

(2) Return the portion of the security remaining after any lawful deductions made under subdivision (e) to the tenant, together with an accounting as provided in subdivision (f).

(h) Prior to the voluntary transfer of a landlord's interest in a dwelling unit, the landlord shall deliver to the landlord's successor in interest a written statement indicating the following:

- (1) The security remaining after any lawful deductions are made.
- (2) An itemization of any lawful deductions from any security received.
- (3) His or her election under paragraph (1) or (2) of subdivision(g).

Nothing in this subdivision shall affect the validity of title to the real property transferred in violation of the provisions of this subdivision.

(i) In the event of noncompliance with subdivision (g), the landlord's successors in interest shall be jointly and severally liable with the landlord for repayment of the security, or that portion thereof to which the tenant is entitled, when and as provided in subdivisions (e) and (f). A successor in interest of a landlord may not require the tenant to post any security to replace that amount not transferred to the tenant or successors in interest as provided in subdivision (g), unless and until the successor in interest first makes restitution of the initial security as provided in paragraph (2) of subdivision (g) or provides the tenant with an accounting as provided in subdivision (f).

Nothing in this subdivision shall preclude a successor in interest from recovering from the tenant compensatory damages that are in excess of the security received from the landlord previously paid by the tenant to the landlord.

Notwithstanding the provisions of this subdivision, if, upon inquiry and reasonable investigation, a landlord's successor in interest has a good faith belief that the lawfully remaining security deposit is transferred to him or her or returned to the tenant pursuant to subdivision (g), he or she shall not be liable for damages as provided in subdivision (k), or any security not transferred pursuant to subdivision (g).

(j) Upon receipt of any portion of the security under paragraph (1) of subdivision (g), the landlord's successors in interest shall have all of the rights and obligations of a landlord holding the security with respect to the security.

X (k)

The bad faith claim or retention by a landlord or the landlord's successors in interest of the security or any portion thereof in violation of this section, or the bad faith demand of replacement security in violation of subdivision (i), may subject the landlord or the landlord's successors in interest to statutory damages of up to six hundred dollars (\$600), in addition to actual damages. The court may award damages for bad faith whenever the facts warrant such an award, regardless of whether the injured party has specifically requested relief. In any action under this section, the landlord or the landlord's successors in interest shall have the burden of proof as to the reasonableness of the amounts claimed or the authority pursuant to this section to demand additional security deposits.

- (l) No lease or rental agreement shall contain any provision characterizing any security as "nonrefundable."
- (m) Any action under this section may be maintained in small claims court if the damages claimed, whether actual or statutory or both, are within the jurisdictional amount allowed by Section 116.220 of the Code of Civil Procedure.
- (n) Proof of the existence of and the amount of a security deposit may be established by any credible evidence, including, but not limited to, a canceled check, a receipt, a lease indicating the requirement of a deposit as well as the amount, prior consistent statements or actions of the landlord or tenant, or a statement under penalty of perjury that satisfies the credibility requirements set forth in Section 780 of the Evidence Code.
- (o) The amendments to this section made during the 1985 portion of the 1985-86 Regular Session of the Legislature that are set forth in subdivision (e) are declaratory of existing law.