

**ASSEMBLY BILL**

**No. 418**

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**Introduced by Assembly Member Chiu**

February 19, 2015

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An act to amend Section 1950.5 of, and to amend and repeal Section 1946.7 of, the Civil Code, relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

AB 418, as introduced, Chiu. Tenancy: termination: victims of violent crime.

(1) Existing law, until January 1, 2016, authorizes a tenant to notify the landlord in writing that he or she or a household member, as defined, was a victim of an act of domestic violence or sexual assault and that the tenant intends to terminate the tenancy. Existing law requires that the tenant attach to the notice to terminate a tenancy a copy of a temporary restraining order or protective order that protects the tenant or household member from further domestic violence or sexual assault or to attach a report by a peace officer stating that the tenant or household member has filed a report alleging he or she or the household member is a victim of domestic violence or sexual assault.

This bill would reduce the time limit for a tenant to give a notice of intent to vacate to the landlord under these provisions from 30 days to 14 days. The bill would reduce the time that the landlord has to return the tenant's security deposit from 21 days to 14 days and would eliminate certain requirements regarding postvacancy inspections by the landlord when the tenant vacates the premises under these provisions. This bill would extend these provisions indefinitely.

(2) Existing law specifies the conditions required for a landlord to retain some or all of a tenant's security deposit, based on specified

criteria and authorizes the tenant to request an inspection of the premises by the landlord and to be present during the inspection used to assess whether some or all of the security deposit will be retained.

This bill would make these inspection provisions inapplicable when the tenancy is terminated by a victim of crime under the above provisions and would make nonsubstantive, organizational changes to these security deposit provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1946.7 of the Civil Code, as amended  
2 by Section 1 of Chapter 130 of the Statutes of 2013, is amended  
3 to read:

4 1946.7. (a) A tenant may notify the landlord that he or she or  
5 a household member was a victim of an act that constitutes an act  
6 of domestic violence as defined in Section 6211 of the Family  
7 Code, sexual assault as defined in Section 261, 261.5, 262, 286,  
8 288a, or 289 of the Penal Code, stalking as defined in Section  
9 1708.7, human trafficking as defined in Section 236.1 of the Penal  
10 Code, or abuse of an elder or a dependent adult as defined in  
11 Section 15610.07 of the Welfare and Institutions Code, and that  
12 the tenant intends to terminate the tenancy.

13 (b) A notice to terminate a tenancy under this section shall be  
14 in writing, with one of the following attached to the notice:

15 (1) A copy of a temporary restraining order, emergency  
16 protective order, or protective order lawfully issued pursuant to  
17 Part 3 (commencing with Section 6240) or Part 4 (commencing  
18 with Section 6300) of Division 10 of the Family Code, Section  
19 136.2 of the Penal Code, Section 527.6 of the Code of Civil  
20 Procedure, or Section 213.5 or 15657.03 of the Welfare and  
21 Institutions Code that protects the tenant or household member  
22 from further domestic violence, sexual assault, stalking, human  
23 trafficking, or abuse of an elder or a dependent adult.

24 (2) A copy of a written report by a peace officer employed by  
25 a state or local law enforcement agency acting in his or her official  
26 capacity stating that the tenant or household member has filed a  
27 report alleging that he or she or the household member is a victim

1 of domestic violence, sexual assault, stalking, human trafficking,  
2 or abuse of an elder or a dependent adult.

3 (3) (A) Documentation from a qualified third party based on  
4 information received by that third party while acting in his or her  
5 professional capacity to indicate that the tenant or household  
6 member is seeking assistance for physical or mental injuries or  
7 abuse resulting from an act of domestic violence, sexual assault,  
8 stalking, human trafficking, elder abuse, or dependent adult abuse.

9 (B) The documentation shall contain, in substantially the same  
10 form, the following:

11

**Tenant Statement and Qualified Third Party Statement  
under Civil Code Section 1946.7**

12

13  
14  
15 Part I. Statement By Tenant

16

17 I, [insert name of tenant], state as follows:

18

19 I, or a member of my household, have been a victim of:  
20 [insert one or more of the following: domestic violence, sexual assault, stalking,  
21 human trafficking, elder abuse, or dependent adult abuse.]

22

23 The most recent incident(s) happened on or about:  
24 [insert date or dates.]

25

26 The incident(s) was/were committed by the following person(s), with these  
27 physical description(s), if known and safe to provide:  
28 [if known and safe to provide, insert name(s) and physical description(s).]

29

30 \_\_\_\_\_  
31 (signature of tenant) (date)

32

33 Part II. Qualified Third Party Statement

34

35 I, [insert name of qualified third party], state as follows:

36

37 My business address and phone number are:  
38 [insert business address and phone number.]

39

40 Check and complete one of the following:

1 \_\_\_\_I meet the requirements for a sexual assault counselor provided in Section  
2 1035.2 of the Evidence Code and I am either engaged in an office, hospital,  
3 institution, or center commonly known as a rape crisis center described in that  
4 section or employed by an organization providing the programs specified in  
5 Section 13835.2 of the Penal Code.

6 \_\_\_\_I meet the requirements for a domestic violence counselor provided in  
7 Section 1037.1 of the Evidence Code and I am employed, whether financially  
8 compensated or not, by a domestic violence victim service organization, as  
9 defined in that section.

10 \_\_\_\_I meet the requirements for a human trafficking caseworker provided in  
11 Section 1038.2 of the Evidence Code and I am employed, whether financially  
12 compensated or not, by an organization that provides programs specified in  
13 Section 18294 of the Welfare and Institutions Code or in Section 13835.2 of  
14 the Penal Code.

15 \_\_\_\_I am licensed by the State of California as a:  
16 [insert one of the following: physician and surgeon, osteopathic physician and  
17 surgeon, registered nurse, psychiatrist, psychologist, licensed clinical social  
18 worker, licensed marriage and family therapist, or licensed professional clinical  
19 counselor.] and I am licensed by, and my license number is:  
20 [insert name of state licensing entity and license number.]

21  
22 The person who signed the Statement By Tenant above stated to me that he  
23 or she, or a member of his or her household, is a victim of:  
24 [insert one or more of the following: domestic violence, sexual assault, stalking,  
25 human trafficking, elder abuse, or dependent adult abuse.]

26 The person further stated to me the incident(s) occurred on or about the date(s)  
27 stated above.

28  
29

30 I understand that the person who made the Statement By Tenant may use this  
31 document as a basis for terminating a lease with the person’s landlord.

32  
33

34 \_\_\_\_\_ (signature of qualified third party) \_\_\_\_\_ (date)

35  
36

37 (C) The documentation may be signed by a person who meets  
38 the requirements for a sexual assault counselor, domestic violence  
39 counselor, or a human trafficking caseworker only if the  
40 documentation displays the letterhead of the office, hospital,

1 institution, center, or organization, as appropriate, that engages or  
2 employs, whether financially compensated or not, this counselor  
3 or caseworker.

4 (c) The notice to terminate the tenancy shall be given within  
5 180 days of the date that any order described in paragraph (1) of  
6 subdivision (b) was issued, within 180 days of the date that any  
7 written report described in paragraph (2) of subdivision (b) was  
8 made, or within the time period described in Section 1946.

9 (d) If notice to terminate the tenancy is provided to the landlord  
10 under this section, the tenant shall be responsible for payment of  
11 rent for ~~30~~ *no more than 14 calendar days* following the giving  
12 of the notice, or ~~within the~~ *for any shorter* appropriate period as  
13 described in Section ~~1946, and thereafter 1946 or the rental~~  
14 *agreement. The tenant shall be released from any rent payment*  
15 *obligation under the rental agreement without penalty. Existing*  
16 *law governing the security deposit shall apply. If the premises are*  
17 *relet to another party prior to the end of the obligation to pay rent,*  
18 *the rent owed under this subdivision shall be prorated.*

19 ~~(e) If within the 30 days following the giving of the notice under~~  
20 ~~this section the tenant quits the premises and the premises are~~  
21 ~~rented to another party, the rent due on the premises for that 30-day~~  
22 ~~period shall be prorated. Existing law governing the security~~  
23 ~~deposit shall apply.~~

24 (e) *Existing law governing the security deposit shall apply,*  
25 *subject to the following:*

26 (1) *Notwithstanding the 21-day time limit provided in*  
27 *subdivision (g) of Section 1950.5, the statement and return of the*  
28 *security as provided in that subdivision shall be furnished and*  
29 *returned not later than 14 calendar days after the tenant vacated*  
30 *the premises pursuant to a notice given under this section.*

31 (2) *Subdivision (f) of Section 1950.5 shall not apply if a tenant*  
32 *gives notice under this section.*

33 (f) Nothing in this section relieves a tenant, other than the tenant  
34 who is, or who has a household member who is, a victim of  
35 domestic violence, sexual assault, stalking, human trafficking, or  
36 abuse of an elder or a dependent adult and members of that tenant's  
37 household, from their obligations under the rental agreement.

38 (g) (1) "Household member," as used in this section, means a  
39 member of the tenant's family who lives in the same household  
40 as the tenant.

1 (2) "Qualified third party," as used in this section, means a  
2 health practitioner, domestic violence counselor, as defined in  
3 Section 1037.1 of the Evidence Code, a sexual assault counselor,  
4 as defined in Section 1035.2 of the Evidence Code, or a human  
5 trafficking caseworker, as defined in Section 1038.2 of the  
6 Evidence Code.

7 (3) "Health practitioner," as used in this section, means a  
8 physician and surgeon, osteopathic physician and surgeon,  
9 psychiatrist, psychologist, registered nurse, licensed clinical social  
10 worker, licensed marriage and family therapist, or licensed  
11 professional clinical counselor.

12 (h) (1) A landlord shall not disclose any information provided  
13 by a tenant under this section to a third party unless the disclosure  
14 satisfies any one of the following:

- 15 (A) The tenant consents in writing to the disclosure.
- 16 (B) The disclosure is required by law or order of the court.

17 (2) A landlord's communication to a qualified third party who  
18 provides documentation under paragraph (3) of subdivision (b) to  
19 verify the contents of that documentation is not disclosure for  
20 purposes of this subdivision.

21 ~~(i) This section shall remain in effect only until January 1, 2016,~~  
22 ~~and as of that date is repealed, unless a later enacted statute, that~~  
23 ~~is enacted before January 1, 2016, deletes or extends that date.~~

24 SEC. 2. Section 1946.7 of the Civil Code, as added by Section  
25 2 of Chapter 130 of the Statutes of 2013, is repealed.

26 ~~1946.7. (a) A tenant may notify the landlord that he or she or~~  
27 ~~a household member was a victim of an act that constitutes an act~~  
28 ~~of domestic violence as defined in Section 6211 of the Family~~  
29 ~~Code, sexual assault as defined in Section 261, 261.5, 262, 286,~~  
30 ~~288a, or 289 of the Penal Code, stalking as defined in Section~~  
31 ~~1708.7, human trafficking as defined in Section 236.1 of the Penal~~  
32 ~~Code, or abuse of an elder or a dependent adult as defined in~~  
33 ~~Section 15610.07 of the Welfare and Institutions Code, and that~~  
34 ~~the tenant intends to terminate the tenancy.~~

35 ~~(b) A notice to terminate a tenancy under this section shall be~~  
36 ~~in writing, with one of the following attached to the notice:~~

- 37 ~~(1) A copy of a temporary restraining order, emergency~~  
38 ~~protective order, or protective order lawfully issued pursuant to~~  
39 ~~Part 3 (commencing with Section 6240) or Part 4 (commencing~~  
40 ~~with Section 6300) of Division 10 of the Family Code, Section~~

1 ~~136.2 of the Penal Code, Section 527.6 of the Code of Civil~~  
2 ~~Procedure, or Section 213.5 or 15657.03 of the Welfare and~~  
3 ~~Institutions Code that protects the tenant or household member~~  
4 ~~from further domestic violence, sexual assault, stalking, human~~  
5 ~~trafficking, or abuse of an elder or a dependent adult.~~

6 ~~(2) A copy of a written report by a peace officer employed by~~  
7 ~~a state or local law enforcement agency acting in his or her official~~  
8 ~~capacity stating that the tenant or household member has filed a~~  
9 ~~report alleging that he or she or the household member is a victim~~  
10 ~~of domestic violence, sexual assault, stalking, human trafficking,~~  
11 ~~or abuse of an elder or a dependent adult.~~

12 ~~(c) The notice to terminate the tenancy shall be given within~~  
13 ~~180 days of the date that any order described in paragraph (1) of~~  
14 ~~subdivision (b) was issued, within 180 days of the date that any~~  
15 ~~written report described in paragraph (2) of subdivision (b) was~~  
16 ~~made, or within the time period described in Section 1946.~~

17 ~~(d) If notice to terminate the tenancy is provided to the landlord~~  
18 ~~under this section, the tenant shall be responsible for payment of~~  
19 ~~rent for 30 days following the giving of the notice, or within the~~  
20 ~~appropriate period as described in Section 1946, and thereafter~~  
21 ~~shall be released from any rent payment obligation under the rental~~  
22 ~~agreement without penalty. Existing law governing the security~~  
23 ~~deposit shall apply.~~

24 ~~(e) If within the 30 days following the giving of the notice under~~  
25 ~~this section the tenant quits the premises and the premises are~~  
26 ~~rented to another party, the rent due on the premises for that 30-day~~  
27 ~~period shall be prorated. Existing law governing the security~~  
28 ~~deposit shall apply.~~

29 ~~(f) Nothing in this section relieves a tenant, other than the tenant~~  
30 ~~who is, or who has a household member who is, a victim of~~  
31 ~~domestic violence, sexual assault, stalking, human trafficking, or~~  
32 ~~abuse of an elder or a dependent adult and members of that tenant's~~  
33 ~~household, from their obligations under the rental agreement.~~

34 ~~(g) "Household member" as used in this section means a member~~  
35 ~~of the tenant's family who lives in the same household as the~~  
36 ~~tenant.~~

37 ~~(h) A landlord shall not disclose any information provided by~~  
38 ~~a tenant under this section to a third party unless the disclosure~~  
39 ~~satisfies any one of the following:~~

40 ~~(1) The tenant consents in writing to the disclosure.~~

1 ~~(2) The disclosure is required by law or order of the court.~~

2 ~~(i) This section shall be operative January 1, 2016.~~

3 SEC. 3. Section 1950.5 of the Civil Code is amended to read:

4 1950.5. (a) This section applies to security for a rental  
5 agreement for residential property that is used as the dwelling of  
6 the tenant.

7 (b) As used in this section, “security” means any payment, fee,  
8 deposit, or charge, including, but not limited to, any payment, fee,  
9 deposit, or charge, except as provided in Section 1950.6, that is  
10 imposed at the beginning of the tenancy to be used to reimburse  
11 the landlord for costs associated with processing a new tenant or  
12 that is imposed as an advance payment of rent, used or to be used  
13 for any purpose, including, but not limited to, any of the following:

14 (1) The compensation of a landlord for a tenant’s default in the  
15 payment of rent.

16 (2) The repair of damages to the premises, exclusive of ordinary  
17 wear and tear, caused by the tenant or by a guest or licensee of the  
18 tenant.

19 (3) The cleaning of the premises upon termination of the tenancy  
20 necessary to return the unit to the same level of cleanliness it was  
21 in at the inception of the tenancy. The amendments to this  
22 paragraph enacted by the act adding this sentence shall apply only  
23 to tenancies for which the tenant’s right to occupy begins after  
24 January 1, 2003.

25 (4) To remedy future defaults by the tenant in any obligation  
26 under the rental agreement to restore, replace, or return personal  
27 property or appurtenances, exclusive of ordinary wear and tear, if  
28 the security deposit is authorized to be applied thereto by the rental  
29 agreement.

30 (c) A landlord may not demand or receive security, however  
31 denominated, in an amount or value in excess of an amount equal  
32 to two months’ rent, in the case of unfurnished residential property,  
33 and an amount equal to three months’ rent, in the case of furnished  
34 residential property, in addition to any rent for the first month paid  
35 on or before initial occupancy.

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

39 This subdivision does not preclude a landlord and a tenant from  
40 entering into a mutual agreement for the landlord, at the request

1 of the tenant and for a specified fee or charge, to make structural,  
2 decorative, furnishing, or other similar alterations, if the alterations  
3 are other than cleaning or repairing for which the landlord may  
4 charge the previous tenant as provided by subdivision (e).

5 (d) Any security shall be held by the landlord for the tenant who  
6 is party to the lease or agreement. The claim of a tenant to the  
7 security shall be prior to the claim of any creditor of the landlord.

8 (e) The landlord may claim of the security only those amounts  
9 as are reasonably necessary for the purposes specified in  
10 subdivision (b). The landlord may not assert a claim against the  
11 tenant or the security for damages to the premises or any defective  
12 conditions that preexisted the tenancy, for ordinary wear and tear  
13 or the effects thereof, whether the wear and tear preexisted the  
14 tenancy or occurred during the tenancy, or for the cumulative  
15 effects of ordinary wear and tear occurring during any one or more  
16 tenancies.

17 (f) (1) Within a reasonable time after notification of either  
18 party's intention to terminate the tenancy, or before the end of the  
19 lease term, the landlord shall notify the tenant in writing of his or  
20 her option to request an initial inspection and of his or her right to  
21 be present at the inspection. The requirements of this subdivision  
22 do not apply when the tenancy is terminated pursuant to subdivision  
23 (2), (3), or (4) of Section 1161 of the Code of Civil Procedure *or*  
24 *Section 1946.7 of this code*. At a reasonable time, but no earlier  
25 than two weeks before the termination or the end of lease date, the  
26 landlord, or an agent of the landlord, shall, upon the request of the  
27 tenant, make an initial inspection of the premises prior to any final  
28 inspection the landlord makes after the tenant has vacated the  
29 premises. The purpose of the initial inspection shall be to allow  
30 the tenant an opportunity to remedy identified deficiencies, in a  
31 manner consistent with the rights and obligations of the parties  
32 under the rental agreement, in order to avoid deductions from the  
33 security. If a tenant chooses not to request an initial inspection,  
34 the duties of the landlord under this subdivision are discharged. If  
35 an inspection is requested, the parties shall attempt to schedule the  
36 inspection at a mutually acceptable date and time. The landlord  
37 shall give at least 48 hours' prior written notice of the date and  
38 time of the inspection if either a mutual time is agreed upon, or if  
39 a mutually agreed time cannot be scheduled but the tenant still  
40 wishes an inspection. The tenant and landlord may agree to forgo

1 the 48-hour prior written notice by both signing a written waiver.  
 2 The landlord shall proceed with the inspection whether the tenant  
 3 is present or not, unless the tenant previously withdrew his or her  
 4 request for the inspection. Written notice by the landlord shall  
 5 contain, in substantially the same form, the following:

6  
 7 “State law permits former tenants to reclaim abandoned personal  
 8 property left at the former address of the tenant, subject to certain  
 9 conditions. You may or may not be able to reclaim property without  
 10 incurring additional costs, depending on the cost of storing the  
 11 property and the length of time before it is reclaimed. In general,  
 12 these costs will be lower the sooner you contact your former  
 13 landlord after being notified that property belonging to you was  
 14 left behind after you moved out.”

15  
 16 (2) Based on the inspection, the landlord shall give the tenant  
 17 an itemized statement specifying repairs or cleanings that are  
 18 proposed to be the basis of any deductions from the security the  
 19 landlord intends to make pursuant to paragraphs (1) to (4),  
 20 inclusive, of subdivision (b). This statement shall also include the  
 21 texts of paragraphs (1) to (4), inclusive, of subdivision (b). The  
 22 statement shall be given to the tenant, if the tenant is present for  
 23 the inspection, or shall be left inside the premises.

24 (3) The tenant shall have the opportunity during the period  
 25 following the initial inspection until termination of the tenancy to  
 26 remedy identified deficiencies, in a manner consistent with the  
 27 rights and obligations of the parties under the rental agreement, in  
 28 order to avoid deductions from the security.

29 (4) Nothing in this subdivision shall prevent a landlord from  
 30 using the security for deductions itemized in the statement provided  
 31 for in paragraph (2) that were not cured by the tenant so long as  
 32 the deductions are for damages authorized by this section.

33 (5) Nothing in this subdivision shall prevent a landlord from  
 34 using the security for any purpose specified in paragraphs (1) to  
 35 (4), inclusive, of subdivision (b) that occurs between completion  
 36 of the initial inspection and termination of the tenancy or was not  
 37 identified during the initial inspection due to the presence of a  
 38 tenant’s possessions.

39 ~~(g) (1) No later than 21 calendar days after the tenant has~~  
 40 ~~vacated the premises, but not earlier than the time that either the~~

1 landlord or the tenant provides a notice to terminate the tenancy  
2 under Section 1946 or 1946.1, Section 1161 of the Code of Civil  
3 Procedure, or not earlier than 60 calendar days prior to the  
4 expiration of a fixed-term lease, the landlord shall furnish the  
5 tenant, by personal delivery or by first-class mail, postage prepaid,  
6 a copy of an itemized statement indicating the basis for, and the  
7 amount of, any security received and the disposition of the security,  
8 and shall return any remaining portion of the security to the tenant.  
9 After either the landlord or the tenant provides notice to terminate  
10 the tenancy, the landlord and tenant may mutually agree to have  
11 the landlord deposit any remaining portion of the security deposit  
12 electronically to a bank account or other financial institution  
13 designated by the tenant. After either the landlord or the tenant  
14 provides notice to terminate the tenancy, the landlord and the tenant  
15 may also agree to have the landlord provide a copy of the itemized  
16 statement along with the copies required by paragraph (2) to an  
17 email account provided by the tenant.

18 (g) (1) (A) *The landlord shall furnish the tenant, by personal*  
19 *delivery or by first-class mail, postage prepaid, a copy of an*  
20 *itemized statement indicating the basis for, and the amount of, any*  
21 *security received and the disposition of the security, and shall*  
22 *return any remaining portion of the security to the tenant within*  
23 *both of the following time constraints:*

24 (i) *No later than 21 calendar days after the tenant has vacated*  
25 *the premises, or, for a vacancy pursuant to Section 1946.7, not*  
26 *later than 14 calendar days after the tenant has vacated the*  
27 *premises.*

28 (ii) *Not earlier than the time that either the landlord or the*  
29 *tenant provides a notice to terminate the tenancy under Section*  
30 *1946 or 1946.1 of this code or Section 1161 of the Code of Civil*  
31 *Procedure, or not earlier than 60 calendar days prior to the*  
32 *expiration of a fixed-term lease.*

33 (B) *After either the landlord or the tenant provides notice to*  
34 *terminate the tenancy, the landlord and tenant may mutually agree*  
35 *to do either of the following:*

36 (i) *Have the landlord deposit any remaining portion of the*  
37 *security deposit electronically to a bank account or other financial*  
38 *institution designated by the tenant.*

1     (ii) *Have the landlord provide a copy of the itemized statement*  
2 *along with the copies required by paragraph (2) to an email*  
3 *account provided by the tenant.*

4     (2) Along with the itemized statement, the landlord shall also  
5 include copies of documents showing charges incurred and  
6 deducted by the landlord to repair or clean the premises, as follows:

7     (A) If the landlord or landlord's employee did the work, the  
8 itemized statement shall reasonably describe the work performed.  
9 The itemized statement shall include the time spent and the  
10 reasonable hourly rate charged.

11     (B) If the landlord or landlord's employee did not do the work,  
12 the landlord shall provide the tenant a copy of the bill, invoice, or  
13 receipt supplied by the person or entity performing the work. The  
14 itemized statement shall provide the tenant with the name, address,  
15 and telephone number of the person or entity, if the bill, invoice,  
16 or receipt does not include that information.

17     (C) If a deduction is made for materials or supplies, the landlord  
18 shall provide a copy of the bill, invoice, or receipt. If a particular  
19 material or supply item is purchased by the landlord on an ongoing  
20 basis, the landlord may document the cost of the item by providing  
21 a copy of a bill, invoice, receipt, vendor price list, or other vendor  
22 document that reasonably documents the cost of the item used in  
23 the repair or cleaning of the unit.

24     (3) If a repair to be done by the landlord or the landlord's  
25 employee cannot reasonably be completed within 21 calendar days  
26 after the tenant has vacated the premises, or if the documents from  
27 a person or entity providing services, materials, or supplies are not  
28 in the landlord's possession within 21 calendar days after the tenant  
29 has vacated the premises, the landlord may deduct the amount of  
30 a good faith estimate of the charges that will be incurred and  
31 provide that estimate with the itemized statement. If the reason for  
32 the estimate is because the documents from a person or entity  
33 providing services, materials, or supplies are not in the landlord's  
34 possession, the itemized statement shall include the name, address,  
35 and telephone number of the person or entity. Within 14 calendar  
36 days of completing the repair or receiving the documentation, the  
37 landlord shall complete the requirements in paragraphs (1) and (2)  
38 in the manner specified.

39     (4) The landlord need not comply with paragraph (2) or (3) if  
40 either of the following applies:

1 (A) The deductions for repairs and cleaning together do not  
2 exceed one hundred twenty-five dollars (\$125).

3 (B) The tenant waived the rights specified in paragraphs (2) and  
4 (3). The waiver shall only be effective if it is signed by the tenant  
5 at the same time or after a notice to terminate a tenancy under  
6 Section 1946 or 1946.1 has been given, a notice under Section  
7 1161 of the Code of Civil Procedure has been given, or no earlier  
8 than 60 calendar days prior to the expiration of a fixed-term lease.  
9 The waiver shall substantially include the text of paragraph (2).

10 (5) Notwithstanding paragraph (4), the landlord shall comply  
11 with paragraphs (2) and (3) when a tenant makes a request for  
12 documentation within 14 calendar days after receiving the itemized  
13 statement specified in paragraph (1). The landlord shall comply  
14 within 14 calendar days after receiving the request from the tenant.

15 (6) Any mailings to the tenant pursuant to this subdivision shall  
16 be sent to the address provided by the tenant. If the tenant does  
17 not provide an address, mailings pursuant to this subdivision shall  
18 be sent to the unit that has been vacated.

19 (h) Upon termination of the landlord's interest in the premises,  
20 whether by sale, assignment, death, appointment of receiver, or  
21 otherwise, the landlord or the landlord's agent shall, within a  
22 reasonable time, do one of the following acts, either of which shall  
23 relieve the landlord of further liability with respect to the security  
24 held:

25 (1) Transfer the portion of the security remaining after any  
26 lawful deductions made under subdivision (e) to the landlord's  
27 successor in interest. The landlord shall thereafter notify the tenant  
28 by personal delivery or by first-class mail, postage prepaid, of the  
29 transfer, of any claims made against the security, of the amount  
30 of the security deposited, and of the names of the successors in  
31 interest, their addresses, and their telephone numbers. If the notice  
32 to the tenant is made by personal delivery, the tenant shall  
33 acknowledge receipt of the notice and sign his or her name on the  
34 landlord's copy of the notice.

35 (2) Return the portion of the security remaining after any lawful  
36 deductions made under subdivision (e) to the tenant, together with  
37 an accounting as provided in subdivision (g).

38 (i) Prior to the voluntary transfer of a landlord's interest in the  
39 premises, the landlord shall deliver to the landlord's successor in  
40 interest a written statement indicating the following:

1 (1) The security remaining after any lawful deductions are made.

2 (2) An itemization of any lawful deductions from any security  
3 received.

4 (3) His or her election under paragraph (1) or (2) of subdivision  
5 (h).

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

8 (j) (1) In the event of noncompliance with subdivision (h), the  
9 landlord's successors in interest shall be jointly and severally liable  
10 with the landlord for repayment of the security, or that portion  
11 thereof to which the tenant is entitled, when and as provided in  
12 subdivisions (e) and (g). A successor in interest of a landlord may  
13 not require the tenant to post any security to replace that amount  
14 not transferred to the tenant or successors in interest as provided  
15 in subdivision (h), unless and until the successor in interest first  
16 makes restitution of the initial security as provided in paragraph  
17 (2) of subdivision (h) or provides the tenant with an accounting as  
18 provided in subdivision (g).

19 (2) This subdivision does not preclude a successor in interest  
20 from recovering from the tenant compensatory damages that are  
21 in excess of the security received from the landlord previously  
22 paid by the tenant to the landlord.

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

30 (k) Upon receipt of any portion of the security under paragraph  
31 (1) of subdivision (h), the landlord's successors in interest shall  
32 have all of the rights and obligations of a landlord holding the  
33 security with respect to the security.

34 (l) The bad faith claim or retention by a landlord or the  
35 landlord's successors in interest of the security or any portion  
36 thereof in violation of this section, or the bad faith demand of  
37 replacement security in violation of subdivision (j), may subject  
38 the landlord or the landlord's successors in interest to statutory  
39 damages of up to twice the amount of the security, in addition to  
40 actual damages. The court may award damages for bad faith

1 whenever the facts warrant that award, regardless of whether the  
2 injured party has specifically requested relief. In an action under  
3 this section, the landlord or the landlord’s successors in interest  
4 shall have the burden of proof as to the reasonableness of the  
5 amounts claimed or the authority pursuant to this section to demand  
6 additional security deposits.

7 (m) No lease or rental agreement may contain a provision  
8 characterizing any security as “nonrefundable.”

9 (n) An action under this section may be maintained in small  
10 claims court if the damages claimed, whether actual, statutory, or  
11 both, are within the jurisdictional amount allowed by Section  
12 116.220 or 116.221 of the Code of Civil Procedure.

13 (o) Proof of the existence of and the amount of a security deposit  
14 may be established by any credible evidence, including, but not  
15 limited to, a canceled check, a receipt, a lease indicating the  
16 requirement of a deposit as well as the amount, prior consistent  
17 statements or actions of the landlord or tenant, or a statement under  
18 penalty of perjury that satisfies the credibility requirements set  
19 forth in Section 780 of the Evidence Code.

20 (p) The amendments to this section made during the 1985  
21 portion of the 1985–86 Regular Session of the Legislature that are  
22 set forth in subdivision (e) are declaratory of existing law.

23 (q) The amendments to this section made during the 2003  
24 portion of the 2003–04 Regular Session of the Legislature that are  
25 set forth in paragraph (1) of subdivision (f) are declaratory of  
26 existing law.

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