

CHAPTER 14

SECURITY DEPOSITS

14000. Definition of Security Deposit

A security deposit is defined as any payment, fee, charge or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including but not limited to an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

- (a) The compensation of a landlord for a tenant's default in the payment of rent;
- (b) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the tenant or by a guest or licensee of the tenant;
- (c) The cleaning of the premises upon termination of the tenancy;
- (d) To remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

[14000 Adopted 11/17/83; Effective 12/7/83]

[14000 Amended 1/28/99; Effective 2/12/99]

[14000 (a)-(d) Adopted 1/28/99; Effective 2/12/99]

14001. Placement in Interest Bearing Account

- (a) All security deposits shall be placed in an interest-bearing account at an institution whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation until such time as they are returned to tenants or entitled to be used by the landlord.

[14001 Adopted 11/17/83; Effective 12/7/83]

[14001(a) Amended 12/1/83; Effective 12/7/83]

[14001 (b) Amended 1/28/99; Effective 2/12/99]

[14001 (c)-(f) Adopted 1/28/99; Effective 2/12/99]

[14001(b) Amended 3/7/02; Effective 3/15/02]

[14001(b)-(f) Suspended 6/13/02; Effective 6/22/02]

14002. Ceiling on Security Deposit

- (a) Except as provided in regulation 14003 below, the maximum allowable security deposit for any tenant currently renting a controlled rental unit whose tenancy commenced on or before January 1, 1983 is the security deposit in effect on January 1, 1983.
- (b) Except as provided in regulation 14003 below, the maximum allowable security deposit for any tenant who rents a controlled rental unit subsequent to January 1, 1983 is two times the maximum allowable rent or base rent after vacancy in effect on the initial rental date for an unfurnished rental unit and three times the maximum allowable rent or base rent after vacancy in effect on the initial rental date for a furnished rental unit.
- (c) Except as provided in regulation 14003 below, a security deposit, once established, cannot be raised for the duration of the tenancy. For purposes of this section only, where several tenants occupy one unit, the tenancy shall be deemed to continue so long as any one of the tenants who occupied the unit when the deposit was set continues to occupy the unit. The general adjustment does not apply to a security deposit.

[14002 Amended 11/17/83; Effective 12/7/83]

[14002 Amended 1/28/99; Effective 2/12/99]

14003. Landlord and Tenant Agreement as to Additional Security Deposit

This regulation applies only to units with tenancies commencing before January 1, 1999.

- (a) In addition to the maximum allowable security deposit as defined in §14002, a landlord may collect an additional security deposit of up to 1 (one) month's additional rent with the written consent of the tenant(s) giving the deposit where the landlord agrees in return to permit the tenant(s) to have additional tenants or to have pets or to make some similar use of the apartment which use was not permitted as of April 10, 1978 or other date on which the base rent was established for the unit.
- (b) In the event that the tenants of the unit revoke consent to the additional security deposit in writing and give up the additional use permitted by the additional security deposit agreement, the landlord's authorization to retain a security deposit pursuant to this section in addition to the maximum allowable security deposit as established under §14002 shall expire thirty (30) days thereafter, and the landlord must refund the additional security deposit to the tenant(s) within such thirty (30) days.
- (c) In no event may the total security deposit collected under Sections 14002 and 14003 exceed the maximum set by state law of two months' rent for an unfurnished unit and three months rent for a furnished unit.

[14003 Adopted 11/17/83; Effective 12/7/83]

[14003 Amended 1/28/99; Effective 2/12/99]

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