

# SENATE BILL REPORT

## SB 5784

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As of February 8, 2001

**Title:** An act relating to tenant security deposits.

**Brief Description:** Requiring that interest on tenant security deposits be paid to the tenant.

**Sponsors:** Senators Kline, Prentice, Fraser and Costa.

**Brief History:**

**Committee Activity:** Judiciary: 2/15/01.

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### SENATE COMMITTEE ON JUDICIARY

**Staff:** Aldo Melchiori (786-7439)

**Background:** A landlord may charge a deposit as security for performance of the tenant's obligations in a lease or rental agreement. All moneys paid as a security deposit are deposited in a trust account. The landlord is entitled to the interest on the trust account unless otherwise agreed in writing.

**Summary of Bill:** All moneys paid as a security deposit must be deposited in a trust account that bears interest. The tenant is annually entitled to the interest on the trust account, unless the tenancy ends sooner in which case the tenant is immediately entitled to the interest on the account.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.