

Tenant's Security Deposit

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Issue

Summarize the laws that govern a tenant's ability to reclaim a security deposit from a nonresident landlord.

Summary

By law, any security deposit paid by a tenant remains the tenant's property in which the landlord has a security interest to secure the tenant's obligations ([CGS § 47a-21](#)).

Under the law, the landlord:

1. must immediately deposit the entire amount of any security deposit into an escrow account for the tenant's benefit;
2. is prohibited from withdrawing the funds except under certain circumstances, such as to disburse accrued interest to the tenant; and
3. must pay the tenant the deposit plus accrued interest at the termination of the tenancy ([CGS § 47a-21\(d\) & \(h\)](#)).

Security Deposit

"Security deposit" means any advance rental payment, or any installment payment collected pursuant to state law, except an advance payment for the first month's rent or a deposit for a key or any special equipment ([CGS § 47a-21\(a\)\(11\)](#)).

A security deposit is exempt from attachment and execution by the landlord's creditors and is not part of the landlord's estate. The landlord's security interest is assigned to any successor landlord ([CGS § 47a-21\(c\)](#)).

Anyone may bring an action in any court of competent jurisdiction to reclaim any part of his or her security deposit which may be due. The law does not preclude the tenant or landlord from recovering other damages to which they may be entitled ([CGS § 47a-21\(g\)](#)).

The security deposit laws apply whether or not the landlord resides in Connecticut. However, any landlord who is not a Connecticut resident must appoint, in writing, the secretary of the state as the landlord's attorney upon whom all process in any action or proceeding against the landlord may be served ([CGS § 47a-21\(f\)](#)).

The law does not limit (1) the power or authority of the state, the attorney general, or the banking commissioner to seek administrative, legal, or equitable relief permitted by law or (2) the right of any tenant to bring a civil action permitted by law ([CGS § 47a-21\(l\)](#)).

If an action is brought in the small claims court by a tenant to reclaim any part of a security deposit which may be due, the judicial authority hearing the action may award the tenant the damages authorized by [CGS § 47a-21\(d\)](#) and, if authorized by the rental agreement or any provision of the general statutes, costs, even if the amount of such damages and costs, in the aggregate, exceeds the small claims court's jurisdictional monetary limit (i.e., up to \$5,000) ([CGS § 51-15](#)). By law, any landlord who does not return a security deposit or interest when due is liable for twice the amount of the tenant's security deposit, except that, if the only violation is the failure to deliver the accrued interest, the landlord is liable for \$10 or twice the amount of the accrued interest, whichever is greater ([CGS § 47a-21\(d\)\(2\)](#)).

Commissioner's Investigation of Complaints

Generally, the banking commissioner may receive and investigate complaints regarding certain alleged violations of the security deposit laws. However, the commissioner does not have jurisdiction over a landlord's (1) failure to pay interest to a tenant annually or (2) refusal or other failure of the landlord to return all or part of the security deposit if the failure results from the landlord's good faith claim that he or she has suffered damages as a result of a tenant's failure to comply with such tenant's obligations, regardless of whether the existence or amount of the alleged damages is disputed by the tenant ([CGS § 47a-21\(j\)](#)).

Penalties for Violation

Failure to Return Security Deposit

At the termination of a tenancy, any landlord who knowingly and willfully fails to pay all or part of a security deposit when due is subject to a fine of up to \$250 for each offense. However, it is an affirmative defense that the failure was caused by the landlord's good faith belief that he or she was entitled to deduct the value of damages he has suffered as a result of the tenant's failure to comply with his or her obligations ([CGS § 47a-21\(k\)\(1\)](#)).

Escrow Requirement Violation

A landlord who knowingly and willfully violates the escrow requirements is subject to up to a \$500 fine, up to 30 days in prison, or both for each offense. It is an affirmative defense that at the time of the offense, the landlord leased residential real property to fewer than four tenants who paid a security deposit ([CGS § 47a-21\(k\)\(2\)](#)).

Failure to Pay Interest

A landlord who knowingly and willfully fails to pay interest on the security deposit at the time it is due to the tenant is subject to a fine up to \$100 for each offense ([CGS § 47a-21\(k\)\(3\)](#)).

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