

Rental Property Protection Legislative Report

By Ira Clary Jr. Esq.

Have you ever wondered why when a tenant leaves behind property in your rental property the law tends to favor the tenant's property interests by making you jump through hoops to notify the tenant, keep the property safe, and then expend your valuable time to sell the property just to break even? The answer is simple; a Sacramento politician thought it would be a "good idea," received advice from a legislative "expert", and pushed the bill through the legislative process. In fact, as you read this article, there are numerous "good ideas" trying to be pushed through California's legislative process by our state elected officials that will affect the way you run your rental property. Do not get me wrong. On occasion, one of these "good ideas" is actually a good idea. The caveat is when there is an actual good idea, it has to go through the legislative process and by the time it reaches the Assembly or Senate floor for a vote, the good bill has lost some of its' luster.

OK, I know what you are thinking. This simple answer is starting to get more complicated without knowing what "good ideas" are being proposed and how our legislative process works. Well, the first step in making the answer simple is knowledge of what bills are being proposed.

As we near the end of this legislative session, it is clear the lion share of the heavy lifting will take place next year. Interim recess began September 14th and there were only a few bills up for votes. The most significant of these was AB 976 (Calderon), which would prohibit local governments from enacting laws aimed at forcing landlords to verify immigration status before renting to a prospective tenant.

Next year we will see a combination of "good ideas" that can be thought of as the good, the bad, and the ugly. The good is AB 1173 (Keene). This bill would authorize in statute a practice used to determine water charges in multiunit residential structures without water sub meters. Ratio Billing Utility Services or RUBS would be permitted and landlords will no longer face legal action from overzealous tenant attorneys and rent boards.

The bad is twofold. First on this list is AB 1234 (Wolk). This bill would declare that on January 1, 2014, a floor furnace or any un-vented furnace shall not be considered as conforming to state law, regardless of upkeep and operation. By application of existing law, no landlord will be able to collect rent from any rental unit not conforming to state law.

Next is SB 464 (Kuehl). This bill would require landlords, in specified jurisdictions, who have not owned their rental units for more than three years, and who acquire ownership of the property on or after March 27, 2007 to remain in business, regardless of financial hardship and loss.

The ugly is SB 482 (Yee). This bill would allow tenants to purchase a bond or commercial insurance policy in lieu of posting a security deposit with the landlord. The practical application will be a tenant would simply pay the premium on the policy and the landlord will have to fight the insurance company for payment on the policy when the tenant vacates the unit. Since insurance companies make money by NOT paying claims, the real world result is landlords will have to pay the repair bill out of their own pockets

in order to get the unit back on the market again in a timely manner. The only loser in this scenario is the landlord.

Again, I am reading your mind because I know you are thinking so what, what can I as an individual property owner do with this knowledge? The answer is actually simple.

Thanks to AOA sponsoring the website www.rentalpropertyprotection.com, this knowledge is tracked for you and helps rental property owners come together to protect actual good bills and voice their opposition to “good ideas” that are actually the bad and the ugly as they are being moved through the legislative process to stop them dead in their tracks.

If you are not internet savvy, do not fret. The answer is still simple. Find RentalPropertyProtection.com’s ad in the AOA magazine and join as an offline user. RentalPropertyProtection.com will work for you and keep you updated with the knowledge you need to know to make a difference.

Ira Clary Jr. Esq., is a Partner in Citizen Empowerment Group, a web based company specializing in de-mystifying the political process in state government. For more information on these bills and the rest of the bills being tracked go to www.rentalpropertyprotection.com