## ASUC Renters Legal Assistance 314 Eshleman Hall 510 642-1755

www.ocf.berkeley.edu/~asucrla asucrla@ocf.berkelev.edu

#### From:

#### CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

400 R Street Sacramento, CA 95814 (800) 952-5210 (916) 445-1254 TDD: (916) 322-1700

email: dca@dca.ca.gov http://www.dca.ca.gov/

#### SECURITY DEPOSITS: TENANTS' RIGHTS AND RESPONSIBILITIES

## What is a security deposit?

As a general practice, a tenant pays a security deposit to the landlord at the beginning of the rental term. In most cases, the security deposit covers the payment of the last month's rent, a cleaning deposit, and a key deposit. It may also be used as security for repair or damage to the rental unit occurring during the tenancy, and/or the return of the property.

Landlords often identify security deposits by different names, including "last month's rent," "security deposit," "cleaning deposit," "pet deposit" or simply "deposit" or "security." These are all considered security deposits, as are "new tenant fees" and "apartment transfer fees." Landlords also may try to charge a separate finder's or locating fee. The law usually considers these fees part of the security deposit.

Money which is paid as the first month's rent isn't considered a security deposit. Fees to pay for the costs of credit reports are not deemed to be security. The landlord may further withhold a certain amount from a deposit to hold the premises for a prospective tenant if the tenant breaches an agreement to rent the rental unit.

#### Can a security deposit be non-refundable?

No. It is unlawful for a lease or rental agreement to make a security deposit "non-refundable." A security deposit is always fully refundable if the tenant fulfills the obligations under the lease or rental agreement. However, if the tenant doesn't perform his or her part of the bargain, the law allows the landlord to retain part or all of the security deposit to cover for damages. For instance, if the tenant moves out and still owes rent, or if the tenant or his or her guests has damaged the rental unit, the landlord may deduct an appropriate amount from the security deposit.

## How much money can the landlord require as a security deposit?

No matter what the security deposit is called, the law limits the amount that a landlord can charge. For rental of an unfurnished rental unit, a landlord may require a maximum of two month's rent as a security deposit. For a furnished rental unit, a landlord may require a maximum of three month's rent.<sup>6</sup> The landlord can require the tenant to pay this amount in addition to the first month's rent.

However, if the tenant has a waterbed or has a lease of six months or longer the landlord legally may require a larger deposit. If the tenant has a waterbed, the landlord may charge an additional deposit equal to one-half month's rent along with a reasonable fee to cover administration costs. If the tenant has a lease of six months or longer the landlord may charge a security deposit of up to six months' rent.

### Isn't the landlord required to pay interest on the security deposit?

A landlord is not required to pay interest on security deposits unless a local rent law requires payment or unless the landlord has expressly agreed to do so. <sup>9</sup> If the tenant lives in a rent controlled area, he or she should check with the local city or county housing authority to determine if the landlord is required to pay interest on the security deposit.

#### Can the landlord increase the security deposit after the tenant has moved in?

Whether a landlord can increase the security deposit after the tenant moves is dependent on the terms of the rental agreement. If the tenant has a lease, the security deposit cannot be increased during the term of the lease, unless allowed by the lease. In the case of a periodic rental agreement (for example, a month-to-month rental agreement), the landlord can increase the security deposit unless this is prohibited by the agreement.

However, if the tenant has already paid a security deposit which is equal to the total deposit limit imposed by the law, (i.e. three month's rent for a furnished apartment) then the landlord can't increase the amount of the security deposit. Local rent control ordinances also may limit increases in the security deposit amounts. The tenant should contact the local city or county housing authority.

#### How should the landlord deliver notice of a security deposit increase?

If the landlord intends to increase the security deposit, the landlord must give the tenant proper advance notice. The notice must be in writing. <sup>11</sup> The landlord must give the tenant advance notice which is at least as long as the period of time between the rent payments.

For example, in a month-to-month tenancy, the landlord must give the tenant at least 30 days' notice before an increase in the amount of the security deposit increase can take effect, unless the tenant has agreed to a shorter period in the rental agreement. If the tenant pays rent every week, a seven-day written notice is required.

A landlord and a tenant may agree to a shorter notice period, if it is not less than seven days. A notice of a security deposit increase must always be at least seven days.

California's law requires that the landlord must also give the advance notice of a security deposit increase to the tenant in one of the following three ways: 12

- Handing the notice to the tenant; OR
- If the tenant is absent from the tenant's home and work, by (1) leaving a copy of the notice with "a person of suitable age and discretion" at the tenant's home or work, and (2) mailing a copy to tenant's home; OR
- If the landlord can't find out where the tenant's home or work is, or "a person of suitable age and discretion" cannot be found there, (1) attaching a copy of the notice in a conspicuous place on the rental property, (2) leaving a copy with any person living there, and (3) mailing a copy to the tenant at the rental property address. If the landlord does not use one of these ways, the notice may not be valid, and the increase in the amount of the security deposit cannot take place.

Some landlords often simply mail notices of a security deposit increase to tenants without doing more. Giving notice only through the mail generally is not an acceptable delivery method; however, the notice is valid if the tenant admits receiving the notice, or the landlord shows that the tenant actually received the notice. Therefore, if the tenant receives an otherwise proper notice of a security deposit increase by mail, it would be wise for the tenant to honor it.

#### How may the landlord properly use the security deposit?

A landlord may use a tenant's security deposit for only four purposes:

- For unpaid rent;
- For cleaning the rental unit when the tenant moves out, if the unit is not as clean as when it was rented;
- For repairs if caused by the tenant or the tenant's guests (but not for ordinary wear and tear and damages which existed before the tenant moved in);
- If the rental agreement allows it, for the cost of restoring or replacing personal property (including keys), furniture, or furnishings, excluding ordinary wear and tear;

A landlord can withhold from the security deposit only those amounts that are reasonably necessary for these purposes.

Remember that the security deposit **can't** be used for repairing or replacing items damaged only by normal wear and tear, for repairing defects that existed in the unit before the tenant moved in, or for cleaning a rental unit that is reasonably clean. 16

#### What should happen with the security deposit after the tenant moves?

The law states that *within 3 weeks after the tenant moves*, the landlord must either: (1) send the tenant a full refund of the security deposit; or (2) provide an itemized statement that lists the amounts of and reasons for any deductions from the deposit, with a refund of any amount not deducted.<sup>17</sup>

# Are there any specific guidelines to determine whether a deduction for cleaning or repairing is proper?

As mentioned above a landlord may not deduct for any damages which constitute "ordinary wear and tear." But what is normal wear and tear is on many occasion a difficult question of fact. What is "normal" or what is "clean" defies precise definition.

The authors of *The Landlord's Lawbook, Rights and Responsibilities* (California Fifth Edition) have set forth a number of guidelines on how to determine whether a deduction for repairing or cleaning is proper. These guidelines, set forth below, are well-balanced and fair, protecting both landlords' and tenants' rights.

## A Basic Approach to Security Deposit Deductions:

If the tenant has damaged something that does not normally wear out or has substantially shortened the life of something that does wear out, the tenant may properly be charged the prorated cost of the item, taking into account how old the item was, how long it might have lasted otherwise, and the cost of replacement.

#### Costs of Cleaning

The reasonable costs of cleaning the rental unit, may be deducted from the tenant's security deposit. Reasonable cleaning costs would include the cost of such things as eliminating flea infestations left behind by the tenant's pets, oven cleaning, removing decals from walls, removing mildew in bathrooms, and defrosting the refrigerator. A landlord may legally charge for any cleaning necessary to satisfy the "average" or "reasonable" incoming tenant. Thus, in practical terms a landlord cannot, as a standard practice, automatically charge a former tenant for cleaning carpets, drapes or walls to a "squeaky clean" condition to prepare the unit for the next tenant. Instead, a landlord must look at how well each particular tenant cleaned the rental unit, charging cleaning costs only if the rental unit (or a portion of it) was left in a clearly substandard condition.

#### Carpets and Drapes

Ordinary wear and tear to carpets or drapes does not justify a charge against the tenant's deposit. Such ordinary wear and tear would include simple wearing down of carpet or drapes because of normal use, or aging and would include moderate dirt or spotting. In contrast, large rips or indelible stains would justify a deduction from the tenant's security deposit for replacing

or repairing the carpet or drapes. To be proper, the amount of the deduction should take into consideration the item's age compared to the expected time of use ("Life Expectancy").

For example, suppose a tenant has damaged beyond repair an eight-year-old carpet that had a life expectancy of 10 years and that a replacement carpet would cost \$1,000. The landlord could properly charge only \$200 for the two years worth of life (use) that would have remained in the carpet had it not been damaged.

The math formula for determining the amount which should be deducted from the deposit is: replacement cost (\$1,000) divided by the normal life expectancy of the item (10 years) with the resulting figure (100) multiplied by the number of years of life (use) that otherwise would remain (2). That is, (\$1,000 divided by 10) x (2) equals \$200.

## Repainting of Walls

The following is one approach used successfully by a landlord when a tenant moves out and repainting is necessary:

#### Time in Unit Fraction of Costs to be Deducted

6 months - Full costs of labor & materials 6 months-1 year - Two-thirds 1 year-2 years - One-third 2 years or More - No Deduction

If the tenant lived in the rental unit for two years or more, the tenant would never be charged for any repainting costs. An officer of a national property manager association states that he gives paint a life expectancy of three years, and would not deduct for painting costs if the painting was three years old.

#### Other Damage to Walls

Generally, minor marks or nicks to the wall are the landlord's responsibility as normal wear and tear. Therefore, the tenant should not be charged for such marks or nicks. However, a large number of holes in the wall and ceiling that require filling with plaster or otherwise patching and repainting could justify withholding money from the security deposit, depending upon whether the unit needed repainting anyway or had just been painted. Normally, large marks or paint gouges are the responsibility of the tenant.

(David Brown and Ralph Wagner, *The Landlord's Lawbook, Rights and Responsibilities*, California Fifth Edition, Berkeley, Nolo Press, 1996.

## What steps should a tenant take if he or she does not agree to a security deposit deduction?

If the tenant believes that the landlord has made an improper deduction from the security deposit or has kept all of the deposit without good reason, the tenant should first contact the

landlord to try to settle the conflict informally. The tenant should then write the landlord a letter telling the landlord why the tenant believe it's improper for the landlord to keep all or part of the deposit. In the letter, the tenant should ask the landlord to return the deposit or that part which the tenant feels he or she is entitled to have returned. The tenant should photocopy the letter, and send the signed original to the landlord by certified mail, addressee only, with a return receipt requested. The tenant as proof of mailing should keep a copy of the letter and the return receipt.

If the landlord still doesn't refund the deposit monies, the tenant may want to contact one of the agencies listed below for assistance, or the tenant may want to take legal action.

## What happens to the security deposit if the landlord sells the rental property?

Within a reasonable time after selling a rental unit, the selling landlord must either return the security deposit to the tenant, **or** transfer the deposit to the new landlord. In either case, the selling landlord may deduct amounts from a security deposit just as if the tenant had moved from the rental unit (for example, to cover unpaid rent or damage to the rental). If any deductions are made, the selling landlord must provide the tenant with a written statement listing the amounts of each of the deductions made and the reason for each deduction. The new landlord may be able to increase the amount of the security deposit as explained earlier.

If the selling landlord returns the security deposit to the tenant, the new landlord can collect a new security deposit.

If the selling landlord transfers the security deposit to the new landlord, the selling landlord must notify the tenant of this in writing. The notice must also give the tenant the name, address, and phone number of the new landlord. 19

If the selling landlord fails to return a tenant's security deposit or fails to transfer it to the new landlord, then **both** the new landlord and the selling landlord are legally responsible to refund the security deposit.

The new landlord may not charge a new security deposit to current tenants simply to make up for security deposits the new landlord failed to obtain from the selling landlord. However, if the new landlord can prove that after making a reasonable investigation the landlord believed, in good faith, that the security deposits had been properly transferred or refunded, the new landlord is not legally responsible for refunding the security deposits.

The new landlord is required to refund all security deposits (after any proper deductions) when a tenant moves out. But, if the tenant caused damage to the rental unit that costs more to repair than the amount of the security deposit, the new landlord can recover this excess amount from the tenant.<sup>20</sup>

## What legal action can the tenant take to have the security deposit refunded?

Suppose the landlord does not return the security deposit as required, or makes improper deductions from the deposit. After trying to informally resolve the conflict with the landlord, the

tenant can file a suit in small claims court for the security deposit, plus any court costs, and possibly also a penalty and interest, up to a maximum of \$5,000.<sup>21</sup> (For amounts larger than this limit, the tenant must file in municipal or superior court, for which the tenant may need an attorney.)

In such a lawsuit, the landlord has the burden of proving that the deductions from the security deposit were necessary and reasonable.<sup>22</sup> If the landlord does not meet that burden, the court will award the tenant a judgment against the landlord for the amount to which the tenant is entitled, plus the out-of-pocket costs of bringing the lawsuit.

If the tenant can convince the court that the landlord's refusal to return the security deposit was unreasonable (in "bad faith"), the court can order the landlord to pay a penalty of up to \$600. These additional amounts also can be recovered if a new landlord who has purchased the building makes a "bad faith" demand for replacement of a security deposit.<sup>23</sup>

Whether the tenant can collect attorney's fees in such a lawsuit depends upon what is stated in the original rental agreement. If the rental agreement provides for attorney's fees, the tenant can claim attorney's fees as part of the judgment even if the rental agreement states that only the landlord can claim such fees.<sup>24</sup>

## Getting help from a third party

Many resources are available to help the tenant. For general tenant information, call the local housing agency. Depending on the facts and circumstances of the particular case, the tenant also may want to call or write one or more of the following agencies for information or assistance.

- Local consumer protection agencies.
- Local dispute resolution programs.
- Local district attorney's offices.
- Local city or county rent control boards.
- Local tenant associations, rental housing or apartment associations.
- California Department of Consumer Affairs, Consumer Information Center.

Many county bar associations have lawyer referral services and volunteer attorney programs, which may help a tenant locate an attorney who will assist the tenant for a low or reduced fee, or perhaps even at no cost to the tenant. Legal aid programs, which may have the words "legal aid" or "legal services" in their name, provide free services to low-income tenants. Additionally, some law schools offer free public assistance through landlord/tenant clinics. If a lawsuit is brought in small claims court, a small claims advisor will assist the tenant at no cost.)

#### **ENDNOTES**

- 1.Civil Code section 1950.5; <u>Granberry</u> v. <u>Islay Investments</u> (1984) 161 Cal.App.3d 382, 389 [207 Cal.Rptr. 652, 656]; <u>People</u> v. <u>Parkmerced</u> (1988) 198 Cal.App.3d. 683 [244 Cal.Rptr. 22.]
- 2.See Grandberry (id.)
- 3. See Moskovitz, California Eviction Defense Manual (2d ed. 1993) § 31.2.)
- 4. Grand Central Public Market v. Kojima (1936) 11 Cal. App. 2d 712, 717 [54 P.2d 786, 789.
- 5. Civil Code section 1950.5 subd. l.
- 6. Civil Code section 1950.5 subd. c.
- 7. Civil Code section 1940.5 subd. h.
- 8. Civil Code section 1950.5 subd. c.
- 9. Korens v. R. W. Zukin Corp. (1989) 212 Cal. App. 3d 1054 [261 Cal. Rptr. 137].
- 10. Colvear v. Tobriner (1936) 7 Cal.2d 735.
- 11. Civil Code section 827.
- 12. Civil Code section 827.
- 13. The courts have decided that a person who is 16 years old is of "suitable age and discretion." Lehr v. Crosby (1981) 123 Cal.App.3d supp. 1 [177 Cal.Rptr. 96].
- 14. In contrast with Civil Code sections governing service of process (Code Civ. Proc., § 415.20 subd. (B), no showing of reasonable diligence in attempting personal service before utilizing substituted service is required under Code of Civil Procedure section 1162. Nourafcha v. Minek (1985) 169 Cal.App.3d 746, 750 [15 Cal.Rptr. 450, 453].
- 15. <u>Colyear v. Tobriner</u> (1936) 7 Cal.2d 735; <u>University of So. Calif. v. Weiss</u> (1962) 208 Cal.App.2d 759 [25 Cal.Rptr. 475]; <u>Wilcox v. Anderson</u> (1978) 84 Cal.App.3d 593, 597 [148 Cal.Rptr. 773, 775]; <u>Lehr v. Tank</u> (1985) 168 Cal.App.3d Supp. 1, 6 [177 Cal.Rptr. 96, 99, fn. 3]; <u>Valov v. Tank</u> (1985) 168 Cal.App.3d 867 [214 Cal.Rptr. 546].
- 16. Civil Code section 1950.5 subd. e.
- 17. Civil Code section 1950.5 subd. f.
- 18. Civil Code section 1950.5 subd. g.
- 19. Civil Code section 1950 subds. g and I.
- 20. Civil Code section 1950.5 subd. I.
- 21. Code of Civil Procedure sections 116.220, 116.231.
- 22. Civil Code section 1950.5 subd. k.
- 23. Civil Code section 1950.5 subd. k.
- 24. Civil Code section 1717.

#### NOTE TO BERKELEY RESIDENTS:

As of June, 1980, all deposits (cleaning, security, last month's rent, etc.) should be placed in an interest-bearing account. That interest must be returned to the tenant every year by January 10. Failure to return interest may result in the loss of the annual rent adjustment and the prohibition of eviction until the situation is corrected. Also, the interest payment increases to 10% if paid after January 10.

## Actual Text of California Civil Code 1950.5 As of November 24, 2003

- 1950.5. (a) This section applies to security for a rental agreement for residential property that is used as the dwelling of the tenant.
- (b) As used in this section, "security" means any payment, fee, deposit or charge, including, but not limited to, any payment, fee, deposit, or charge, except as provided in Section 1950.6, that is imposed at the beginning of the tenancy to be used to reimburse the landlord for costs associated with processing a new tenant or that is imposed as an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:
- (1) The compensation of a landlord for a tenant's default in the payment of rent.
- (2) 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.
- (3) The cleaning of the premises upon termination of the tenancy necessary to return the unit to the same level of cleanliness it was in at the inception of the tenancy. The amendments to this paragraph enacted by the act adding this sentence shall apply only to tenancies for which the tenant's right to occupy begins after January 1, 2003.
- (4) 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.
- (c) A landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to two months' rent, in the case of unfurnished residential property, and an amount equal to three months' rent, in the case of furnished residential property, in addition to any rent for the first month paid on or before initial occupancy.

This subdivision does not prohibit an advance payment of not less than six months' rent if the term of the lease is six months or longer.

This subdivision does not preclude a landlord and a tenant from entering into a mutual agreement for the landlord, at the request of the tenant and for a specified fee or charge, to make structural,

decorative, furnishing, or other similar alterations, if the alterations are other than cleaning or repairing for which the landlord may charge the previous tenant as provided by subdivision (e).

- (d) Any security shall be held by the landlord for the tenant who is party to the lease or agreement. The claim of a tenant to the security shall be prior to the claim of any creditor of the landlord.
- (e) The landlord may claim of the security only those amounts as are reasonably necessary for the purposes specified in subdivision (b). The landlord may not assert a claim against the tenant or the security for damages to the premises or any defective conditions that preexisted the tenancy, for ordinary wear and tear or the effects thereof, whether the wear and tear preexisted the tenancy or occurred during the tenancy, or for the cumulative effects of ordinary wear and tear occurring during any one or more tenancies.
- (1) Within a reasonable time after notification of either party's intention to terminate the tenancy, or before the end of the lease term, the landlord shall notify the tenant in writing of his or her option to request an initial inspection and of his or her right to be present at the inspection. At a reasonable time, but no earlier than two weeks before the termination or the end of lease date, the landlord, or an agent of the landlord, shall, upon the request of the tenant, make an initial inspection of the premises prior to any final inspection the landlord makes after the tenant has vacated the premises. The purpose of the initial inspection shall be to allow the tenant an opportunity to remedy identified deficiencies, in a manner consistent with the rights and obligations of the parties under the rental agreement, in order to avoid deductions from the security. If a tenant chooses not to request an initial inspection, the duties of the landlord under this subdivision are discharged. If an inspection is requested, the parties shall attempt to schedule the inspection at a mutually acceptable date and time. The landlord shall give at least 48 hours prior written notice of the date and time of the inspection if either a mutual time is agreed upon, or if a mutually agreed time cannot be scheduled but the tenant still wishes an inspection. The tenant and landlord may agree to forgo the 48-hour prior written notice by both signing a written waiver. The landlord shall proceed with the inspection whether the tenant is present or not, unless the tenant previously withdrew his or her request for the inspection.
- (2) Based on the inspection, the landlord shall give the tenant an itemized statement specifying repairs or cleaning that are proposed to be the basis of any deductions from the security the landlord intends to make pursuant to paragraphs (1) to (4), inclusive of subdivision (b). This statement shall also include the texts of subdivision (d) and paragraphs (1) to (4), inclusive, of subdivision (b). The statement shall be given to the tenant, if the tenant is present for the inspection, or shall be left inside the premises.
- (3) The tenant shall have the opportunity during the period following the initial inspection until termination of the tenancy to remedy identified deficiencies, in a manner consistent with the rights and obligations of the parties under the rental agreement, in order to avoid deductions from the security.

- (4) Nothing in this subdivision shall prevent a landlord from using the security for deductions itemized in the statement provided for in paragraph (2) that were not cured by the tenant so long as the deductions are for damages authorized by this section.
- (5) Nothing in this subdivision shall prevent a landlord from using the security for any purpose specified in paragraphs (1) to (4), inclusive, of subdivision (b) that occurs between completion of the initial inspection and termination of the tenancy or was not identified during the initial inspection due to the presence of a tenant's possessions.
- (g) Within three weeks after the tenant has vacated the premises, the landlord shall furnish the tenant, by personal delivery or by first-class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to the tenant.
- (h) Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time, do one of the following acts, either of which shall relieve the landlord of further liability with respect to the security held:
- (1) Transfer the portion of the security remaining after any lawful deductions made under subdivision (e) to the landlord's successor in interest. The landlord shall thereafter notify the tenant by personal delivery or by first-class mail, postage prepaid, of the transfer, of any claims made against the security, of the amount of the security deposited, and of the names of the successors in interest, their address, and their telephone number. If the notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of the notice and sign his or her name on the landlord's copy of the notice.
- (2) Return the portion of the security remaining after any lawful deductions made under subdivision (e) to the tenant, together with an accounting as provided in subdivision (g).
- (i) Prior to the voluntary transfer of a landlord's interest in the premises, the landlord shall deliver to the landlord's successor in interest a written statement indicating the following:
  - (1) The security remaining after any lawful deductions are made.
  - (2) An itemization of any lawful deductions from any security received.
  - (3) His or her election under paragraph (1) or (2) of subdivision (h).

This subdivision does not affect the validity of title to the real property transferred in violation of this subdivision.

(j) In the event of noncompliance with subdivision (h), the landlord's successors in interest shall be jointly and severally liable with the landlord for repayment of the security, or that portion thereof to which the tenant is entitled, when and as provided in subdivisions (e) and

(g). A successor in interest of a landlord may not require the tenant to post any security to replace that amount not transferred to the tenant or successors in interest as provided in subdivision (h), unless and until the successor in interest first makes restitution of the initial security as provided in paragraph (2) of subdivision (h) or provides the tenant with an accounting as provided in subdivision (g).

This subdivision does not preclude a successor in interest from recovering from the tenant compensatory damages that are in excess of the security received from the landlord previously paid by the tenant to the landlord.

Notwithstanding this subdivision, if, upon inquiry and reasonable investigation, a landlord's successor in interest has a good faith belief that the lawfully remaining security deposit is transferred to him or her or returned to the tenant pursuant to subdivision (h), he or she is not liable for damages as provided in subdivision (l), or any security not transferred pursuant to subdivision (h).

- (k) Upon receipt of any portion of the security under paragraph (1) of subdivision (h), the landlord's successors in interest shall have all of the rights and obligations of a landlord holding the security with respect to the security.
- (1) The bad faith claim or retention by a landlord or the landlord's successors in interest of the security or any portion thereof in violation of this section, or the bad faith demand of replacement security in violation of subdivision (j), may subject the landlord or the landlord's successors in interest to statutory damages of up to twice the amount of the security, in addition to actual damages. The court may award damages for bad faith whenever the facts warrant such an award, regardless of whether the injured party has specifically requested relief. In any action under this section, the landlord or the landlord's successors in interest shall have the burden of proof as to the reasonableness of the amounts claimed or the authority pursuant to this section to demand additional security deposits.
- (m) No lease or rental agreement may contain any provision characterizing any security as "nonrefundable."
- (n) Any action under this section may be maintained in small claims court if the damages claimed, whether actual or statutory or both, are within the jurisdictional amount allowed by Section 116.220 of the Code of Civil Procedure.
- (o) Proof of the existence of and the amount of a security deposit may be established by any credible evidence, including, but not limited to, a canceled check, a receipt, a lease indicating the requirement of a deposit as well as the amount, prior consistent statements or actions of the landlord or tenant, or a statement under penalty of perjury that satisfies the credibility requirements set forth in Section 780 of the Evidence Code.
- (p) The amendments to this section made during the 1985 portion of the 1985-86 Regular Session of the Legislature that are set forth in subdivision (e) are declaratory of existing law