



2016 GOLDFARB & LIPMAN  
ANNUAL LEGISLATIVE UPDATE  
NEW LAWS AFFECTING REAL ESTATE  
AND COMMUNITY ECONOMIC DEVELOPMENT

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*This legislative update is published annually by Goldfarb & Lipman LLP as a timely reporting service to alert clients and others of recent changes in California law. This legislative update does not represent the legal opinion of the firm or any member of the firm on the issues described, and the information contained in this publication should not be construed as legal advice. Should further analysis or explanation of the subject matter be required, please contact the Goldfarb & Lipman attorney with whom you normally consult.*

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The 2016 Goldfarb & Lipman Annual Legislative Update provides a summary of recently enacted legislation that will impact areas of concern to our clients, including: real estate transactions, affordable housing, land use, municipal law, community economic development, public finance, tax exempt organizations, property taxes, and employment. Please feel free to contact any attorney at Goldfarb & Lipman for more information regarding the effects of these new laws and their applicability to your organization or projects.

*Unless otherwise noted, all bills are effective as of January 1, 2016.*

**I. ENVIRONMENTAL LAW, LAND USE, & CEQA**

**A. Reduction in Minimum Parking Requirements for Housing Near Transit – AB 744**

Planning and Zoning: Density Bonuses (AB 744; amends Government Code Section 65915).

Existing law requires that local governments provide housing developers with a density bonus or other incentives or concessions if the developer, among other requirements, constructs a specified percentage of housing units for very low, low, or moderate income households. At the request of a developer, AB 744 additionally prohibits local governments from requiring more than 0.5 parking spaces per bedroom if the housing includes a specified percentage of affordable units, is within one-half mile of a major transit stop, and has unobstructed access to the transit stop. AB 744 also prohibits local governments from requiring more than 0.5 parking spaces per unit for 100% affordable rental housing developments or from requiring more than 0.3 parking spaces per unit for special needs rental housing, provided that the developments meet certain transit-access criteria.

**B. Deemed Approval of Cell Facilities Colocation Applications – AB 57**

Telecommunications: Wireless Telecommunication Facilities (AB 57; adds Government Code Section 65964.1).

Existing law requires all cities and counties to approve applications for a colocation facility on or immediately adjacent to a wireless telecommunications colocation facility through the issuance of a building permit or a nondiscretionary permit. AB 57 provides that such applications shall be deemed approved if the local agency fails to approve or disapprove the application within timeframes established by the Federal Communications Commission pursuant to Federal law.

**C. Hazard Mitigation Plans or General Plans Must Address Climate Change – SB 379**

Land Use: General Plan: Safety Element (SB 379; amends Government Code Section 65302).

Existing law requires local governments to adopt a general plan with various mandatory elements, including a safety element. As of January 1, 2017, SB 379 requires local hazard mitigation plans to address climate adaptation and resiliency strategies applicable to the specific locality. For local governments without a local hazard mitigation plan, beginning on January 1,

2022, SB 379 requires that the safety element of the general plan addresses climate adaptation and resiliency strategies.

**D. Extends Life of Specified Tentative Maps, Vesting Tentative Maps, and Parcel Maps for 24 Months – AB 1303**

Subdivision Map Act: Map Expiration Dates (AB 1303; amends Government Code Section 65961 and adds Government Code Section 66452.25).

The Subdivision Map Act requires the expiration of an approved tentative map, vesting tentative map or parcel map 24 months after approval, which can be extended to 36 months by local ordinance. AB 1303 provides an automatic 24-month extension for unexpired subdivision maps approved between January 1, 2002, and July 11, 2013, and extensions of maps approved on or before December 31, 2001, upon application by the subdivider at least 90 days prior to the expiration of the map. The extensions only apply to maps within a county that meets the following criteria: the annual mean household income within the county is less than 80% of the statewide annual mean income; the county's annual non-seasonal unemployment rate is at least 3% higher than the statewide annual non-seasonal unemployment rate; or the poverty rate within the county's population is at least 4% higher than the statewide median poverty rate.

**E. Provides Comprehensive State Regulation of Medical Marijuana Industry – AB 243, AB 266 and SB 643**

Medical Marijuana (AB 243; adds Business and Professions Code Section 19331, 19350, and 19360, adds Fish and Game Code Section 12029, adds Health and Safety Code Sections 11362.769 and 11362.777, and adds Water Code Section 13276. AB 266; amends Business and Professions Code Sections 27 and 101, adds Business and Professions Code Section 19300, amends Health and Safety Code Section 11362.775, adds Labor Code Section 147.5 and adds Revenue and Taxation Code Section 31020. SB 643; amends Business and Professions Code Sections 144, 2220.05, 2241.5, and 2242.1 and adds Business and Professions Code Sections 19302.1, 19319, 19320, 19322, 19323, 19324, 19325, 2525, 19331, 19335, 193378, and 19348).

These three bills set up a regulatory framework for the regulation of medical marijuana. AB 243 requires the Department of Food and Agriculture, the Department of Pesticide Regulation, the State Department of Public Health, the Department of Fish and Wildlife, and the State Water Resources Control Board to promulgate regulations or standards relating to medical marijuana and its cultivation. AB 266 requires licensure and regulation of medical marijuana and would establish within the Department of Consumer Affairs the Bureau of Medical Marijuana Regulation, under the supervision and control of the Director of Consumer Affairs. SB 643 sets forth standards for a physician and surgeon prescribing medical cannabis and requires the Medical Board of California to prioritize its investigative and prosecutorial resources to identify and discipline physicians and surgeons that have repeatedly recommended excessive cannabis to patients for medical purposes or repeatedly recommended cannabis to patients for medical purposes without a good faith examination, as specified. The new laws also specifically authorize a county or city to enforce local zoning and permitting of medical marijuana dispensaries, and local jurisdictions to retain the power to assess fees and taxes on facilities that are licensed.

**F. Requires Coordination between Local and Regional Efforts with State Efforts to Address Climate Change Adaptation – SB 246**

Climate Change Adaptation (SB 246; amends Public Resources Code Section 75123 and adds Public Resources Code Section 71350 et seq.).

The Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. SB 246 makes findings that climate change impacts are ongoing and a threat to safety and security, and establishes the Integrated Climate Adaptation and Resiliency Program to be administered by the Office of Planning and Research to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change. By January 1, 2017, the Director of OPR is required to establish the program and coordinate with appropriate state, regional, and local agencies to establish a clearinghouse of climate adaptation information to guide decision makers when planning and implementing climate adaptation projects.

**G. Requires Streamlined Permitting of Electric Vehicle Charging Stations – AB 1236**

Local Ordinances: Electric Vehicle Charging Stations (AB 1236; adds Government Code Section 65850.7).

By September 30, 2016, local governments with a population of 200,000 or more residents must adopt an ordinance streamlining the permitting process for electric vehicle charging stations, and local governments with a population of less than 200,000 residents must do so by September 30, 2017. All local governments are required to approve an application for the installation of electric vehicle charging stations, as defined, through the issuance of specified permits unless the city or county makes specified written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

**H. Creates Exception to Mandatory Findings for County Subdivision Approvals in Fire Hazard Areas – AB 644**

Land Use: General Plan: Safety Element: Fire Hazard Impacts (AB 644; amends Government Code Section 66474.02).

Under existing law, the Subdivision Map Act requires the legislative body of a city or county to deny approval of a tentative map or a parcel map for an area located in a state responsibility area or a very high fire hazard severity zone unless three specific findings are made. AB 644 exempts subdivision maps that would subdivide land identified in the open space element of the general plan for the managed production of resources, subject to specified conditions. The three specified findings must still be made later before approving the removal of a binding restriction placed as a condition of a subdivision map if the proposed subdivision would allow the development of a building or structure.



**I. Requires 50% of all Energy Sold to Consumers be Generated by Renewable Sources by 2030 – SB 350**

Clean Energy and Pollution Reduction Act of 2015 (SB 350; adds Health and Safety Code Section 44258.5, amends Labor Code Section 1720, amends Public Resources Code Section 25310 and 25943, adds Public Resources Code Sections 25302.2 and 25327, amends Public Utilities Code Sections 359, 399.4, 399.11, 399.12, 399.13, 399.15, 399.16, 399.18, 399.21, 399.30, 454.55, 454.56, 701.1, 740.8, 9505, and 9620, amends and repeals Public Utilities Code Sections 337 and 352, adds Public Utilities Code Sections 237.5, 365.2, 366.3, 454.51, 454.52, 740.12, 9621, 9622, 400 et seq., adds and repeals Public Utilities Code Sections 359.5 et seq. and repeals Public Utilities Code Sections 359 et seq.).

Existing law establishes the California Renewables Portfolio Standards (RPS) Program, which is codified in the Public Utilities Act, with the target to increase the amount of electricity generated per year from eligible renewable energy resources to an amount that equals at least 33% of the total electricity sold to retail customers per year by December 31, 2020. SB 350 requires that the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources be increased to 50% by December 31, 2030 and requires regulations to double the energy efficiency in all buildings by 2030.

**J. Requires the Natural Resources Agency to Create and Update a State Climate Adaptation Strategy – AB 1482**

Climate Adaptation (AB 1482; amends Public Resources Code Section 75125 and adds Public Resources Code Section 71150 et seq.).

AB 1482 requires the Natural Resources Agency to update its climate adaptation strategy by July 1, 2017, and every three years thereafter, by coordinating adaption activities among lead state agencies in each sector. It also requires state agencies to maximize specified objectives across sectors to address vulnerabilities identified in the Plan. Finally, AB 1482 requires the Strategic Growth Council to identify activities and funding programs of state agencies that may be coordinated to meet the goals of the state's climate adaptation strategy.

**II. COMMUNITY ECONOMIC DEVELOPMENT**

**A. Tax Increment Financing: Community Revitalization and Investment Authorities – AB 2**

Tax Increment Financing: Community Revitalization and Investment Authorities (AB 2; adds Division 4 commencing with Section 62000 to Title 6 of the Government Code, relating to economic development).

AB 2 has been hailed as the rebirth of redevelopment, providing new opportunities for the use of tax increment financing to address cities' economic development needs, through the creation of Community Revitalization and Investment Authorities. Although AB 2 draws heavily from the Community Redevelopment Law, it also imposes strict limitations on the use of tax increment

financing. Goldfarb & Lipman invites you to visit [www.goldfarblipman.com](http://www.goldfarblipman.com) for the most up-to-date information regarding the AB 2, including a summary highlighting key provisions of AB 2.

### **B. Redevelopment Dissolution Cleanup – SB 107**

Local Government Committee Bill (SB 107; amends Sections 34171, 34173, 34176, 34176.1, 34177, 34177.3, 34177.5, 34178, 34179, 34179.7, 34180, 34181, 34183, 34186, 34187, 34189, 34191.3, 34191.4, and 34191.5 of, and adds Sections 34170.1, 34177.7, 34179.9, and 34191.6 to, the Health and Safety Code, and amends Sections 96.11 and 98 of, and adds Section 96.24 to, the Revenue and Taxation Code, relating to local government).

SB 107 makes technical and substantive amendments to ABx1 26, the bill enacted in late June 2011 and AB 1484, the bill enacted in late June of 2012, that directed the dissolution and unwinding of the affairs of California's 400 redevelopment agencies. Goldfarb & Lipman invites you to visit [www.goldfarblipman.com](http://www.goldfarblipman.com) for the most up-to-date information regarding the implementation of SB 107, including a summary highlighting key provisions of SB 107 and outlining upcoming actions necessary to comply with SB 107.

### **C. Enhanced Infrastructure Financing Districts & Seaport Infrastructure Financing Districts – AB 313 & SB 63**

Enhanced Infrastructure Financing Districts (AB 313; amends Sections 53398.51, 53398.51.1, 53398.56, 53398.57, 53398.63, 53398.64, 53398.66, 53398.67, 53398.68, and 53398.75 of, and repeals and adds Section 53398.74 of, the Government Code). Seaport Infrastructure Financing Districts (SB 63; amends Sections 53398.52, 53398.62, 53398.69, 53398.80, and 53398.81 of, and adds Section 53398.80.5 to, the Government Code, and amends Sections 1690 and 1698 of, adds Section 1699 to, and adds Chapter 3 (commencing with Section 1710) to Part 1 of Division 6 of, the Harbors and Navigation Code).

Existing law permits local legislative bodies to create enhanced infrastructure financing districts (EIFD) after receiving a Finding of Completion from the Department of Finance regarding Redevelopment and Successor Agency assets. EIFDs use tax increment financing to finance bonds for specified projects of communitywide significance, including environmental mitigation, military base reuse, low income housing, and specified housing, transportation, and other public infrastructure projects. AB 313 amends existing law by shifting responsibility of forming an EIFD and for preparing, proposing, and adopting an infrastructure financing plan, which is a required component of creating an EIFD, from the local legislative body to a public financing authority that is created by the legislative body. Also under existing law, the agency responsible for an EIFD must replace each housing unit demolished when implementing the infrastructure plan. AB 313 amends the replacement requirement to require that: (1) all replacement units must be located within one-half mile of the demolished unit it replaces, and (2) each demolished housing unit that was occupied by a low or moderate income household at any time within five years prior to the establishment of the EIFD district must be replaced by a corresponding income-restricted unit. SB 63 creates a new economic development finance tool by providing a process similar to EIFDs that is specific to seaport infrastructure. However, bond issuance by a seaport infrastructure financing district requires the approval of the local harbor agency and the State Lands Commission.

**D. Greenhouse Gas Reduction Fund: Water Transit – SB 231**

Greenhouse Gas Reduction Fund: Water-Borne Transportation (SB 231; amends Sections 75212 and 75230 of the Public Resources Code, relating to transportation).

SB 231 defines water-borne transit services as eligible for funding from the Greenhouse Gas Reduction Fund financed via the cap-and-trade program instituted under AB 32 (2006). Accordingly, operating and capital expenses of water-borne transit as well as adjacent infrastructure improvements-including housing-may be eligible for funds from either the Low Carbon Transit Operations Program or the Affordable Housing and Sustainable Communities Program.

**E. Sales Tax Rebate Agreements – SB 533**

Local Government: Sales Tax Rebate Agreements (SB 533; repeals and adds Section 53084.5 of the Government Code, relating to local government).

SB 533 repeals and replaces a prohibited activity under the Bradley-Burns Uniform Local Sales and Use Tax Law, which allows cities and counties to impose local sales and use tax. Now, local agencies are prohibited from entering into any agreements that would result in the payment, transfer, diversion, or rebate of tax revenues to a person or retailer, if the agreement results in a reduction in tax revenues that another local agency would receive absent the agreement, subject to some limitations.

**F. Greenway Development & Sustainment Act – AB 1251**

Property Tax: Greenway Development (AB 1251; adds Chapter 4.5 (commencing with Section 816.50) to Title 2 of Part 2 of Division 2 of the Civil Code, amends Section 65560 of the Government Code, and amends Section 402.1 of the Revenue and Taxation Code, relating to open-space lands).

AB 1251 specifies that specific greenway developments, such as bikeways, pedestrian paths, and other non-motorized vehicle transportation and recreational corridors within 400 yards of a waterway in an urban area, may be created across public and private lands pursuant to an agreement with the fee owner, and thereafter subject to a greenway easement. Greenway easements may be held by qualifying nonprofit organizations or local governments, and are to be treated akin to conservation easements for property tax purposes.

**G. Infrastructure and Economic Development Bank: Facility Eligibility – AB 1533**

Modifies the Bergeson-Peace Infrastructure and Economic Development Bank Act (AB 1533; repeals and adds Section 12098.7 of, and amends Section 63010 of, the Government Code, relating to state government).

AB 1533 expands the definition of economic development facilities that can be financed by the California Infrastructure and Economic Development Bank (IBank) to include those facilities used in the movement of goods, including facilities related to air, water, motor vehicle or rail transport. The legislation also revises the definition of port facility to include airports, landports, waterports, and railports.

### **III. CONSTRUCTION**

#### **A. Expanded Definition of "Public Works" – AB 219**

Expanded Definition of Public Works (AB 219; adds Section 1720.9 to the Labor Code).

In connection with prevailing wage requirements, AB 219 expands the definition of "public works" to include the hauling and delivering of ready-mix concrete to carry out a public works contract with respect to contracts involving any state agency or political subdivision of the state. This provision applies to public works contracts awarded on or after July 1, 2016.

#### **B. Liquidated Damages Specified in Contracts – AB 552**

Liquidated Damages Specified in Contracts (AB 552; adds Section 7203 to the Public Contract Code).

Public works contracts entered into on or after January 1, 2016, containing a clause expressly requiring a contractor to be responsible for delay damages will not be enforceable unless the delay damages have been liquidated to a set amount identified in the contract.

#### **C. Worker's Compensation Insurance Obligation – AB 560**

Worker's Compensation Insurance Obligation (SB 560; amends Sections 30, 7011.4 and 7125.4 of the Business and Professions Code).

SB 560 authorizes the enforcement division within the Contractor's State License Board that targets unlicensed contractor activity to enforce the obligation of contractors to secure valid and current worker's compensation insurance.

#### **D. Increased Fees and New Filing Statement for High Frequency Litigants – AB 1521**

High Frequency Litigants (AB 1521; amends Sections 55.3, 55.32, 55.54, of the Civil Code and Section 425.50 of the Code of Civil Procedure, and adds Section 425.55 to the Code of Civil Procedure and adds Sections 68085.35 and 70616.5).

AB 1521 targets high frequency litigants ("HFLs"), the definition of which includes plaintiffs who have filed 10 or more complaints alleging a construction-related accessibility violation within a 12-month period, requiring such litigants who file new claims to, among other things, pay higher filing fees; adhere to special pleading requirements; and provide a certification by an

attorney which is to include, but not be limited to, a statement that the complaint is not being presented primarily for an improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

**E. School Design-Build Contracting – AB 1358**

School Design-Build Contracting (AB 1358; adds Section 17250.55 to the Education Code; adds Chapter 2.5 of Part 10.5 of Division 1 of Title 1 of the Education Code; and repeals Section 4 of Chapter 21 of the Statutes of 2001).

For bid requests issued on or after July 1, 2016, AB 1358 allows a school district, with the approval of its governing board, to procure design-build contracts for projects in excess of \$1,000,000, awarding the contract to either the low bid or the best value. AB 1358 sets forth the procurement process to be adhered to by the school district. The design-build authorization is to sunset January 1, 2025, unless repealed or extended.

**F. Pilot Program Allows Best Value Competitive Bidding – SB 762**

Pilot Program Allows Best Value Competitive Bidding (SB 762; amends Sections 10187.5 and 22161 of, and adds and repeals Article 3.7 (commencing with Section 20155) of Chapter 1 of Part 3 of Division 2 of, the Public Contract Code, relating to public contracts).

SB 762 establishes a pilot program to allow the Counties of Alameda, Los Angeles, Riverside, San Bernardino, San Diego, Solano, and Yuba to select a bid for public construction contracts on the basis of best value instead of awarding the contract to the lowest responsible bidder. Only construction projects in excess of \$1,000,000 qualify for the pilot program. "Best value" is defined by this statute as a value determined by evaluation of objective criteria related to price, features, functions, life-cycle costs, experience, past performance, and/or other selected criteria.

**IV. HOUSING**

**A. Department of Housing and Community Development: National Housing Trust Fund – AB 90**

Department of Housing and Community Development: National Housing Trust Fund (AB 90; amends Section 50408 of, and adds Chapter 6.8 (commencing with Section 50676) to Part 2 of Division 31 of, the Health and Safety Code, relating to housing).

AB 90 designates the California Department of Housing and Community Development ("HCD") as the state agency responsible for administering funds received by the state from the National Housing Trust Fund. HCD, in conjunction with the California Housing Finance Agency, will develop an allocation plan for funds to be distributed. HCD must require affordability restrictions for rental projects (55 years) and homeownership projects (30 years) to be recorded and enforceable against the property.

**B. Multifamily Affordable Housing Solar Roofs Program – AB 693**

Multifamily Affordable Housing Solar Roofs Program (AB 693; amends Section 748.5 of, and adds Chapter 9.5 (commencing with Section 2870) to Part 2 of Division 1 of, the Public Utilities Code, relating to energy).

AB 693 establishes the Multifamily Affordable Housing Solar Roofs Program and beginning July 1, 2016, annually allocates to it the lesser of \$100,000,000 or 10 percent of certain greenhouse gas reduction funds. The Multifamily Affordable Housing Solar Roofs Program will award monetary incentives for solar energy systems to be installed on qualifying multifamily affordable housing properties. Electricity generated from these installations must offset electricity usage by low income tenants to reduce their bills via a credit process defined by AB 693.

**C. Energy Management Technologies for Residential Customers – AB 793**

Energy Management Technologies for Residential Customers (AB 793; amends Section 2790 of, and adds Section 717 to, the Public Utilities Code, relating to energy efficiency).

AB 793 requires utility providers to create a suite of demand-side energy management programs and provide incentives to residential customers to obtain and implement energy management technologies to promote energy efficiency and reduce costs. The mandate is enforced by the state Public Utilities Commission, which will also require annual reporting of actual customer savings that result from the energy management technologies and incentives.

**D. Public Postsecondary Education: Campus Housing Priority – AB 1228**

Public Postsecondary Education: Campus Housing Priority (AB 1228; amends Sections 66019.3, 76010, 90001.5, and 92660 of the Education Code, relating to current and formerly homeless youth and foster youth).

AB 1228 requests that public postsecondary educational institutions prioritize campus housing opportunities for current and formerly homeless youth and former foster youth. Priority should be given for housing that is year-round or provides the fewest gaps between semesters and other campus breaks. AB 1228 further requests that additional costs for housing during campus closures be provided to prioritized youth at no extra cost.

**E. Frequent User Coordinated Care Housing Services: Joint Powers Agency – AB 1403**

Frequent User Coordinated Care Housing Services: Joint Powers Agreements (AB 1403; amends Sections 65582 and 65583 of, and repeals and adds Section 6538 of the Government Code, relating to housing).

AB 1403 authorizes one or more private, 501(c)(3) nonprofit corporations that provide services to homeless persons or for the prevention of homelessness to form a joint powers agency or enter into a joint powers agreement with one or more public agencies. Such joint powers agency shall be deemed a public agency but is not empowered to incur debt. The joint powers agency would

encourage and ease the sharing of information between public agencies and nonprofit corporations to identify persons to receive frequent user coordinated care housing services. Any joint powers agency created under AB 1403 must be governed by a board of directors, in which no more than 50 percent of the directors represent the private nonprofit corporation(s). Housing elements may include an analysis of the need for frequent user coordinated care housing services.

**F. CalHFA Downpayment Assistance Program Compliance with FHA Loans – AB 1516**

CalHFA Downpayment Assistance Program Compliance with FHA Loans (AB 1516; amends Section 5570 of the Civil Code, amends Section 65589.5 of the Government Code, and amends Section 51345 of the Health and Safety Code, relating to housing).

The California Housing Finance Agency maintains a home purchase assistance program to assist first-time homebuyers with downpayments via loans that must be repaid upon the sale of the home. AB 1516 partially repeals the payment on sale requirement for those homes with first mortgages insured by or transferred to the Federal Housing Administration (FHA) or if such requirement is contrary to certain HUD regulations.

**V. LANDLORD-TENANT**

**A. Termination of Tenancy for Victims of Violent Crime – AB 418**

Termination of Tenancy for Victims of Violent Crime (AB 418; amends Section 1946.7 of the Civil Code).

Existing law authorizes a tenant to terminate a lease if the tenant notifies the landlord in writing that he or she was a victim of an act of domestic violence, sexual assault, or stalking and provides a copy of a temporary restraining order, protective order, or a police report that is dated within 180 days and states that the tenant has filed a report alleging that she or he was a victim. AB 418 extends these provisions indefinitely and reduces the time limit for a tenant to give a notice of intent to vacate to the landlord from 30 days to 14 days. Under this bill, the tenant will be responsible for payment of rent for no more than 14 calendar days following the delivery of the notice to the landlord. Security deposits will continue to be governed by existing law.

**B. Landlord Use of Pesticides – SB 328**

Landlord Use of Pesticides (SB 328; adds Section 1940.8.5 to the Civil Code).

Existing law requires landlords to provide tenants with certain pest control disclosures. SB 328 mandates that landlords provide tenants, and if certain conditions are met, any tenant of adjacent units, with specified written notice of and information about the use of pesticides inside a unit or in the common areas of the rental property, at least 24 hours prior to the landlord's use of pesticide without a licensed pest control operator.

**C. Discrimination Based on Immigration Status – SB 600**

Discrimination Based on Immigration Status (SB 600; amends Section 51 of the Civil Code).

The existing Unruh Civil Rights Act (Unruh Act) provides protection against discrimination for persons in certain protected classes. SB 600 amends the Unruh Act to protect against discrimination based on citizenship, primary language, or immigration status. The bill also specifies it does not require the provision of services or documents in a language other than English, beyond that which is otherwise required by law.

**D. Dilapidation Due to Mold – SB 655**

Dilapidation Due to Mold (SB 655; adds Section 1941.7 to the Civil Code and amends Sections 17920 and 17920.3 of the Health and Safety Code).

Existing law requires landlords to repair dilapidations that would render a building uninhabitable. SB 655 provides that a landlord is not obligated to repair a dilapidation relating to mold until he or she has notice of it or if the tenant is in violation of certain affirmative obligations. The bill also authorizes a landlord to enter a unit to repair a dilapidation relating to mold, under certain conditions.

**E. Tenant Use of Clotheslines – AB 1448**

Tenant Use of Clotheslines (AB 1448; adds Sections 1940.20 and 4750.10 to the Civil Code).

AB 1448 requires a landlord to permit a tenant to utilize a clothesline or drying rack in the tenant's private area if all of the following conditions are met: (1) the clothesline or drying rack will not interfere with the maintenance of the rental property; (2) the clothesline or drying rack will not create a health or safety hazard, block doorways, or interfere with walkways or utility service equipment; (3) the tenant seeks the landlord's consent before affixing a clothesline to a building; (4) use of the clothesline or drying rack does not violate reasonable time or location restrictions imposed by the landlord; and (5) the tenant has received approval of the clothesline or drying rack, or the type of clothesline or drying rack, from the landlord.

**VI. LOCAL GOVERNMENT****A. Public Rights of Way – AB 1119**

Public Rights of Way (AB 1119; amends Sections 10103 and 10104 of the Public Utilities Code and repeals Section 10105 of the Public Utilities Code).

Existing law allows all municipal corporations to construct, operate, and maintain electric light and power lines across, along, in, under, over, or upon public rights of way. This bill requires municipal corporations to request approval of another municipal corporation or county having control over a given public right of way before using that public right of way.



**B. Public Data on Government Websites – AB 169**

Public Data on Government Websites (AB 169; adds Section 6253.10 to the Government Code).

Existing law requires local agencies to make public records available for inspection. Any agency having any information constituting a public record not exempt from disclosure in electronic format is required to make that public record available in an electronic format when requested by a person. This bill requires local agencies that maintain an internet web site to which they voluntarily post public records to post the public records in an "open format" meeting specific requirements. Those requirements include being able to retrieve, download, index, and search the records by a commonly used internet search application.

**C. Posting County Ordinances – AB 823**

Posting County Ordinances (AB 823; amends Section 25124 of the Government Code).

Existing law requires county boards of supervisors to publish ordinances with names of those members voting for and against the ordinance in a newspaper published in the county within 15 days of the ordinance's passage. This bill modifies that requirement by allowing the county to post the same material on the county's web site.

**D. Public Records Act: Local Agencies – SB 272**

Public Records Act: Local Agencies (SB 272; adds Section 6270.5 to the Government Code).

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. This bill requires each local agency (except local educational agencies) to create a catalog of enterprise systems, to make that catalog publicly available upon request in the office of the person designated by the agency's legislative body, and to post the catalog on the local agency's website. "Enterprise systems" are defined as applications or computer systems that collect, store, exchange, and analyze certain information, including information about the public; the definition excludes specific systems, including those for security and 911 emergency response, among others.

**E. Local Agencies & Disincorporation of Cities – AB 851**

Local Agencies & Disincorporations (AB 851; amends, repeals, and adds various sections of the Government Code and amends Section 99 of the Revenue and Taxation Code).

Existing law specifies the procedures for disincorporating cities and for imposing taxes and providing services following disincorporation. This bill makes several changes to those procedures, including but not limited to: (i) authorizing local agencies conducting proceedings for disincorporating a city to propose adoption of a special tax on behalf of affected cities or districts; (ii) requiring plans for services following disincorporation to include specific provisions, including an enumeration of services currently provided by the city to be disincorporated; requiring a legislative body desiring to initiate disincorporation proceedings to submit an application to the local agency formation commission; (iii) prohibiting the local

agency formation commission from approving or conditionally approving a proposal which includes a disincorporation unless the commission finds, among other things, that the disincorporation is consistent with the intent of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and (iv) requiring the board of supervisors to levy a special tax upon all property within a newly-disincorporated city if the revenues from specified public utilities are not sufficient for the administration, conduct, or improvement of the public utility.

#### **F. Prevailing Wages & Public Works – AB 852**

Prevailing Wages & Public Works (AB 852; adds Section 1720.7 to the Labor Code).

Existing law requires that, except as otherwise specified, not less than the general prevailing rate of per diem wages be paid to workers employed on public works and imposes misdemeanor penalties for willful violation of this requirement. This bill expands the definition of "public works" for the purposes of provisions relating to the prevailing rate of per diem wages to include any construction, alteration, demolition, installation, or repair work done under private contract on a project for a general acute care hospital. This new requirement does not apply to projects for rural general acute care hospitals with a maximum of 76 beds and where the project is paid for with proceeds of conduit revenue bonds.

#### **G. Local Elective Offices – AB 952**

Local Elective Offices (AB 952; amends Section 36512 of the Government Code).

Existing law requires a city council to fill a vacancy in an elective office by appointment or call a special election to fill the vacancy within 60 days of the vacancy occurring. AB 952 provides that if the council fills a vacancy by appointment and that vacancy occurred in the first half of the term of office and at least 130 days prior to the next general municipal election, the person appointed to fill the vacancy holds office only until the next general municipal election, and the general municipal election must include the vacant office. The bill also provides that if a vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general municipal election, the person appointed to fill the vacancy holds office for the unexpired term of the former incumbent.

#### **H. Voting Rights Act: At-Large Elective Positions – AB 277**

Voting Rights Act: At-Large Elective Positions (AB 277; amends Section 14026 of the Elections Code).

The California Voting Rights Act of 2001 prohibits the use of an at-large election in a political subdivision if it would impair the ability of a protected class to elect candidates of its choice or otherwise influence the outcome of an election. AB 277 codifies the holding in *Jauregui v. City of Palmdale*, 226 Cal. App. 4th 781 (2014), including the applicability of the Voting Rights Act to charter cities. AB 277 expressly defines "political subdivision" (as defined in the Voting Rights Act) to include charter cities, charter counties, and charter cities and counties.

**I. Local Services: Fire Protection – SB 239**

Local Services: Fire Protection (SB 239; amends Sections 56017.2 and 56133 of, and adds Section 56134 to, the Government Code).

Existing law allows cities and districts to provide services outside their jurisdictional boundaries only if they first request and receive written approval from the local agency formation commission in the affected county. This bill permits public agencies, with certain exceptions, to provide new or extended services outside of their jurisdictional boundaries pursuant to a fire protection contract only if the public agency receives written approval from the local agency formation commission in the affected county.

**J. Public Contracts: Local Agencies – SB 331**

Public Contracts: Local Agencies (SB 331; adds Chapter 4.5 (commencing with Section 22175) to Part 3 of Division 2 of the Public Contract Code).

Existing law, the Meyers-Milias-Brown Act, requires the governing body of a local public agency to meet and confer in good faith regarding wages, hours and other terms of employment with representatives of a recognized employee organization. This bill enacts the Civic Reporting Openness in Negotiations Efficiency Act to establish procedures for negotiation and approval of certain contracts valued at \$250,000 or more for goods or services by cities, counties, or special districts that have adopted a civic openness negotiations ordinance. The act requires designation of an independent auditor to review and report on the cost of any proposed contract.

**K. Election Dates – SB 415**

Election Dates (SB 415; adds Chapter 1.7 (commencing with Section 14050) to Division 14 of the Elections Code).

Existing law establishes certain dates for statewide elections and requires that all state, county, municipal, district, and school district elections be held on one of those dates. This bill, beginning January 1, 2018, prohibits political subdivisions from holding elections other than on a statewide election date if holding an election on a non-concurrent date previously resulted in voter turnout for a regularly scheduled election being at least 25% less than the average voter turnout within the political subdivision for the previous 4 statewide general elections. The bill also requires courts to implement appropriate remedies on violation of this law.

**L. Election Procedures – SB 439**

Election Procedures (SB 439; amends Sections 2170 and 13004 of, and adds Sections 303.4, 2550, and 13004.5 to the Elections Code).

Existing law regulates various aspects of state and local election procedures. This bill alters those procedures in the following ways: (i) allows county elections officials to offer conditional voter registration and provisional voting at satellite officers other than on election day; (ii) requires the Secretary of State to adopt and publish electronic poll book standards and

regulations and standards governing certification and use of electronic poll books; and (iii) requires the Secretary of State to adopt regulations governing ballot on demand systems and certifying ballot on demand systems.

**M. Personal Information; Privacy – SB 570**

Personal Information; Privacy (SB 570; amends Sections 1798.29 and 1798.82 of the Civil Code).

Existing law requires a person or entity conducting business in California, and any agency that owns or licenses computerized data that includes personal information, to disclose breaches of the security of a system. SB 570 expands this requirement to require such security breach notifications to be titled "Notice of Data Breach" and to present the information under prescribed headings, pursuant to a model security breach notification form.

**VII. LOCAL GOVERNMENT (DROUGHT)**

**A. Water Conservation; Drought – AB 1**

Water Conservation; Drought (AB 1; adds Section 8627.7 to the Government Code).

AB 1 prohibits cities and counties from imposing a fine under any ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.

**B. Water Conservation; Drought Tolerant Landscaping – AB 1164**

Water Conservation; Drought Tolerant Landscaping (AB 1164; adds Section 53087.7 to the Government Code).

AB 1164 prohibits cities and counties from enacting or enforcing any ordinance or regulation that prohibits the installation of drought tolerant landscaping, synthetic grass, or artificial turf on residential property, subject to reasonable restrictions.

**C. Water System Consolidation; Ground Water Management – SB 88**

Water System Consolidation; Ground Water Management (SB 88; adds Sections 116680, 116681, 116682, and 116684 to the Health and Safety Code; adds and repeals Sections 21080.08, 21080.45, and 21080.46 of the Public Resources Code; amends Sections 375, 375.5, 377, 1058.5, 1552, 1846, 5103, and 5104, and adds Sections 377.5, 79708.5, and 79716.5 to the Water Code).

SB 88 implements various changes to water-related programs, including the following:

Authorizes the State Water Resources Control Board ("SWRCB") to order the consolidation water systems, where a public water system or a state small water system within a disadvantaged community consistently fails to provide an adequate supply of safe drinking water;

Exempts from CEQA: (a) certain groundwater replenishment projects (until January 1, 2017); (b) new building standards by state agencies for recycled water systems (until July 1, 2017); and (c) adoption of ordinances imposing strict conditions on the issuance of well permits or changes in the intensity of land use that would increase demand on groundwater (until July 1, 2017);

Requires a person who diverts 10 acre-feet of water per year or more under a permit or license to measure the rates of direct diversion, collection to storage, and withdrawal or release from storage; each measured rate must be reported to the SWRCB on an annual basis;

Expands civil liability for violations of a water conservation program ordinance or resolution, or certain emergency regulations adopted by the SWRCB; and

Appropriates \$10 million to the CalConserve Water Use Efficiency Revolving Fund for loans for water use efficiency projects.

#### **D. Water Loss Management – SB 555**

Water Loss Management (SB 555; adds Section 10608.34 to the Water Code).

SB 555 requires urban retail water suppliers, on or before October 1, 2017, and annually thereafter, to submit a completed and validated water loss audit report for the previous calendar or fiscal year. The measure requires the Department of Water Resources to post water loss audit reports on its website in a manner that allows for comparisons across water suppliers.

### **VIII. NONPROFIT ENTITIES**

#### **A. Regulation and Enforcement of Charitable Trusts – AB 556**

Regulation and Enforcement of Charitable Trusts (AB 556; amends Section 17510.85 of the Business and Professions Code and Sections 12596, 12599, and 12599.1 of the Government Code and adds Section 2224.5 to the Civil Code).

Existing law regulates charitable corporations, including fundraising activities and conduct of board members and officers of nonprofit public benefit corporations. AB 556, among other things, expands the definition of a commercial fundraiser for charitable purposes and requires the notice provided by commercial fundraisers to be in at least 12-point type, and be clear and conspicuous. This bill also authorizes the Attorney General to bring an action for a violation of standards of conduct for directors and officers of nonprofit public benefit corporations or against a person who aids or abets such violation at any time within 10 years after the cause of action accrued.

#### **B. Cooperative Corporations and Worker Cooperatives – AB 816**

Cooperative Corporations and Worker Cooperatives (AB 816; amends the heading of Part 2 (commencing with Section 12200) of the Corporations Code and adds Sections 12201.5,

12228.3, 12230.5, 12253.5, 12310.5, 12317, 12404.5, 12454.5, 12460.5, 12530.5, and 12656.5 to the Corporations Code).

The existing Consumer Cooperative Corporation Law (Cooperative Law) governs the organization and operation of consumer cooperative corporations. AB 816 clarifies that the existing Cooperative Law applies to cooperatives in general, not solely consumer cooperatives, and renames the law the Cooperative Corporation Law. The bill provides a framework for worker cooperative business formation. The bill also raises the existing exemption from securities registration for the sale of shares or memberships in the cooperative corporation from \$300 to \$1,000.

**C. Gifts of Travel from Nonprofit Organizations – SB 21**

Gifts of Travel from Nonprofit Organizations (SB 21; amends Sections 87207 and 89506 of the Government Code).

The existing Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing and related matters, including the reporting of gifts. SB 21 requires a nonprofit organization that regularly organizes and hosts travel for elected officials and that pays for this type of travel to disclose the names of donors who both donated to the nonprofit organization and accompanied an elected officer or officeholder for any portion of the travel within the previous year.

**D. Corporation Leadership; Cooperative Corporation Emergency Planning – SB 351**

Corporation Leadership; Cooperative Corporation Emergency Planning (SB 351; amends Sections 173, 305, 307, 312, 313, 416, 703, 1102, 5039.5, 5213, 7213, 9213, 12228.5, 12320, 12331, and 12353 of the Corporations Code and adds Section 156.6 to the Corporations Code).

Existing law governs the formation of general corporations, public benefit corporations, mutual benefit corporations, religious corporations, and consumer cooperatives. SB 351 expands the optional titles of the "chairperson of the board" of a corporation to include chair of the board, chairperson of the board, chairman of the board, chairwoman of the board, or president, or both. The bill also authorizes a cooperative corporation to perform certain actions in anticipation of an emergency, including the creation of bylaws effective during an emergency.

**IX. PROPERTY TAX**

**A. Limited Abatement of Penalty for Failure to File Change in Ownership – AB 571**

Limited Abatement of Penalty for Failure to File Change in Ownership (AB 571; amends Sections 463 and 483 of the Revenue and Taxation Code).

AB 571 provides for the abatement of penalty for failure to file a change in ownership statement if the failure is due to causes or circumstances beyond assessee's control, and that occurred notwithstanding the exercise of reasonable care in the absence of willful neglect. The assessee must file with the county board of equalization or the assessment appeals board a written application for abatement of the penalty no later than 60 days after the date on which the assessee is notified of the penalty to be considered for the abatement.

**B. Property Tax Assessments – AB 668**

Property Tax Assessments (AB 668; amends Section 402.1 of the Revenue and Taxation Code).

AB 668 requires county assessors to consider, when valuing real property for property taxation purposes, a recorded contract with a nonprofit that has met the welfare exemption requirements of Section 214.15 of the Revenue and Taxation Code relating to properties intended to be sold to low income families participating in a special no-interest loan program. The contract must restrict the use of the land for at least 30 years to owner-occupied housing available at affordable housing costs in accordance with Section 50052.5 of the Health and Safety Code; the contract must include a deed of trust on the property in favor of the nonprofit to ensure compliance with the terms of the program; a finding that the long-term deed restrictions in the contract serve a public purpose must be made by a housing authority or equivalent agency, or if none exists then a city or county counsel; and the contract itself must be recorded and provided to the assessor.

**C. Real Estate Transfer Fee for Recorded Documents – AB 807**

Real Estate Transfer Fee for Recorded Documents (AB 807; amends Sections 1098, 1098.5, and 1102.6e of the Civil Code).

AB 807 revises the transfer fee requirements imposed on real property on and after January 1, 2008, by requiring that the required disclosure document recorded in connection with the instrument creating the transfer fee requirement include, as an alternative to the percentage of the sales price constituting the cost of the fee, the method for calculating the transfer fee amount.

The bill also requires the transferor of residential real property subject to transfer fees to make the specified disclosure regarding those fees, where the recorded document describing the transfer fees has yet to be furnished.

**D. Senior Citizens and Disabled Citizens Property Tax Postponement Law – SB 801**

Senior Citizens and Disabled Citizens Property Tax Postponement Law (SB 801; amends Sections 16180, 16182, 16183, 16190, 16191, and 16192 of the Government Code, and amends Sections 2515, 20505, 20586, 20601, 20602, 20603, 20621, 20622, 20627, 20630, 20630.5, 20638, 20639.2, 20640.2, 20640.3, 20640.4, 20640.6, 20640.7, 20640.8, 20640.9, 20645.5, and 20645.6 of, and repeals Sections 20633, 20639.3, 20639.4, 20639.5, 20639.6, 20639.7, 20639.8, and 20639.9 of, the Revenue and Taxation Code, relating to taxation).

As of February 20, 2009, the California Controller was prohibited from accepting applications for postponement of tax, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law. SB 801 makes the prohibition "inoperative" as of July 1, 2016 and officially repeals the prohibition effective January 1, 2017. The Postponement Law allows seniors, blind, or disabled citizens with annual household incomes of \$35,500 or less and 40% equity in their homes to defer payment of property taxes on their principal residence. Applications may be filed beginning October 1, 2016.

**E. Property Tax Changes – SB 803**

Property Tax Changes (SB 803; amends Section 7510 of the Government Code and Sections 63.1, 68, 401.10, 423.3, 480, 482, 2609, and 3726 of the Revenue and Taxation Code).

SB 803 amends the valuation process of leases entered into with the state public retirement system as the lessor. The possessory interest is to be valued according to the valuation of Taxable Possessory Interests method set forth at Section 21 Title 18 of the California Code of Regulations.

In addition, SB 803 extends the existing parent-child principal residence exclusion to include a transfer of a pro-rata interest in a mobile home park such that a qualifying transfer of such interest would not constitute a "change in ownership."

SB 803 sets forth a time frame for the challenge of the sale of tax defaulted property by a county on the basis of invalidity or irregularity of the procedure. The defense must be brought by a proceeding commenced the later of one year after the date of execution of the tax collector's deed or within one year of the date the board of supervisors determines that a tax deed sold should not be rescinded pursuant to Section 3731 of the Revenue and Taxation Code.

**X. REAL ESTATE TRANSACTIONS**

**A. Nonprobate Transfers: Revocable Transfer upon Death Deeds – AB 139**

Nonprobate Transfers: Revocable Transfer upon Death Deeds (AB 139; adds Section 69).

This bill creates the revocable transfer on death deed (revocable TOD deed) until January 1, 2021, which would transfer real property on the death of its owner without a probate proceeding.

**B. Real Estate Licensees: Continuing Education Requirements – AB 345**

Real Estate Licensees: Continuing Education Requirements (AB 345; amends Section 10170.5 of the Business and Professions Code).

AB 345 requires a broker, as part of the broker's 45 hours of continuing education, to successfully complete a 3-hour course in the management of offices and supervision of licensed activities, as specified.



**C. Counties Recording Real Estate Instruments – AB 661**

Counties Recording Real Estate Instruments (AB 661; adds subsection 2 to Section 27388(a) of the Government Code).

Existing law authorizes a board of supervisors to adopt a fee of up to \$10 for the recording of specific real estate instruments, papers, or notices, with various exceptions. AB 661 amends the exception for instruments subject to a documentary transfer tax. Specifically, the statute clarifies that the fee does not apply to instruments accompanied by a declaration stating that the transfer is subject to a documentary transfer tax, is recorded concurrently with a transfer subject to a documentary transfer tax, or is recorded within the same business day and is related to the recording of a transfer subject to the documentary transfer tax.

**D. Residential Development: School Facilities Fees – AB 715**

Residential Development: School Facilities Fees (AB 715; amends Section 65995(b)(1)).

AB 715 streamlines the definition of assessable space so that "covered walkway, or uncovered walkway, enclosed walkway" is simplified to read "covered or uncovered walkway".

Existing law limits the amount of fees, charges, dedications, or other requirements levied or imposed by state and local agencies on the planning, use, or development of real property for the construction or reconstruction of school facilities based upon assessable space. In the case of residential construction, existing law defines assessable space to mean all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area. AB 715 revises the definition of assessable space to specify that a covered or uncovered walkway is excluded.

**E. Energy Efficiency; Public Disclosure – AB 802**

Energy Efficiency; Public Disclosure (AB 802 amends Sections 25301 and 25303 of, and repeals and adds Section 25402.10 of, the Public Resources Code, and amends Section 381.2 of, amends and renumbers Section 384.2 of, and adds Section 913.8 to, the Public Utilities Code, relating to energy efficiency).

AB 802 modifies and implements an energy efficiency bill from 2007 (AB 1103). AB 1103 required electric and gas utilities to maintain energy consumption data for the most recent 12 months for nonresidential buildings, which must be in a format compatible for upload to the U.S. Environmental Protection Agency's ENERGY STAR Portfolio Manager. As of January 2017, utilities must maintain such records for all buildings to which they provide service.

AB 802 also authorizes utilities to provide aggregate – whole building – data, in a manner that preserves the confidentiality of customers, to owners or authorized agents regarding the building energy consumption. Prior law required disclosure of this aggregate data to the ENERGY STAR Portfolio manager, as well as prospective buyers, lessees of the entire building, or lenders that would finance the entire building. AB 802 eliminates the disclosure requirement to prospective buyers, lessees, and lenders. Finally, AB 802 empowers the California Energy Commission to

promulgate regulations regarding data disclosure, including civil fines for violations of data submission requirements.

**F. Real Estate Investments & Threshold Brokers; Qualification Exemption – SB 647**

Real Estate Investments Threshold Brokerage: Qualification Exemption (SB 647; amends Sections 10232.3, 10232.45, and 10238 of the Business and Professions Code and Section 25102.2 of the Corporations Code regarding sale of interest in notes/deeds secured by real property).

Existing law regulates "threshold brokers" engaging in real estate investments and securities transactions. Threshold brokers typically arrange loans for, sell existing notes to, or service loans for private individuals, non-institutional lenders or note purchasers. If a broker engages in this type of business above certain "threshold" criteria, then that threshold broker is required to submit quarterly and annual reports to the BRE.

SB 647 clarifies the requirement for threshold brokers to obtain a completed investor questionnaire from persons to whom they offer or sell notes and deeds of trust or securities in a note or deed of trust by specifying that the investor questionnaire must be obtained at least two business days and not more than one year prior to completing each sale. The statute modifies the requirement for obtaining subsequent annual questionnaires; updated investor questionnaires need only reflect material changes from the immediately preceding annual questionnaire. SB 647 also eliminates the requirement that threshold brokers obtain updated annual questionnaires from persons to whom notes and deeds of trust are offered or on whose behalf they are serviced.

Finally, SB 647 deletes the requirement that persons who are engaged in the business of purchasing, selling, financing, or brokering real estate, who rely upon a securities law exemption authorized by Corporations Code Section 25100(p), submit information about their offering to the Department of Business Oversight, as specified.

**XI. SUBDIVISION AND CONDOMINIUMS; SUBDIVISIONS AND COMMON INTEREST COMMUNITIES**

**A. Voids Common Interest Development Policies that Prohibit Artificial Turf – AB 349**

Common Interest Developments: Property Use and Maintenance (AB 349; amends Civil Code Section 4735).

Existing law voids any provision of a Common Interest Development's governing documents, guidelines or policies that prohibits use of low water-using plants, or prohibits or restricts compliance with water-efficient landscape ordinances or regulations on the use of water. AB 349 further voids provisions in such documents that prohibit the use of artificial turf or any other synthetic surface that resembles grass, and it prohibits a requirement that an owner of a separate

interest remove or reverse water-efficient landscaping measures, installed in response to a declaration of a state of emergency, upon the conclusion of the state of emergency.

**B. Limits Homeowners Association Fines Related to Reduced Watering – AB 786**

Common Interest Developments: Property Use and Maintenance (AB 786; amends Civil Code Section 4735).

Existing law prohibits an association, except an association that uses recycled water for landscape irrigation, from imposing a fine or assessment on separate interest owners for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency or the local government has declared a local emergency due to drought. AB 786 revises the exception to instead authorize the imposition of a fine or assessment against the owner of a separate interest that receives recycled water from a retail water supplier and fails to use that recycled water for landscaping irrigation.

**C. Requires Disclosure to the Owners if Common Interest Development is an Approved Condominium Project Pursuant to FHA and VA Guidelines – AB 596**

Common Interest Developments: Annual Budget Report (AB 596; amends, repeals, and adds Civil Code Section 5300).

Existing law requires the association of a common interest development to prepare and distribute to all of its members certain documents, including an annual budget report and notice to be provided if an insurance policy described in the annual budget report lapses, is canceled, or is not immediately renewed, restored, or replaced, or if there is a significant change as to the policy. As of July 1, 2016, AB 596 requires the annual budget report of a condominium project to also include a separate statement describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project and as a federal Department of Veterans Affairs (VA)-approved condominium project.

## **XII. MOBILE HOMES**

**A. Disposal of Mobile Homes – AB 999**

Disposal of Mobile Homes (AB 999; amends Sections 798.56a and 798.61 of the Civil Code and Section 18080.5 of the Health and Safety Code).

The existing Mobile Home Residency Law regulates tenancies in mobile home parks and specifically authorizes the management of a mobile home park to remove a mobile home from the mobile home park and place it in storage, or to store the mobile home on its site in certain circumstances. AB 999, among other things, authorizes the management of a mobile home park to enforce a warehouse lien and to designate a mobile home for disposal without having to pay past or current vehicle license fees or obtain a tax clearance certificate. The bill also requires a

court to enter a judgment of abandonment if the criteria for abandonment has been satisfied and no party establishes an interest in the mobile home and tenders all past due rent and other charges.

**B. Injunctions – SB 244**

Injunctions (SB 244; amends Section 798.88 of the Civil Code and Section 85 of the Code of Civil Procedure).

The existing Mobile Home Residency Law authorizes the management of a mobile home park to obtain an order enjoining a continuing or repeated violation of a reasonable mobile home park rule as a limited proceeding in local superior court. SB 244 eliminates the January 1, 2016 sunset date and extends this provision indefinitely, thus making the provision permanent.

**C. Sale of Mobile Homes – SB 419**

Sale of Mobile Homes (SB 419; amends Section 798.70, 798.71, and 798.74 of the Civil Code).

The existing Mobile home Residency Law governs tenancies in mobile home parks and specifically regulates the procedures for the sale or rental (if not prohibited by management) of a mobile home. As of July 1, 2016, SB 419 regulates the placement of for-sale and for-rent signs for a mobile home and allows a mobile home park to establish reasonable rules and regulations governing how an open house may be conducted on the site.

**D. Electric and Gas Service for Master-Meter Customers – AB 682**

Electric and Gas Service for Master-Meter Customers (AB 682; adds Section 18029.1 to the Health and Safety Code).

Existing law authorizes the owner of a master-metered mobile home park to transfer both ownership and responsibility to provide services to the electric or gas corporation that provides service in the area. Furthermore, alterations to such electric or gas systems require applications to the Department of Housing and Community Development (HCD). AB 682 allows certain alterations, conversions, extensions, and upgrades of gas and electric lines to bypass the HCD application process under certain conditions, including that the project is subject to or consistent with Public Utilities Commission Decision 14-03-021 (March 13, 2014). Likewise, AB 682 authorizes a person, without filing an application for an alteration or conversion with HCD, to repair or replace a defect in the mobile home relating to the heat-producing or electrical systems, installations, or equipment if the repair or replacement is necessary to correct the defect, is made promptly, and is approved by HCD.

**XIII. LABOR AND EMPLOYMENT**

**A. Employer Liability – AB 1509**

Employer Liability (AB 1509; amends Sections 98.6, 1102.5, 2810.3, and 6310 of the Labor Code).

Existing law prohibits an employer from discharging an employee or in any manner discriminating, retaliating, or taking any adverse action against any employee or applicant for employment because the employee or applicant has engaged in protected conduct (e.g. whistleblowers). Existing law provides that an employee who made a bona fide complaint, and was consequently discharged or otherwise suffered an adverse action, is entitled to reinstatement and reimbursement for lost wages. Existing law makes it a misdemeanor for an employer to willfully refuse to reinstate or otherwise restore an employee who is determined to be eligible for reinstatement. Existing law subjects a person who violates these provisions to a civil penalty of up to \$10,000 per violation.

AB 1509 would extend the protections of these provisions to an employee who is a family member of a person who engaged in, or was perceived to engage in, the protected conduct or make a complaint protected by these provisions.

This bill also amends Labor Code section 2810.3 to exclude certain client employers from the joint liability imposed between the client employer and a third-party household goods carrier.

**B. Employment: E-Verify System: Unlawful Business Practices – AB 622.**

Employment: E-Verify System: Unlawful Business Practices (AB 622; adds Section 2814 to the Labor Code).

The federal E-Verify system, administered by the United States Citizenship and Immigration Services, the United States Department of Homeland Security, and the United States Social Security Administration, enables participating employers to use the system, on a voluntary basis, to verify that the employees they hire are authorized to work in the United States.

AB 622 expands the definition of an unlawful employment practice to prohibit an employer or any other person or entity from using the E-Verify system at a time or in a manner not required by a specified federal law or not authorized by a federal agency memorandum of understanding to check the employment authorization status of an existing employee or an applicant who has not received an offer of employment, except as required by federal law or as a condition of receiving federal funds. The new legislation also requires an employer that uses the E-Verify system to provide to the affected employee any notification issued by the Social Security Administration or the United States Department of Homeland Security containing information specific to the employee's E-Verify case or any tentative nonconfirmation notice. The statute provides for a civil penalty of \$10,000 for an employer for each violation of these provisions and includes a statement of intent.

**C. Employment Discrimination: Unlawful Employment Practices – AB 987**

Employment Discrimination: Unlawful Employment Practices (AB987; amends Section 12940 of the Government Code).

AB 987 prohibits an employer or other covered entity from retaliating or otherwise discriminating against a person for requesting accommodation of his or her disability or religious beliefs, regardless of whether the accommodation request was granted.

**D. Employees: Time Off – SB 579**

Employees: Time Off (SB 579; amends Sections 230.8 and 233 of the Labor Code).

SB 579 expands and clarifies existing paid time off laws relating to and bars termination of employees who engage in caring for children and family during paid time off. The statute revises references to a child day care facility to instead refer to a child care provider and also includes the following activities as those for which a parent with custody of a child may not be discriminated against or discharged: addressing a child care provider emergency or a school emergency, and finding, enrolling, or reenrolling a child in school or with a child care provider. The statute defines "parent" for these purposes as a parent, guardian, stepparent, foster parent, or grandparent of, or a person who stands in *loco parentis* to, a child, thereby extending the protections to an employee who is a stepparent or foster parent or who stands in *loco parentis* to a child.

**E. Local Agency Employment Contracts: Max Cash Settlements – AB 215**

Local Agency Employment Contracts: Max Cash Settlements (AB 215; amends Section 53260 of the Government Code).

AB 215 limits the maximum cash settlement amount available to school district employees when their contract is terminated. While other employees whose contracts are terminated may receive a cash settlement equal to their regular monthly salary multiplied by the number of months left on the unexpired term of the contract – up to 18, the maximum cash settlement for a district employee is equal to the monthly salary of the employee multiplied by 12.

Further, AB 215 alters settlements with district superintendents who are terminated after engaging in fraud, misappropriation of funds, or other illegal fiscal practices. Both provisions apply only to contracts of employment executed on or after January 1, 2016.

**F. Enforcement of Employee Claims – AB 970**

Enforcement of Employee Claims (AB 970; amends Sections 558, 1197, 1197.1, and 2802 of the Labor Code).

AB 970 authorizes the Labor Commissioner to investigate and, upon a request from a local entity (such as a city, county, or city and county), to enforce local laws regarding overtime hours or minimum wage provisions and to issue citations and penalties for violations of such laws. The measure also authorizes the Labor Commissioner to issue citations and penalties to employers that fail to indemnify employees for expenditures and losses in direct consequence of the discharge of the employee's duties or as a result of obeying the employer's directions, as required by existing law.

**G. Gender Wage Differential – SB 358**

Gender Wage Differential (SB 358; amends Section 1197.5 of the Labor Code).

SB 358 revises existing law to prohibit an employer from paying any of its employees at wage rates less than those paid to employees of the opposite sex for substantially similar work. The measure limits exceptions to wage differentials based entirely upon a seniority system, a merit system, a system that measures earnings by quantity or quality of production, or a bona fide factor other than sex. SB 358 additionally expands recordkeeping requirements from 2 to 3 years. Under SB 358 an employer can no longer prohibit an employee from disclosing the employee's own wages, discussing the wages of others, inquiring about another employee's wages, or aiding or encouraging any other employee to exercise his or her rights under the measure.

**H. Employment; Nonpayment of Wages – SB 588**

Employment; Nonpayment of Wages (SB 588; adds Chapter 10 (commencing with Section 690.020) to Division 1 of Title 9 of Part 2 of the Code of Civil Procedure, and amends Section 98, and adds Sections 96.8, 238, 238.1, 238.2, 238.3, 238.4, 238.5, and 558.1 to the Labor Code).

SB 588 implements special provisions for the enforcement of judgments against an employer arising from the employer's nonpayment of wages for work performed. The measure authorizes the Labor Commissioner to use any of the existing remedies available to a judgment creditor and to act as a levying officer when enforcing a judgment pursuant to a writ of execution. It additionally authorizes the Labor Commissioner to provide for a hearing to recover civil penalties against any employer or other person acting on behalf of an employer for a violation of those provisions regulating hours and days of work.