

Sacramento Report
LEGISLATIVE ROUNDUP
by Greg McConnell, Legislative Advocate

As the Legislature prepares for its summer recess several bills of importance to the rental housing industry are still under consideration. This brief report features some of the major bills under consideration.

AB 2712 (LENO) HOUSING: SEX OFFENDERS

This bill would clarify the duties and obligations that arise for a landlord who complies with state law mandates that prevent the landlord from refusing to rent residential real property to a person who is required to register as a sex offender. This bill would also clarify that under current law there is no duty for a landlord to use information from Megan's List to protect their other tenants.

The bill was approved by the Senate Judiciary Committee on a 4-0 bi-partisan vote. It now goes to the Senate Floor.

However, it does accomplish the very important goal of protecting landlords who comply with state law mandates from being sued merely for renting to a registered sex offender

The rental housing industry was joined in its support for the bill by the Western Center on Law and Poverty and Western Manufactured Housing Communities Association (WMHCA). WMHCA asked for an amendment to clarify that their owners and operators are covered by the liability protections that are included in the bill. The trial lawyers, who almost always oppose bills that limit liability, were neutral.

Although one group opposed the bill saying essentially that it did not go far enough, the Senate Judiciary Committee Analysis prepared by the Committee Consultant is very clear about how the bill protects owners from frivolous lawsuits. The importance of this favorable analysis cannot be overstated. It is now a part of the legislative record on this bill. In any future litigation that might arise, it will be reviewed by a court to help determine the purpose of the bill and the intent of the legislature.

As we stated in the past, this bill does not resolve all of the issues pertaining to Megan's Law. However, it does accomplish the very important goal of protecting landlords who comply with state law mandates from being sued merely for renting to a registered sex offender. Over the next few days we will prepare amendments requested by the California Association of Realtors and the California Building Industry Association to clarify that the bill protects their members and other minor clean-up amendments. Once that is done, we will move the bill to the full Senate. We think the chances of passing AB 2712 are very good.

AB 926 (CHU) PROPERTY: CHANGE OF OWNERSHIP

Summary: AB 926 is a majority vote bill that requires taxpayers to file a change of ownership form 45 days after a change of ownership occurs, without the assessor requesting the data. Current law requires taxpayers to file a change of ownership form 45 days after the assessor has requested the information. The bill fails to acknowledge that change in ownership determination can be a complex question for large companies with diverse ownership interests in numerous companies.

The bill imposes a significant penalty – 10% of the tax that is due on the new base year valuation. The penalty is capped for homeowners at \$2,500; however, there is no limit on all other property.

The bill is before the Senate Appropriations Committee and is being opposed by the rental housing industry.

AB 1169 (TORRICO) REAL PROPERTY: RENTALS

With minor exceptions, AB 1169 is identical to SB 51 (Kuehl) that was killed on the Assembly floor last year. This bill attempts to reinstate the provision that requires landlords to give a sixty day notice when terminating a tenancy.

The bill is on the Senate Floor where its chances of passage are pretty good. It then goes to the Assembly where we killed it last year.

AB 2210 (GOLDBERG) TOW TRUCK OPERATORS

This bill attempts to change the way tow trucks operate when removing vehicles. While the issue is not directed at the apartment industry, the solutions have ramifications for the industry. The essence of the bill is to prevent bandit tow truck operators from towing cars without clear authorization. The bill sets up a mechanism to ensure that the tow truck operator gets written authorization from the landlord and that he follows various legal requirements. A major problem for the rental housing industry was that the original bill required the landlord or his agent to be physically present when a car is being towed. This would be a nightmare for small to medium size owners who don't have resident managers. Amendments will be adopted stating apartment owners/managers will not have to be physically present when an illegally parked car is being towed.

The bill is before the Senate Judiciary Committee. If requested amendments are adopted, the rental housing industry will likely be neutral on the bill.

SB 540 (KEHOE) TENANCY: SIGNS AND FLAGS

This bill would prohibit a landlord from prohibiting a tenant from posting or displaying campaign signs relating to an election including an election for a candidate for public office or to the initiative, referendum, or recall process. The rental housing industry has attempted to amend the bill to control the length of time that a poster can be displayed and the size of the poster. While the rental housing industry does not like the bill, it will be difficult to defeat it altogether. The bill is before the Assembly.

SB 1745 (KUEHL) EMPLOYMENT AND HOUSING DISCRIMINATION

As introduced this bill would have declared the intent of the Legislature to develop legislation that would protect victims of domestic violence, sexual assault, and stalking in their homes and prohibit discrimination against these victims in housing and employment. After substantial industry opposition, the author deleted all references to housing in the bill. It no longer affects landlords. This was a major victory for the rental housing industry. The bill is before the Assembly Appropriations Committee

All of the bills can be viewed in their entirety, along with committee analyses at www.leginfo.ca.gov.

Greg McConnell is a rental housing consultant and legislative advocate. He represents and advises apartment associations, property management companies, and individual owners throughout California. For more information please visit www.themcconnellgroup.com. © This article is copyrighted and cannot be republished without the consent of the author.