

House Research Act Summary

CHAPTER: 52

SESSION: 2003 Regular Session

TOPIC: Eviction Actions; Security Deposit Interest Rates

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1 Breach voids right to possession. Amends statute that allows evicting a tenant for engaging in unlawful behaviors.

Allows a landlord to assign such actions to the city attorney. Under prior law, actions could only be assigned to the county attorney.

2 Interest. Reduces the interest rate on rental housing security deposits from 3 percent per annum to 1 percent per annum after August 1, 2003. Under prior law, the 3 percent rate was scheduled to end May 1, 2004, and the rate thereafter was set at 4 percent in expectation of higher inflation rates.

The interest rates on security deposits have changed several times in recent years. The 1992 Legislature changed the rate from 5.5 percent to 4 percent until May 1, 1997, and 5.5 percent thereafter. In 1996, the rates were changed to 3 percent until May 1, 1999, and 4 percent thereafter. In 1998, the period for the 3 percent rate was extended to May 1, 2001. In 2000, the period for the 3 percent rate was extended again to May 1, 2004.