

# **N.J. renter's deposits now more secure**

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TRENTON -- Renters in the Garden State stand a better chance of getting security deposits back from landlords, under a handful of laws that took effect yesterday.

Landlords are no longer allowed to charge a 1 percent fee for managing security deposits, and must notify tenants about the banks holding the cash, the kind of account and the interest rate paid. Landlords who fail to do so could be penalized 7 percent of the interest on the security deposit.

Also, in the event of building sales, new owners will be required to obtain existing security deposits from the previous landlords, rather than asking tenants to post a new deposit.

The tenant law took effect Jan. 1 because more leases start on that day than any other day of the year, according to Sen. Byron Baer, D-Bergen, who sponsored the measure.

The average security deposit in New Jersey is \$1,350. Tenants can sue for twice the amount of their deposits, if they are not returned within a month of a lease ending.

Until yesterday, a \$2,000 limit for small claims court made that action unlikely for most renters. The new law boosts the small claims court limit to \$5,000.

Other laws taking effect at the start of 2004 include one that allows part-time employees and part-time faculty at public colleges and universities to purchase coverage in the state's health insurance plan.

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