

Security Deposit Interest Rates

Landlords in all areas of Santa Cruz County, with the exception of Scotts Valley, are required to pay tenants interest on their security deposits. Interest is to begin accruing the day the deposit is received by the landlord. All rates quoted below are **annual rates**, computed on **simple interest** and are **subject to change**. How to compute: *Dollar amount of your deposit X interest rate ÷ 12 (months) X number of months your landlord held the deposit*. Last month's rent is considered a security deposit.

Example: \$5000 x .0006 ÷ 12 x 9 = \$2.25

City of Santa Cruz

Interest ordinance began 1/1/84. Landlord must pay interest yearly by January 31st.

1/1/04 – 12/31/05	.32%	1/1/09 – 12/31/09	.23%
1/1/06 – 12/31/06	.43%	1/1/10 – 12/31/10	.1%
1/1/07 – 12/31/07	.34%	1/1/11 – 12/31/11	.06%
1/1/08 – 12/31/08	.31%	1/1/12 – 12/31/12	.04%

Unincorporated areas of Santa Cruz County

Interest ordinance began 1/1/89. Landlord must pay interest yearly by January 1st.

1/1/04 – 12/31/05	.32%	1/1/09 – 12/31/09	.23%
1/1/06 – 12/31/06	.43%	1/1/10 – 12/31/10	.1%
1/1/07 – 12/31/07	.34%	1/1/11 – 12/31/11	.06%
1/1/08 – 12/31/08	.31%	1/1/12 – 12/31/12	.04%

City of Capitola

Interest ordinance began 3/14/98. Capitola requires that payment be made at the end of the next February occurring after accrued interest reaches \$50.

1/1/04 – 12/31/05	.32%	1/1/09 – 12/31/09	.23%
1/1/06 – 12/31/06	.43%	1/1/10 – 12/31/10	.1%
1/1/07 – 12/31/07	.34%	1/1/11 – 12/31/11	.0%
1/1/08 – 12/31/08	.31%	1/1/12 – 12/31/12	.0%

City of Watsonville

Interest ordinance began 6/1/91. Landlord must pay interest yearly by January 1st as long as tenancy has continued for at least 6 months.

1/1/04 – 12/31/05	.32%	1/1/09 – 12/31/09	.23%
1/1/06 – 12/31/06	.43%	1/1/10 – 12/31/10	.1%
1/1/07 – 12/31/07	.34%	1/1/11 – 12/31/11	.0%
1/1/08 – 12/31/08	.31%	1/1/12 – 12/31/12	.0%