

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1950.5 of the Civil Code is amended to read:

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) (1) Except as provided in paragraph ~~(2), (3), or (4)~~, (2) or (3) a landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to ~~two~~ one months' rent, in the case of unfurnished residential property, and an amount equal to ~~three~~ two months' rent, in the case of furnished residential property, rent, in addition to any rent for the first month paid on or before initial occupancy.

~~(2) Notwithstanding paragraph (1), and except as provided in subparagraphs (A) and (B), a landlord shall not demand or receive security, however denominated, from a service member who rents residential property in which the service member will reside in an amount or value in excess of an amount equal to one months' rent, in the case of unfurnished residential property, or in excess of an amount equal to two months' rent, in the case of furnished residential property, in addition to any rent for the first month paid on or before initial occupancy. A landlord shall not refuse to enter into a rental agreement for residential property with a prospective tenant who is a service member because this paragraph prohibits the landlord from demanding or receiving a greater amount of security than that which is established in paragraph (1). For purposes of this paragraph, "service member" has the same meaning as in Section 400 of the Military and Veterans Code.~~

~~(A) A landlord may demand or receive security from a service member who rents residential property in which the service member will reside as provided in paragraph (1), if the tenant has a history of poor credit or of causing damage to the rental property or its furnishings.~~

~~(B) This paragraph does not apply to a situation in which the property is rented to a group of individuals, one or more of whom is not the service member's spouse, parent, domestic partner, or dependent.~~

