2025 New Laws

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This chart summarizes new laws passed by the California Legislature that may affect REALTORS® in 2025. For the full text of a law, click onto the bill link at the end of each summary or go to **http://leginfo.legislature.ca.gov/** for California laws.

Topic	Description
ADUs: Extends the ADU amnesty law to unpermitted ADUs and junior ADUs built before 2020	**Extends the Accessory Dwelling Unit (ADU) amnesty law to unpermitted ADUs and junior accessory dwelling units (JADUs) built before 2020.** **Requires cities and counties to provide a clear process for homeowners to obtain permits for their unpermitted ADUs.** AB 2533 prohibits a local agency from denying a permit for an unpermitted accessory dwelling unit or junior accessory dwelling unit that was constructed before January 1, 2020, for various violations ("amnesty"), unless the local agency makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard. Cities and counties must inform the public about the ADU amnesty rules through public information resources, including permit checklists and the local agency's internet website, which must include the following: (1) A checklist of the health and safety violations for which a building would be deemed substandard and therefore the locality could deny a permit. (2) Informing homeowners that, before submitting an application for a permit, the homeowner may obtain a confidential third-party code inspection from a licensed contractor to determine the unit's existing condition or potential scope of building improvements before submitting an

	application for a permit. A homeowner applying for a permit for a previously unpermitted accessory dwelling unit or junior accessory dwelling unit constructed before January 1, 2020, shall not be required to pay impact fees or connection or capacity charges except when utility infrastructure is required to comply with above mentioned health and safety violations. Assembly Bill 2533 is codified as Government Code§66332. Effective January 1, 2025.
Balcony inspections: Deadline for inspections extended until 2026 but not for condominium projects	**Extends the deadline for inspections of wooden balconies and other Elevated Elements for buildings with 3 or more multifamily dwelling units from January 1, 2025, to January 1, 2026. However, there is no extension of the deadline for wooden balcony inspections for condominium projects which remains January 1, 2025.** **Current Law:** If a building contains 3 or more units, and has balconies, decks, stairways or other structures extending beyond the exterior walls of the building, which are at least six feet above ground level, and supported in whole or in part by wood or wood-based products ("Elevated Elements"), current law requires that an inspection of the Elevated Elements be completed by January 1, 2025, and at least every six years thereafter. **AB 2579** provides a 12-month extension to the deadline for the inspection requirement thereby delaying the inspection deadline from January 1, 2025, to January 1, 2026. There is a similar inspection requirement for the association of a condominium project to inspect Elevated Elements every nine years, with the deadline for completion of the initial inspection set at January 1, 2025. However, this deadline has not been extended and remains January 1, 2025. **Comment:** Some cities and counties have their own codes/regulations regarding the deadline for inspection of Elevated Elements, and these may supersede the state requirement. See, for example, the City of Berkeley (https://berkeleyca.gov/doing-business/operating-berkeley/landlords/exterior-elevated-elements-inspection-program-e3) in which the deadline for compliance was May 31, 2022. Members and their clients are advised to seek appropriate licensed professionals to assist with these types of inspections. Assembly Bill 2579 is codified as Health and Safety Code§17973. Effective

	January 1, 2025.
Balcony inspections in common interest developments	**Civil engineers are added to the list of inspectors who are authorized to perform inspections of wooden balconies and other Elevated Elements in multiunit buildings located within a common interest development.** **Existing law:** At least once every nine years, the HOA board of a condominium project with buildings containing three or more multifamily units is required to have conducted an inspection of wooden balconies and other exterior elevated elements for which the HOA has maintenance or repair responsibility. Previously, only a licensed structural engineer or architect was permitted to conduct these inspections. **AB 2114** adds licensed civil engineers to the list of inspectors who are authorized to perform inspections of these elements in multiunit buildings located within a CID. Because the deadline for completing the first round of inspections of these elements is January 1, 2025, the bill has an urgency clause so that HOAs who still have yet to complete their inspections may take advantage of the expanded inspector list before the compliance deadline. Assembly Bill 2114 is codified as Civil Code§5551. This is an urgency statute. Effective July 15, 2024.
Buyer representation agreements	**Requires a buyer representation agreement to be executed between a buyer's agent and a buyer as soon as practicable, but no later than the execution of the buyer's offer to purchase real property. This law applies to nearly all types of property but excludes leases and rental agreements.** **Application:** This law applies to: • Real property improved with 1 to 4 dwelling units including a unit in a stock cooperative, condominium or planned unit development • Multiunit residential property with more than four dwelling units • Commercial real property • Vacant land • A ground lease coupled with improvements, and • A manufactured home or a mobilehome when offered for sale or sold

through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

This law does not apply to:

- Leases and rental agreements
- Sale of state or federal land
- Loan brokering services

Timing

A buyer-broker representation agreement shall be executed between a buyer's agent and a buyer as soon as practicable, but no later than the execution of the buyer's offer to purchase real property.

Contents of the buyer representation agreement

The agreement must include:

- Compensation of the real estate broker
- Services to be rendered
- When compensation is due
- Contract termination

Three-month limit:

A buyer representation agreement cannot last longer than three months from the date the agreement was made, except for agreements entered into between a real estate broker and a corporation, limited liability company, or partnership.

Renewals:

- A buyer representation agreement shall not renew automatically.
- Any renewal shall be in writing and be dated and signed by all parties to the agreement.
- Renewals cannot last longer than three months from the date the renewal was made.

Agency Disclosure

The Agency Disclosure must be provided prior to execution (C.A.R. Form AD).

Void and Unenforceable

A buyer representation agreement that is made in violation of these provisions is void and unenforceable.

Licensing law violation

Any person licensed under the Real Estate Law who violates the provisions related to buyer representation agreements is deemed to have violated the licensing law.

	Notice re negotiability of commissions Statutory notice that compensation is not fixed by law and is negotiable must be included in all form buyer representation agreements. Assembly Bill 2992is codified as Business and Professions Code § 10147.5, Civil Code §§ 2079.13, 2079.14, and 2079.16, and Code of Civil Procedure § 1298. Effective January 1, 2025.
Common Interest Developments: Responsibility for repairs necessary to maintain utilities	The association is responsible for repairs and replacements necessary to restore interrupted gas, heat, water, or electrical services that begin in the common area even if the matter extends into a separate interest or the exclusive use common area appurtenant to a separate interest. However, the association will not be responsible if otherwise provided in the declaration of a common interest development, or if the utility service that failed is required to be maintained, repaired, or replaced by a public, private, or other utility service provider. An association's board shall commence the process to make the repairs necessary to restore gas, heat, water, or electrical services, as required by the above provisions, within 14 days of the interruption of services. Senate Bill 900is codified as Civil Code§§ 4775, 5550 and 5610. Effective January 1, 2025.
Contractor exemptions: $500 limit for unlicensed contractor work raised to $1000	**The contractors licensing law does not apply when the aggregate contract price for labor, materials, and all other items on a work or operation on one project or undertaking is less than $1000 and the construction does not require a building permit or employing another person to perform, or to assist in performing, the work or operation.** A person who is not licensed pursuant to the contractors licensing law may advertise for construction work or a work of improvement as long as the aggregate contract price for labor, material, and all other items on a project or undertaking is less than$1,000 and the person states in the advertisement that the person is not licensed as a contractor. This exemption does not apply when the work of construction is only a part of a larger or major operation, whether undertaken by the same or different contractor, or in which a division of the operation is made in contracts of amounts less than $1000 for the purpose of evasion of the licensing law. Neither does the exemption apply to a person who employs another person to perform, or assist in performing, the work or operation. Assembly Bill 2622is codified as Business and Professions Code§§7027.2 and 7048. Effective January 1, 2025.
Disclosures: Seller's	**A seller who received domestic water storage tank assistance or is**

receipt of domestic water storage tank assistance	**aware that the real property received such assistance, and the real property currently still has the domestic water storage tank, shall deliver to the prospective buyer a disclosure statement. The disclosure required under this law relates to the circumstance where a seller's private water well went dry, or was destroyed, due to drought, wildfire, or other natural disaster and the seller received a specific type of assistance.** **This is a TDS-related disclosure subject to all TDS applications, exemptions and statutory termination rights. The Seller Property Questionnaire will be revised to meet this disclosure requirement.** **Background:** In 2020, Senate Bill 513authorized the State Water Resources Control Board to provide grants offering interim relief to households in which a private water well went dry, or was destroyed, due to drought, wildfire, or other natural disaster. The assistance was made available to households indirectly through programs administered by counties, community water systems, non-profits or local public agencies. All of the disclosure requirements of this law relate to assistance received under this program and is referred to in the law as assistance "pursuant to Section 13194 of the Water Code." **This new law requires:** On or after January 1, 2025, a seller of any real property who received domestic water storage tank assistance pursuant to Section 13194 of the Water Code, or is aware the real property received such assistance and the real property currently still has the domestic water storage tank, shall deliver to the prospective buyer a disclosure statement that includes all of the following information in substantially the following form: • This property has a domestic water storage tank provided by a county, community water system, local public agency, or nonprofit organization. • The domestic water storage tank was made available to households that had a private water well that had gone dry, or had been destroyed due to drought, wildfire, other natural disasters, or was otherwise nonfunctioning. • The domestic water storage tank provided might not convey with the real property. • Due to the water well issues that led to this property obtaining assistance, the buyer is advised to have an inspection of the water well and to have a professional evaluate the availability of water to the property to ensure it suits the purposes for which the buyer is purchasing the property.

	TDS-Related Disclosure Disclosures under this law are subject to the same application, exemptions and statutory termination rights as the Transfer Disclosure Statement. This disclosure applies to residential real property improved with one to four dwelling units and mobilehomes. Among other exemptions, sales of property in probate, bankruptcy, foreclosure, REOS and certain trusts are exempt. A buyer may terminate the purchase agreement within five days of delivery of this disclosure (or three days if delivered personally). Questions pertaining to this disclosure requirement will be integrated into the Seller Property Questionnaire (C.A.R. Form SPQ). Senate Bill 1366is codified as California Civil Code§1102.156. Effective January 1, 2025.
Disclosures: Local requirements relating to replacement of gas-powered appliances; Electrical system inspection	**On or after January 1, 2026, a seller if aware of the requirements must disclose the existence of any state or local requirements relating to replacement of existing gas-powered appliances that are being transferred with the property. The disclosure must be made if either the seller or the agent is aware of these requirements. This law also requires a statutory notice advising the buyer to obtain an inspection of the electrical system.** **This is a TDS-related disclosure which applies to the sale of residential 1 to 4 property and mobilehomes subject to all TDS applications, exemptions and statutory termination rights. The Seller Property Questionnaire will be revised to meet this disclosure requirement.** On or after January 1, 2026, the seller of a residential property improved with one to four dwelling units or a mobilehome shall disclose, in writing, the existence of any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property to the extent they or their agent are aware of those requirements or restrictions. For purposes of this section, “gas-powered appliance” includes, but is not limited to, appliances fueled by natural gas or liquid propane. Additionally, on or after January 1, 2026, a statutory notice as follows must be delivered to a prospective buyer: “In a purchase of real property, it may be advisable to obtain an inspection by a qualified professional of the electrical system(s) of any buildings, including, but not limited to, the main service panel, the subpanel(s), and wiring. Substandard, recalled, or faulty wiring may cause a fire risk and may make it difficult to obtain property insurance. Limited electrical capacity may make it difficult to support future electrical additions to the

	building(s), such as solar generation, electric space heating, electric water heating, or electric vehicle charging equipment." ***Exception***: The statutory notice is not required for the sale of a building within three years of the issuance of the certificate of occupancy for the building. **TDS-Related Disclosure** Disclosures under this law are subject to the same application, exemptions and statutory termination rights as the Transfer Disclosure Statement. This disclosure is required for residential real property improved with one to four dwelling units or a mobilehome. Among other exemptions, sales of property in probate, bankruptcy, foreclosure, REOS and certain trusts are exempt. A buyer may terminate the purchase agreement within five days of delivery of this disclosure (or three days if delivered personally). Questions pertaining to this disclosure requirement will be integrated into the Seller Property Questionnaire (C.A.R. Form SPQ). Senate Bill 382is codified as Civil Code§§1102.6i and 1102.6j. Provisions are applicable on or after January 1, 2026.
Fair Housing: Adds to the definition of race traits associated with race such as certain hairstyles to the Unruh Act	**The Unruh Act, which prohibits discrimination in all business establishments, is expanded to include within the definition of race traits associated with race such as protective hairstyles, including braids, locs and twists.** **Existing Law:** In 2019 the Fair Employment and Housing Act was amended to prohibit discrimination on the basis of traits historically associated with race, including hair texture and protective hairstyles such as braids, locs and twists. FEHA covers discrimination in the workplace and housing but does not cover business establishments generally. **New Law:** The Unruh Act is expanded by defining the term race to include traits associated with race, including, but not limited to, hair texture and protective hairstyles. The Unruh Act entitles all persons to full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever. Assembly Bill 1815is codified as Civil Code§51, Education Code§212.1 and Government Code§12926. Effective January 1, 2025.
Fair Housing: Discrimination may	**This law recognizes the concept of intersectionality in civil rights law, meaning, discrimination may be based on a single, individual**

include a combination of protected characteristics	**characteristic or on the basis of a combination of two or more protected characteristics.** For purposes of the Unruh Act and the California Fair Employment and Housing Act discrimination based on specified characteristics is illegal whether based upon • Any particular characteristic or based on any combination of those characteristics, or • A perception that the person has any particular characteristic or characteristics within the listed categories or any combination of those characteristics, or • A perception that the person is associated with a person who has, or is perceived to have, any particular characteristic or characteristics, or any combination of characteristics, within the listed categories. **Purpose of this law:** It is the intent of the legislature to recognize the concept of intersectionality in California civil rights laws. Intersectionality is an analytical framework that sets forth that different forms of inequality operate together, exacerbate each other, and can result in amplified forms of prejudice and harm. The provisions of this law are declarative of existing law. Senate Bill 1137is codified as Civil Code§51, Education Code§§200 and 210.2, and Government Code§§12920 and 12926.
Foreclosure: Places 90-day delay on “surplus fund chasers” solicitations and extends liability protection to trustees responding to request for payoff amounts	**Prohibits a person from contacting, soliciting, or initiating communication with an owner to claim the surplus funds from a foreclosure sale of the owner’s residence before 90 days after the trustee’s deed has been recorded.** **In addition to other protections, the trustee will not incur liability for any good faith error resulting from reliance on information provided in good faith by the beneficiary regarding requests for payoff or reinstatement information.** **This law makes numerous other technical changes regarding the foreclosure process.** **90-day delay on surplus chasers** After all lienholders and other costs are paid, the prior owner of a foreclosed property will be entitled to any surplus funds. AB 295 seeks to protect those persons following a trustee's sale from individuals who are attempting to take advantage of the foreclosure process. Existing law already requires a trustee to distribute all surplus funds following a trustee's sale to the borrower and anyone else who is entitled to those funds. Known as "surplus fund chasers", there are companies which seek out these

	borrowers and others by offering to assist in acquiring surplus funds, oftentimes at 25% to 40% of their entitled amount. AB 295 seeks to restrict these surplus fund chasers from seeking to contact a borrower and others until 90 days after the trustee's deed has been recorded. This 90-day delay will allow trustees to find the appropriate individuals entitled to these funds and distribute these funds without them having to pay exorbitant fees. **Trustees Liability in responding to payoff requests** Trustees already have some protection from liability in performing acts pertaining to the exercise of a power of sale under a mortgage or deed of trust. AB 295 adds that in responding to requests for payoff or reinstatement information, the trustee shall not incur liability for any good faith error resulting from reliance on information provided in good faith by the beneficiary regarding the nature and the amount of the default under the secured obligation, deed of trust, or mortgage, nor will a trustee be subject to liability as a debt collector per the California Fair Debt Collection Practices Act (Civil Code 1788 et seq.). Assembly Bill 295is codified as Civil Code§§ 2924, 2924c, 2924h, 2924m, 3273.10 and 2924.21. This is an urgency statute. Effective July 19, 2024.
Foreclosure: Delivery of listing agreement extends foreclosure sale by 45 days.	**When foreclosing on residential 1 to 4 property, this law requires an additional 45 days beyond the scheduled date of sale if the trustee receives a listing agreement from the trustor at least 5 business days before the scheduled date of sale. There is an additional postponement right based on obtaining an executed purchase agreement.** **Prohibits the trustee from selling the property at the initial trustee's sale for less than 67% of the amount of the fair market value of the property.** 45- day postponement based on listing For residential 1 to 4 properties subject to a power of sale contained in any deed of trust or mortgage, the sale shall not be conducted until the expiration of an additional 45 days following the scheduled date of sale when: • The trustee receives five business days prior to the scheduled date of sale • A listing agreement • With a California licensed real estate broker • To be placed in a publicly available marketing platform • Sent by certified mail with USPS or other overnight mail courier service • With tracking information that confirms the recipient's signature and date and time of receipt and delivery

- This postponement may be used only one time

45- day postponement based on receipt of executed purchase agreement

If the scheduled date of sale has been postponed in the above manner the trustee shall postpone the scheduled date of sale for 45 days following receipt of an executed purchase agreement when:

- The trustee receives five business days before the scheduled date of sale
- A copy of a purchase agreement for sale of the property
- Purchase agreement must be bona fide and fully executed
- Must include name of buyer, sales price, closing date and acceptance by the designated escrow agent
- Purchase price must be equal to or greater than the amount of the unpaid balance of all obligations of record secured by the property
- Sent by certified mail with USPS or other overnight mail courier service
- With tracking information that confirms the recipient's signature and date and time of receipt and delivery
- This postponement may be used only one time

Requirement of fair market value

With respect to residential real property containing no more than four dwelling units that is subject to a power of sale contained in a first lien deed of trust or mortgage, the trustee is prohibited from selling the property at the initial trustee's sale for less than 67% of the amount of the fair market value of the property. If the property remains unsold after the initial trustee's sale, it is required that the trustee postpone the sale for at least 7 days and authorizes that the property to be sold thereafter to the highest bidder. The beneficiary, or authorized agent shall provide to the trustee a fair market value of the property at least 10 days prior to the initially scheduled date of sale.

Comment: Under California law, the time from when a Notice of Default is recorded to the scheduled trustee's sale is approximately 110 days. Since 2021, for properties subject to the Real Estate Settlement Procedures Act (RESPA) the earliest a Notice of Default can be filed is 120 days after the loan becomes delinquent. With this latter requirement, the total time a borrower has from default to the date of sale is 230 days for properties subject to RESPA.

In addition to the 230-day timeline indicated above, AB 2424 may add up to 85 more days to the foreclosure process as follows: Delivery of a listing to the trustee five business days prior to date of sale will give the borrower 45 more days beyond the scheduled date of sale. And delivery of an executed purchase agreement five business days prior to the date of sale may effectively add another 40 days (not 45 days since the second postponement is calculated from the time the trustee receives the purchase agreement). See our Foreclosure Timeline chart.

	Assembly Bill 2424 is codified as Civil Code§§2923.5, 2923.55, 2924f and 2932.2. Effective January 1, 2025.
Landlord-Tenant: Expands the law re the landlord's duty to change the locks upon request of a victim of abuse	***Under existing law*** **when a tenant is a victim of abuse, the landlord must change the locks upon written request within 24 hours after receiving appropriate documentation. If the person alleged to have committed the abuse is a tenant in the same dwelling unit, then a court order excluding that person from the dwelling would be necessary. If not, then various types of supporting documentation would be acceptable.** **This new law clarifies that the landlord is responsible for the cost of changing the locks; extends the lock change protection to immediate family or household members of a tenant; expands the acceptable supporting documentation of abuse or violence triggering the lock change protection; and prohibits a landlord from taking adverse action against a prospective tenant because of their use of the lock change protection.** Senate Bill 1051 adds to the existing duty of the landlord to change locks upon request as follows: • **Landlord to bear costs:** Clarifies that a landlord is responsible for paying the cost of changing the locks which must be done within 24 hours of receiving appropriate documentation. If the landlord does not change the locks within 24 hours, the tenant may do so without the landlord's permission, regardless of any lease term to the contrary, and the landlord is to reimburse the tenant for that cost within 21 days. • **Immediate family or other household members are protected:** Expands the category of eligible tenants to include an immediate family or household member of a tenant so that an immediate family or household member of a tenant, who is the victim of abuse or violence, is entitled to the lock-change protections. • **Expands range of documentation that qualifies:** Expands the acceptable supporting documentation substantiating the lock-change request to include documentation from a qualified third party acting in their professional capacity. A form template is written into the law that may be used for this purpose. Additionally, acceptable supporting documentation substantiating the lock-change request includes any other form of documentation that reasonably verifies that the abuse or violence occurred, including, but not limited to, a signed statement from the eligible tenant. • **Tenant Screening:** Prohibits a landlord or a landlord's agent, when screening a prospective tenant, from taking an adverse action (such as denying the rental application) based on the following: a) An allegation that the prospective tenant breached a lease stemming from an act of abuse or violence against the tenant. b) The prospective tenant having previously requested to have their locks changed

	because of abuse or violence. c) The prospective tenant having been a victim of abuse or violence. d) The prospective tenant, or a guest of the prospective tenant, having previously summoned law enforcement assistance or emergency assistance, as, or on behalf of a victim of abuse, a victim of crime, or an individual in an emergency. **Penalties:** If a landlord or their agent makes a prohibited adverse action when screening a prospective tenant, they are liable for actual damages, statutory damages between $100 and $5,000, and any other remedy provided by law. Senate Bill 1051is codified as Civil Code§§1941.6 and 1946.9. Effective January 1, 2025.
Landlord/Tenant: Application screening fee and application process	**Prohibits the practice of charging an application fee to a prospective tenant unless the landlord or agent knows or should have known that a unit is available or will be available within a reasonable period of time.** **Authorizes a landlord to charge an application fee under limited circumstances:** **1) Either the landlord adopts an application screening process whereby all completed applications are considered, as provided in the landlord's written, disclosed screening criteria, in the order the applications were received, or** **2) The landlord agrees to return the fee to any applicant who is not selected for tenancy.** **Credit reports must be provided to the applicant if a screening fee is paid, regardless of whether the applicant has requested it.** **Application: This law applies to all residential tenancies of more than 30 days.** **First**, Assembly Bill 2493 prohibits a landlord or their agent from charging an application screening fee when they know or should have known that no rental unit is available at that time or will be available within a reasonable period of time. **Comment:** This provision does not prohibit a landlord from placing prospective tenants on a waiting list but prevents the landlord from charging an application fee unless they actually have, or within a reasonable period of time will have, a unit available. **Second**, this bill permits a landlord to charge an application fee only if they

	adhere to either of the following procedures: 1. Either the landlord or their agent returns the entire screening fee to any applicant who is not selected for tenancy, regardless of the reason, within seven days of selecting an applicant for tenancy or within 30 days of when the application was submitted, whichever occurs first. **Or** 2. The landlord adopts an application screening process whereby: • All completed applications are considered, as provided in the landlord's written, disclosed screening criteria, in the order the applications were received. The screening criteria must be provided with the application. • The first applicant who meets the landlord's established screening criteria is approved for tenancy. • The applicant is not charged an application fee unless their application is actually considered. • A landlord or agent that inadvertently collects a screening fee does not violate this law as long as a refund is issued within seven days to any applicant whose application is not considered. Or the landlord may offer, as an alternative to a refund, the option of having the screening fee applied to another rental unit being offered by the landlord. However, if a landlord denies an applicant because the applicant does not meet the established, disclosed screening criteria, then the landlord is not required to refund the application fee. **Comment:** If the agent or landlord intends to take an application screening fee following criteria 2 above, then this law requires that they adopt a screening criterion in writing and provide it along with the application. **Third**, when an applicant has paid an application screening fee, a landlord or their agent is required to provide a copy of the consumer credit report, regardless of whether the applicant has requested it, within seven days of the landlord or agent receiving the report. Assembly Bill 2493 is codified as California Civil Code§1950.6. Effective January 1, 2025.
Landlord/Tenant: Tenant may request positive credit reporting	**Requires residential landlords to offer each tenant obligated on a lease the option of having the tenant's positive rental payment information reported to at least one nationwide consumer reporting agency.** **Exempts small, non-corporate landlords.**

	Exempts any landlord of a residential rental building that contains 15 or fewer dwelling units, unless that landlord owns more than one residential rental building and is either a real estate investment trust, a corporation, or a limited liability company with at least one member corporation. **Background:** Many Californians who do not possess a robust credit history do have a history of paying rent on time. But that information does not show up on their credit reports and does not help their credit scores. This measure attempts to solve that problem by giving tenants the opportunity to have their positive rental payment information reported to consumer reporting agencies, adding to their credit history. For leases entered into on and after April 1, 2025, the offer of positive rental payment information reporting must be made at the time of the lease agreement and at least once annually thereafter. For leases outstanding as of January 1, 2025, the offer of positive rental payment information reporting must be made no later than April 1, 2025, and at least once annually thereafter. A tenant may submit the tenant's completed written election of rent reporting at any time after the tenant receives the offer of positive rental payment information reporting from the landlord. A tenant who elects to have positive rental payment information reported may subsequently request to stop that reporting. However, a tenant who stops positive rental payment information reporting may not elect reporting again for at least 6 months. A landlord may charge a tenant the lesser of $10 per month or the actual cost to the landlord to provide the service, unless the landlord does not incur any actual cost to provide positive rental payment reporting. A landlord cannot terminate a tenancy on the basis of non-payment of the rent reporting charge. Assembly Bill 2747 is codified as Civil Code§1954.07. Effective January 1, 2025.
Landlord/Tenant: Security deposit; Move-in and move-out photos	**Requires residential landlords to take move-in, move-out and post-repair and cleaning photos demonstrating deductions.**

	Deductions for cleaning and damages must be "reasonably necessary" to return property back to its initial condition. Professional carpet cleaning, and the cost of materials and charges for work performed for repairs is specifically cited as subject to this rule. Move-in, Move-out and post-repair and cleaning photos required: • Beginning April 1, 2025, the landlord is required to take photographs of the unit within a reasonable time after the possession of the unit is returned to the landlord, but prior to any repairs or cleaning for which the landlord will make a deduction from or claim against the security deposit pursuant to this section *and* • The landlord is also required to take photographs of the unit within a reasonable time after such repairs or cleanings are completed. • For tenancies that begin on or after July 1, 2025, the landlord is required to take photographs of the unit immediately before, or at the inception of, the tenancy. In returning the itemized statement of deductions, if a deduction is made for repairs or cleaning, the landlord shall • Provide the photographs including the move-in, move-out and post repair and cleaning photos, • Along with a **written explanation** of the cost of the allowable repairs or cleanings. • The landlord may provide such photographs to the tenant by mail, email, computer flash drive, or by providing a link where the tenant may view the photographs online. • The landlord shall not be entitled to claim any amount of the security if the landlord, in bad faith, fails to comply with these requirements. **Permissible charges for repairs and carpet cleaning if "reasonably necessary"**: The landlord may not claim deductions from the security for damage or defective conditions that preexisted the tenancy or for ordinary wear and tear. • Claims for materials or supplies and for work performed by a contractor, the landlord, or the landlord's employee shall be limited to a reasonable amount necessary to restore the premises back to the condition it was in at the inception of the tenancy, exclusive of ordinary wear and tear. • The landlord shall not require a tenant to pay for or assert a claim against the tenant or the security for, professional carpet cleaning or other professional cleaning services, unless reasonably necessary to return the premises to the condition it was in at the inception of tenancy, exclusive of ordinary wear and tear.

	Comment: The security deposit law already included the prohibition against making deductions from the security deposit unless "reasonably necessary" for the purposes specified in the law. These provisions reiterate the "reasonably necessary" prohibition but are now more specific in regard to charges for materials and work and claims for professional carpet cleaning or other professional cleaning services. Assembly Bill 2801 is codified as Civil Code§1950.5. Effective January 1, 2025.
Landlord/Tenant: No charges for notices of termination; Restrictions on charging service members a higher deposit	**Prohibits a landlord from charging a fee for serving or delivering any type of termination notice, such as a notice to pay rent or quit or a no-fault notice of termination. A landlord is also prohibited from charging tenants a fee for paying for rent or a security deposit by check.** **If the landlord charges a higher security deposit for service members due to credit factors, a written statement must be provided explaining the reason for the higher amount, along with a provision in the lease regarding the return of the extra security after six months.** Prohibitions against charging for termination notices and payment by check Prohibits a landlord from charging a fee for serving or delivering any type of termination notice. These would include a notice to pay rent or quit, notice to perform covenant or quit, a non-curable notice to quit, a no-fault notice of termination, or any other type of notice that terminates tenancy. Additionally, a landlord is also prohibited from charging tenants a fee for paying for rent or a security deposit by check. Service member protections when charging higher than standard or advertised security deposit On or after April 1, 2025, if a landlord or its agent charges a service member who rents residential property a higher than standard or advertised security due to the credit history, credit score, housing history, or other factor related to the tenant, the landlord shall provide the tenant with a written statement, on or before the date the lease is signed, of the amount of the higher security and an explanation why the higher security amount is being charged. The additional amount of security shall be returned to the tenant after no more than six months of residency if the tenant is not in arrears for any rent due during that period. The date for return of the additional amount of security shall be included in the lease agreement.

	Senate Bill 611 is codified as Civil Code§§ 1946, 1946.1, 1947.3, and 1950.5 and Code of Civil Procedure § 1161. Effective January 1, 2025.
Landlord/Tenant: Unlawful detainer answer time periods extended	**Extends the time for a defendant to file a response, such as an answer, from five business days to ten business days after an unlawful detainer complaint and summons is served.** **At the same time, this law also shortens the timeline that applies to a type of motion a tenant attorney often files to delay the eviction, called a demurrer, which is a specific category of motion to dismiss the case. AB 2347 will change the timeline for these motions, subjecting them to the same expedited timeline that other motions in unlawful detainer cases follow, which will help reduce delays in the eviction process.** **Comment:** In 2018, the unlawful detainer law was amended to exclude Saturdays, Sundays and other judicial holidays in counting a three-day notice to pay rent or quit (AB 2343). That same bill also excluded Saturdays and Sundays in counting the five-day answer period after service of an unlawful detainer complaint and summons. That five-day answer period is now 10 days under AB 2347. Assembly Bill 2347 is codified as Code of Civil Procedure 1167 and 1170. Effective January 1, 2025.
Landlord/Tenant: Certain tenant rights extended to small commercial tenants	**This law extends to small businesses ("qualified commercial tenants") certain tenancy rights currently applicable to residential tenancies as follows:** • **30 and 90-day notice to increase rent** • **30 and 60-day notice to terminate tenancy and** • **Translated copy of the lease if negotiated in specified languages** **Additionally, transparency and proportionality are required for fees a landlord may charge a qualified commercial tenant to recover building operating costs.** **Application to "qualified commercial tenants"** This law applies to a qualified commercial tenant defined as a tenant of commercial real property that meets both of the following requirements: 1. The tenant is a microenterprise (which generally means that the business has 5 or fewer employees); a restaurant with fewer than 10

employees; or a nonprofit organization with fewer than 20 employees.

AND

2. For month-to-month periodic tenancies or shorter, the tenant has provided the landlord, within the previous 12 months:

- A written notice that the tenant is a qualified commercial tenant and
- A self-attestation regarding the number of employees

For leases or longer periodic tenancies, the tenant has provided the notice and self-attestation before or upon execution of the lease, and annually thereafter.

Rent Increases: 30 and 90-day notice

For a qualified commercial tenant, for month-to-month tenancies (or a shorter period), rent increases of 10% or less require a 30-day notice. Rent increases of more than 10%, counting all increases within the previous 12 months, require a 90-day notice.

Additionally, landlords of “commercial real property” must include in the notice to increase rent information on the provisions of Civil Code§827(b) re rent increases and qualified commercial tenants.

Translated copy of the lease or rental agreement

- For qualified commercial tenants, a translated copy of the lease or rental agreement must be delivered before signing when:
- The agreement is negotiated primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean.
- Entering into a lease or rental agreement on or after January 1, 2025, and
- Covering a non-residential zoned commercial space
- The “own interpreter” exemption does NOT apply

If a translated copy is not provided, the qualified commercial tenant may rescind the lease or rental agreement. Waivers of these rights are void and unenforceable.

Presumption of month-to-month renewal

After expiration of the lease, qualified commercial tenancies are presumed

	to be renewed on a month-to-month basis when the lessor accepts rent from the tenant while the tenant remains in possession when rent is payable monthly. **30 and 60-day notices to terminate tenancy without fault** A 30-day notice (at a minimum) to terminate a month-to-month rental without fault is required when a qualified commercial tenant has occupied the property for less than one year. Otherwise, a 60-day notice (at a minimum) is required. Additionally, a landlord of "commercial real property" must include in the termination notice information on the provisions of Civil Code§1946.1 explaining the above rules. **Transparency and proportionality are required for fees a landlord may charge a qualified commercial tenant to recover building operating costs.** SB 1103 prohibits a landlord of a commercial real property from charging a qualified commercial tenant a fee to recover building operating costs unless the costs are allocated proportionately per tenant and the qualified commercial tenant is provided supporting documentation (along with several other conditions that must be met). • A violation of these provisions may be an affirmative defense in an action to recover possession based on a failure to pay the fee. • A landlord of a commercial real property who violates these provisions would be liable to a qualified commercial tenant for specified damages including actual, punitive, triple and attorney fees. • A waiver of these protections is void and unenforceable. • The district attorney, city attorney, or county counsel are authorized to seek injunctive relief. Senate Bill 1103 is codified as Civil Code§§ 827, 1632, 1946.1 and 1950.9. Effective January 1, 2025.
Loan Fraud: predatory lending	**Defines criminal mortgage fraud to include acts by a mortgage loan broker or any person who originates loans to include misleading a borrower into signing a business loan when the borrower intended the loan to be for consumer purposes or signing for a bridge loan when the loan will not be used to acquire or construct a new dwelling.**

	AB 3108 expands the scenarios in which a person could be charged with mortgage fraud to include situations like the above. In these cases, the mortgage broker uses misleading documentation to help deliver the predatory loan to the borrower, including a signed "declaration of non-owner occupancy." AB 3108's changes to the Penal Code apply to brokers and mortgage originators. The sponsor of this bill argues this is necessary because the existing provisions related to mortgage fraud may not be used to consider fraud originating from these entities. See the bill analysis. Assembly Bill 3108 is codified as Financial Code§4973 and Penal Code§532f. Effective January 1, 2025.
Mobilehomes: UD masking rules extended to mobilehome park tenancies	**Extends unlawful detainer masking rules to tenancies within a mobilehome park.** **How the UD masking rules work:** For 60 days after an unlawful detainer complaint is filed, only specified persons are allowed access to case records, including the court file, index, and register of actions, for limited civil cases. However, after 60 days access must be given to the public generally if judgment against all defendants has been entered for the plaintiff within 60 days of the filing of the complaint. **Existing law** exempts from these requirements records in a case that seeks to terminate a tenancy in a mobilehome park if the complaint caption clearly indicates such. **AB 2304** would delete the exemption for access to case records for cases that seek to terminate a tenancy in a mobilehome park. Assembly Bill 2304 is codified as Code of Civil Procedure§1161.2. Effective January 1, 2025.
Probate: Raises the limit of the small-estate exception, which allows for the distribution of estate assets outside of probate, to $750,000	**A decedent's real property used as a primary residence may be disposed of outside of probate administration when the gross value does not exceed $750,000. In lieu of probate administration, a successor may petition the court to determine succession. This increased limit will be in effect for the period starting April 1, 2025, through March 31, 2028, after which the value would be adjusted at a three-year interval based on the Consumer Price Index.** If a decedent dies leaving real property that was their primary residence in this state and the gross value of that real property does not exceed $750,000, as adjusted periodically, and 40 days have elapsed since the death of the decedent, the successor of the decedent to an interest in that real property, without procuring letters of administration or awaiting the probate of the will, may file a petition in the superior court of the county in which the estate of the decedent may be administered requesting a court order determining that the petitioner has succeeded to that real property. A successor who files this petition shall deliver a notice of the petition to

	each heir and devisee named in the petition. **Comment:** This law raises the current small estate exception from $184,500 (when decedents passed after April 1, 2022) to $750,000, but only as to real property that was the decedent's primary residence. This small estate exception previously applied to any type of real property including commercial, vacant land or any type of residential property, but is now eliminated for those types of properties. The author of the bill states that, "an increase in the small estate value threshold to $750,000 [will] protect the financial security of low- and middle-income heirs, ensuring they can utilize the expedited probate process and safeguard their family homes and assets. " See the bill analysis describing the reasons for this law in detail. Assembly Bill 2016 is codified as Probate Code§§ 13100, 13101, 13150, 13151, 13152 and 13154. Effective January 1, 2025.
Swimming pool and spa safety requirements for single family properties	**Updates the pool and spa safety requirements for single family properties.** **Revises the requirement for a home inspection of real property with a swimming pool or spa to include in the inspection report the drowning prevention safety features and note if they are in good repair, operable as designed, and appropriately labeled.** **Pool safety features updated:** Since 1998, when a building permit is issued for the construction of a new swimming pool or spa or the remodeling of an existing swimming pool or spa at a private single-family home, the respective swimming pool or spa must be equipped with one of five specified safety features. For properties constructed or remodeled on or after 2007, the requirement is for the pool or spa to be equipped with at least two of seven drowning prevention safety features.SB 552 revises the elements of three specific drowning prevention safety features including removable mesh fences, pool safety covers, and alarms. **Home inspection requirements revised:** Presently a home inspector providing a home inspection report in a dwelling with a pool or spa, must identify which, if any, of the seven drowning prevention safety features the pool or spa is equipped with and shall specifically state if the pool or spa has fewer than two of the listed drowning prevention safety.

	This law updates the requirements of a home inspection to allow that the noninvasive examination of the pool or spa does not require a determination as to whether the pool or spa safety features meets the specifications for pool or spa safety features as specified in the HSC, but does require the home inspection report to identify whether the features are in good repair, operable as designed, and appropriately labeled, if required. It also requires labels be affixed to specified pool and spa safety features verifying that they meet certain standards. Senate Bill 552 is codified as Business and Professions Code§7195 and Health and Safety Code§§ 115921, 115922, and 115925. Effective January 1, 2025.