 6 months and costs an average of $10,000. If a tenant fails to live up to their obligations under their rental agreement, including their obligation to pay rent, an owner who proceeds with an eviction to move the tenant out will spend thousands of dollars and wait months for a court decision. This is not a process that most rental property owners enter into lightly and without first attempting to work with the tenant. All the while the owner is receiving no rent on that unit but is still required to make the monthly mortgage payments and to pay attorney fees and court costs for the eviction. Adding to court delays are some unethical tenant attorneys who advertise their ability to delay evictions for a year or longer.

A security deposit is important in light of California’s law that limits Owner’s Access to Past Rental History - California law makes it very difficult for rental property owners to know a tenant-applicant’s past rental history. Court records are sealed for most tenants, making it almost impossible for a rental property owner to know whether a prospective tenant has a history of evictions. Further limiting a property owner’s ability to financially cover property damage or unpaid rent is an unfair imposition for rental housing providers given the rental history limitations imposed by existing law.

We understand the challenges tenants may have when it comes to coming up with a security deposit, but AB 12 is not the answer. Owning, operating, and maintaining rental housing is also extremely expensive. Optional bonds and tenant insurance are other legislative proposals that strike a better balance than AB 12.

Vote No