

The Sacramento Report; California Voters Could End Rent Control

By Greg McConnell, Legislative Advocate

It is a long shot, but there is a real possibility that California voters could get a chance to end rent control. The California Property Owners & Farmland Protection Act has been submitted to the Secretary of State for Ballot and Summary. Once that is done, an initiative will be circulated and if it gathers enough signatures it will be placed on the June, 2008 ballot.

The proposed initiative is sponsored by a coalition of taxpayer, landlord, mobile homeowner, and farm owner groups who call themselves the Californian Alliance to Protect Private Property Rights (CAPPPR). It targets eminent domain. More important to landlords, it would also phase out rent control by preventing cities from adopting new controls, and permanently decontrolling rental units and mobile homes as they are vacated by sitting tenants.

According to the sponsors, initial polling shows strong opposition to the taking of small businesses, homes and farms through eminent domain. Landlords throughout the state are hoping that efforts to protect small business people and single family homeowners will carry over to help protect landlords. While landlords do not usually have their property taken, in rent control cities they are forced to subsidize tenants by charging below market rents. Landlords claim this is essentially the same thing. Private property is taken or transferred from one private citizen to another.

The lead group on CAPPPR is the Howard Jarvis Taxpayers Association (HJTPA). They have quietly been enlisting the support of property owners throughout the state. They say they will need to raise \$1.7 million just to get the initiative on the ballot and they believe they can do it if all affected groups get behind them.

Obviously this has a lot of people worried. So much so that members of the Legislature introduced ACA 8, a measure that would put a competing initiative on the ballot which allegedly addresses the eminent domain issue, but, according to CAPPPR, does not have teeth and does not address rent control. This view of ACA 8 is shared by the Pacific Legal Foundation and various anti-eminent domain groups around the country. (See http://eminentdomain.typepad.com/my_weblog/2007/06/an-interesting-.html).

Oddly, ACA 8 will be heard by the legislature on July 3, the day before Independence Day. On its web site, PLF denounces the timing of this hearing as a way to diffuse participation in the hearing by property rights groups

CAPPPR has been gearing up for the legislative battle and have encouraged supporters to demand that members of the Legislature take a "Hands Off My Property" pledge. They encourage a no vote on ACA 8.

To read more on this interesting topic and decide if it is something you are interested in getting involved in, please visit http://www.calpropertyrights.com/fight_pledge.html. I will continue to provide updates as events warrant.

Sacramento Says No to Limitations on the Ellis Act

In a significant defeat for term limited State Senator Sheila Kuehl, SB 464 was sent to pasture. Senator Kuehl had hoped to convince her colleagues in the Senate that the time was right to further restrict owners from being able to remove their properties from the market and go out of business.

SB 464 would have required that landlords own their properties for a period of three years before they could use the Ellis Act. When the bill was heard by the Senate Judiciary Committee, on which Senator Kuehl sits, it narrowly passed on a 3-2 vote. The next stop would have been the full Senate. However, when it became apparent that the necessary votes were not available, Ms. Kuehl scrambled to get more support by offering to amend the bill. To no avail, the votes could not be mustered and she declined to have the bill heard by the Senate.

Landlords, for now, seem to have escaped another try to force them to remain in unprofitable businesses. While this seems like victory, do not get complacent. The legislative session is far from over and we have seen bills resurrected from death many times in the twilight hours when the session is about to close.

Moreover, Ms Kuehl may try to move the bill in 2008. One thing is certain - Senator Kuehl won't be around in 2009. Her term ends in December 2008 and I can imagine that many landlords will be happy to see her leave.

Megan's Law Déjà vu

Two bills, AB 1197 and AB 148 were introduced this year to allow landlords to screen and evict persons who turn up on the Megan's Law list of registered sex offenders. Both met early defeat as they did not get pass the first Committee to which they were assigned.

We have said it many times before in this column - the Legislature is not going to give landlords the authority to use the Megan's Law registry to deny housing. The Legislature will agree to provide liability protection as it did last year in AB 2712. That bill would have provided that no duty shall arise for a lessor solely for renting or leasing residential real property to a person who is registered or who is required to register under Penal Code Section 290 or who is a person who has been convicted as a sex offender in another state or foreign jurisdiction. If there is no duty, there is no liability.

Unfortunately, the same group that keeps losing on the screen and evict approach encouraged the Governor to veto AB 2712. As a consequence, landlords do not have the clear liability protection that would have been in the law. As I said last year at the time

of the veto, I certainly hope no one gets sued for having rented to a registered sex offender before a liability solution can be passed.

View the entire text of the bills in this report at <http://www.leginfo.ca.gov/bilinfo.html>

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