Security Deposit Interest by State (2026)

Who owes interest on tenant deposits, at what rate, under which statute, verified July 2026

Six states require landlords to pay interest on residential security deposits as a rule; nine more jurisdictions attach conditions such as building size, tenancy length, or a dollar threshold; 36 states require nothing statewide, though Chicago, Los Angeles, and San Francisco impose interest by city ordinance. Use the tables below to find your row, then read the conditions before the rate, because the thresholds are where the rule actually lives. Full guide, city-ordinance detail, and official sources: clearlegaltips.com/security-deposit-interest-by-state/

STATE-BY-STATE DEPOSIT INTEREST TABLE (2026)

STATES WHERE INTEREST IS AUTOMATIC (6)

State	Rate mechanism	Conditions	Statute
Connecticut	Annual deposit index rate	Paid or credited each tenancy anniversary	C.G.S. 47a-21
Maryland	Greater of 1-year Treasury yield (Jan 1) or 1.5%/yr	Deposits of $50+, held 6+ months	Real Prop. 8-203
Massachusetts	5%/yr, or the bank's actual rate if lower	Held one year or longer; paid at end of each tenancy year	M.G.L. c. 186, 15B
Minnesota	1% simple per year	All deposits; amounts under $1 excluded	Minn. Stat. 504B.178
New Hampshire	NH bank's regular-savings rate	Held one year or longer	RSA 540-A:6
New Jersey	Earnings of the required fund or account, all to tenant	Annual accounting; paid in cash or credited to rent	N.J.S.A. 46:8-19

CONDITIONAL JURISDICTIONS (9)

Jurisdiction	Rate mechanism	The gate	Statute
District of Columbia	Statement-savings rate	Tenancy of 12 months or more; paid at termination	14 DCMR 311
Florida	75% of account's annualized average, or 5% simple	Only if landlord elects an interest-bearing account	Fla. Stat. 83.49(1)
Illinois	Largest-bank passbook rate	Buildings/complexes of 25+ units; held over 6 months	765 ILCS 715
Iowa	Account interest	First 5 years of interest belong to the landlord	Iowa Code 562A.12
New Mexico	Passbook rate, paid yearly	Annual lease with deposit over one month's rent	NMSA 47-8-18
New York	Bank interest; landlord keeps 1% admin	Buildings of 6 or more units	GOL 7-103
North Dakota	Interest earned by required insured account	Occupancy of nine months or longer	N.D.C.C. 47-16-07.1

Jurisdiction	Rate mechanism	The gate	Statute
Ohio	5%/yr on the excess portion	Excess over $50 or one month's rent; tenancy 6+ months	ORC 5321.16
Pennsylvania	Escrow interest; landlord keeps 1% admin fee	Funds over $100; only after the deposit's second year	68 P.S. 250.511b

NO STATEWIDE INTEREST REQUIREMENT (36)

States	Note
Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Hawaii, Idaho, Indiana, Kansas, Kentucky, Louisiana	No interest provision in the state deposit statute
Maine, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota	No interest provision in the state deposit statute
Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming	No interest provision (Virginia's former interest rule is no longer in force)
California	No statewide rule, BUT Los Angeles (RSO units, held 1 year+) and San Francisco (held over 1 year) require interest by ordinance
Georgia, North Carolina	Trust account or bond required for custody, but no interest owed to the tenant
Illinois note	Outside 25+ unit buildings no state duty, BUT Chicago's RLTO requires interest on deposits held more than 6 months

How to Use This Table

Find your jurisdiction, read the gate or conditions cell first, and only then the rate. Index-based rates (Connecticut, New York, Chicago, San Francisco) reset every year, so confirm the current percentage from the official publisher named in the statute before computing what is owed. Tenants: a written request citing the statute is usually all it takes. Landlords: open the account type your statute names, calendar the payment date, and write the arrangement into the lease.

INSTRUCTIONS FOR USE

This table is general information, not legal advice. Every Yes and Conditional row was verified against the state statute in July 2026; No rows were confirmed against each state's deposit statute, cross-referenced with ClearLegalTips' companion dataset of deposit caps and return deadlines. Index-based rates change annually and city ordinances change more often than statutes, so verify the current rate with the official publisher before relying on a specific percentage. Full guide, city-ordinance detail, sources, and the downloadable CSV: clearlegaltips.com/security-deposit-interest-by-state/