

HOUSE RESEARCH

Bill Summary

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Version: As introduced

Authors: Lindner and others

Subject: Interest rates on rental housing security deposits

Analyst: Wendy Simons

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This bill reduces the interest rate on rental housing security deposits from 3 percent per annum to 1 percent per annum after August 1, 2003. Under current law, the 3 percent rate is scheduled to end May 1, 2004, and the rate thereafter is set at 4 percent.

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.