

Security Deposit Limits

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Issue

Describe the limits on security deposit increases for residential tenants under state law.

The Office of Legislative Research is not authorized to provide legal opinions and this report should not be considered one.

Summary

State law generally defines a “security deposit” as any advance rental payment, excluding the first month’s rent or a deposit for a key or other special equipment ([CGS § 47a-21\(a\)](#)). It caps the maximum security deposit amount that a landlord can require from a residential tenant at (1) two months’ rent if the tenant is under age 62 or (2) one month’s rent if the tenant is at least age 62. In the case of a tenant who turns age 62 after having provided a deposit that exceeds one month’s rent, the landlord must return the excess portion at the tenant’s request ([CGS § 47a-21\(b\)](#)). However, the law does not otherwise set limitations on security deposit increases. Unlike rent increases, the law does not impose notice requirements for security deposit increases.

Landlords typically require tenants to provide a security deposit before moving into an apartment. As noted in the Judicial Branch’s “[Rights and Responsibilities of Landlords and Tenants in Connecticut](#)” (see p. 7): “The security deposit is a payment that is held by the landlord and that is used to protect the landlord from damages to the apartment that may be caused by the tenant during the lease period and that may be used by the landlord for unpaid rent. A security deposit is not applied to the rent bill but is completely separate.”

State law on security deposits generally requires deposits to be placed in an escrow account, sets the interest rate on deposits, requires landlords to pay tenants annual interest on deposits, and sets timeframes for landlords to return security deposits and accrued interest at the end of the tenancy (less the value of any itemized damages due to the tenant's failure to comply with his or her obligations) ([CGS § 47a-21](#)). It also authorizes the Department of Banking (DOB) commissioner to (1) receive and investigate [complaints](#) about alleged violations (including of the caps on maximum allowable security deposits discussed above) and (2) issue cease and desist orders to violators ([CGS § 47a-21\(j\)\(1\)](#)). [PA 26-79](#), § 3, explicitly authorizes the DOB commissioner, after an investigation, to order a civil penalty for violations of these laws. By law, the commissioner does not have jurisdiction to take these actions in cases when a landlord fails to (1) annually pay the tenant interest on a security deposit or (2) return all or part of the security deposit if the landlord has a good faith claim for actual damages that the tenant received written notice about ([CGS § 47a-21\(j\)\(2\)](#)).

Security Deposit Increases

While state law caps maximum security deposits (see above), it does not otherwise specifically set limitations on security deposit increases. However, as a general matter, landlords cannot unilaterally modify the terms of an executed rental agreement that is in effect. In other words, a landlord cannot require a security deposit increase during a lease term (even if it would otherwise comply with the statutory caps). For example, the law authorizes landlords to adopt certain rules or regulations about a tenant's use and occupancy of the premises but specifies that, if the rule or regulation would result in a substantial modification of the rental agreement terms, it is not valid without the tenant's written consent ([CGS § 47a-9](#)).

The law also prohibits certain terms from being included in rental agreements, including any requiring a tenant to waive or forfeit rights or remedies under the security deposit laws ([CGS § 47a-4\(a\)\(1\)](#)). By law, statutorily prohibited provisions included in a rental agreement are unenforceable ([CGS § 47a-4\(b\)](#)).

Though the law does not set notice requirements for security deposit increases, it prohibits rent increases from taking effect unless the landlord provides the tenant with at least 45 days' advance written notice. For leases with a term of one month or less, the notice must equal the full length of the lease ([CGS § 47a-4e](#)).

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