CALIFORNIA ASSOCIATION OF REALTORS®

LEGISLATIVE PROGRAM 2013 - 2014

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In the first half of the 2013-2014 legislative session, C.A.R. pursued a largely defensive legislative posture advancing sponsored bills and preserving resources to defend against legislation threatening the real estate industry. C.A.R. sponsored 9 measures in 2014. In addition to sponsored bills, C.A.R. seeks "targets of opportunity" or amendments to protect and promote the ability of REALTORS® to do business and to advance C.A.R.'s policy agenda. "Targets of opportunity," may include amendments to legislation of others consistent with C.A.R. policy; for example environmental issues should accommodate the rights of property owners; tenants' rights legislation should also recognize property owners' rights; risk management gains of recent years must be preserved; and unreasonable burdens on the real estate transaction and housing avoided.

** Please see the final page of the Legislative Program for a comprehensive explanation of C.A.R.'s policy positions taken on legislation discussed in this document.

C.A.R. SPONSORED LEGISLATION 2013-2014

AB 429 (Daly) Retention of BRE Staff - In 2012 Governor Brown's reorganization, among other things, moved the Bureau of Real Estate (BRE) to the Consumer Services Agency, effective July 1, 2013, under the Department of Consumer Affairs (DCA). BRE and C.A.R. were concerned that the change in status might prompt the Department of Justice (DOJ) to assert its authority (which has always existed) to take over BRE's legal staff in regulatory hearings. C.A.R. sponsored AB 429 to clarify that BRE is to retain its regulatory, enforcement and legal staff in its new status as a Bureau within DCA. In early April, in response to AB 429, the Department of Justice (DOJ) confirmed in writing that it has no intent to try and take over BRE's legal action, and that it doesn't have the staff to do so even if it wanted to. The DOJ delivered an interagency letter which authorizes the BRE to continue the "status quo" until 2015 when the issue will be revisited with BRE's participation. In addition to the interagency letter Assemblymember Daly, the author of AB 429, placed a letter in the Assembly Daily Journal to memorialize the interagency agreement. With the written assurances from the DOJ, as well as the memorializing letter in the Assembly records C.A.R. did not advance AB 429.

Status: Assembly Business, Professions and Consumer Protection Committee

SB 30 (Calderon) and AB 42 (Perea) Debt Forgiveness Income Tax - The federal government enacted the Mortgage Debt Relief Act of 2007 creating mortgage debt forgiveness relieving borrowers from income tax liability on debt forgiven in a "short" sale. In late 2008 the federal

government extended this relief through December 31, 2012. In 2008, California enacted and C.A.R. supported SB 1055 (Machado) which provided conformity with the federal statute for the 2007 and 2008 tax years and, in 2010, California enacted SB 401 (Wolk) which extended the income tax debt forgiveness until December 31, 2012. On December 31, 2012, Congress passed budget solutions to avoid the "fiscal cliff" which included an extension of the mortgage debt forgiveness sunset date to January 1, 2014. C.A.R. sponsored SB 30 and AB 42 to make conforming changes in California law retroactive to January 1, 2013. In the Senate Appropriations Committee, SB 30 was linked to SB 391 meaning that it could not become law unless SB 391 was enacted. C.A.R. strongly opposed the "linking" and tried to delink the two measures. SB 30 and AB 42 stalled in the legislative process. In late 2013 C.A.R. obtained letters from the IRS and the FTB clarifying that under California law debt forgiven in a short sale is not subject to income tax at the state or federal levels. With these clarifying letters C.A.R. will not be pursuing SB 30 or AB 42 on the phantom income/debt forgiveness short sale issue; C.A.R. will support, however, state legislation to provide debt forgiveness in connection with a loan modification. (See also SB 1393 pg. 30)

Status: SB 30 and AB 42 Died in the Assembly Appropriations Committee

SB 176 (Galgiani) Notice of Regulatory Actions - Current law requires regulatory bodies to post meeting notices and public reports on their individual websites. Originally, SB 176 (Galgiani) would have required all state agencies to publish meeting notices and preliminary rulemaking activities in the California Regulatory Notice Register (Register) at least 15 days prior to any scheduled meeting. This measure was amended in the Senate Appropriations Committee, to make minor changes to existing law regarding stakeholder involvement in rulemaking activities. In June 2013, C.A.R. amended SB 176 to instead permit agencies to electronically submit these documents to the Office of Administrative Law (OAL), rather than using the current outdated practice of requiring notices and rulemaking documents to be hand delivered in hard copy. SB 176 would have paved the way for easier electronic posting by OAL in the future.

Status: Died in the Assembly Appropriations Committee

AB 1513 (Fox) Squatters - Under California law it can take 60-120 days, or longer, to evict a squatter. There are currently no statutes designed to assist homeowners and law enforcement officials with preventing occupancy of, or removing unauthorized residents (squatters) from, vacant properties. As introduced, AB 1513 proposed to define the unlawful entering or possession of any real property as a felony and provided local agencies express authority to evict such unlawful occupants of residential property. AB 1513 was amended to instead create a 3-year pilot program, limited to the cities of Lancaster and Palmdale in Southern California and Ukiah in Northern California. This program permits the owner of a vacant property to register it with local law enforcement and file a "Declaration of Ownership" with the District Attorney. Upon notification that "squatters" are on the property, local law enforcement will respond and require them to provide written evidence that they are legally entitled to be there within 48 hours. AB 1513 was amended to clarify that occupants who are unable to provide such verification can be subject to a restraining order and injunction prohibiting them from trespassing; as well as possible arrest for failure to adhere to such orders.

Status: Signed by the Governor on September 27, 2014 (Chapter 666, 2014 Statutes)

AB 2018 (Bocanegra) CalBRE "Team Names" Regulation - The use of “team” names in advertisements and marketing materials has become a popular practice among real estate professionals. The California Bureau of Real Estate (CalBRE) in its Spring 2013 Real Estate Bulletin suggested it was considering adopting regulations that would only permit salespersons to work under “team” names if the name was bona fide fictitious business name that was registered with the County by the employing broker. The lack of clear regulation has created confusion throughout the real estate industry on what is and what is not a fictitious business name. AB 2018 resolves this ambiguity by statutorily defining how a salesperson, with their brokers permission, can use a fictitious business name, while also establishing clear standards for the use “team” names that are not fictitious business names. Specifically, the bill clarifies that a "team name" is not a fictitious business name and does not need to be filed with the county if it includes a licensee's full name or surname and the "team" consists of at least two licensees. All marketing materials that include a "team name" or fictitious business name will be required to contain a salesperson's name and license number, as well as the Brokerage name. AB 2018 also permits Brokers to contractually delegate their authority to allow a salesperson to obtain and/or own a fictitious business name. Lastly, the bill will require a fictitious business name to be filed with the county where it will be used.

Status: Signed by the Governor on September 30, 2014 (Chapter 892, 2014 Statutes)

AB 2039 (Muratsuchi) Auction Companies - Some lenders have begun to make approval of short sale contracts contingent upon the short seller allowing the home to be put out to auction to validate the home's value, and in doing so limiting the listing agents' control over the sales transaction and exposing them to potential liability. This measure prohibits a lender or auction company that takes over management of a sales transaction from a listing agent from requiring the homeowner or listing agent to defend or indemnify the auction company for any liability resulting from the auction company's actions. AB 2039 also prohibits the use of "shill" bids (bids not from a bona fide purchaser that are used in auctions to drive up the sales price during the auction process), while permitting "credit bids", and seller bids with full disclosure.

Status: Signed by the Governor on September 30, 2014 (Chapter 893, 2014 Statutes)

AB 2136 (Daly) Electronic Transaction Documents - The Spring 2013 Bureau of Real Estate's (CalBRE) Real Estate Bulletin observed that electronic transactional documents (including short lived electronic messages such as texts) used in connection with a transaction must be preserved for the same period of time as paper documents and are part of the documentation that must be made available to CalBRE auditors if requested. This measure distinguishes short lived, electronic communication (e.g., texts, tweets, etc.) from transaction documents which must be maintained in a REALTOR®'s files and requires an electronic document used in connection with the transaction to be in a durable, retainable form before retention in a REALTOR®'s files is required by CalBRE.

Status: Signed by the Governor on July 9, 2014 (Chapter 107, 2014 Statutes)

AB 2169 (Cooley) Independent Contractors - Existing business practice and current law specifically permit brokers and the salespeople they retain to select the type of business relationship (employer-employee or broker-independent contractor) they have. Concerns have been raised that the existing law is ambiguous and can be interpreted to say that salespersons

are in fact employees. AB 2169 would have clarified that the independent contractor status within existing law remains a legal option.

Status: Died in the Assembly Insurance Committee

AB 2430 (Maienschein) CID Documentation - In response to third party vendors charging Common Interest Development (CID) purchasers excessive fees for documents required to be provided to buyers under the Davis-Stirling Act, C.A.R. successfully sponsored AB 771 (Butler) in 2011. That bill was intended to prohibit the "bundling" of unrelated document fees with the Davis-Stirling document fees. Despite AB 771, third party vendors continued to "bundle" these fees. AB 2430 provides more specific document delivery and disclosure standards and tightens the anti-bundling provisions in connection with condominium sales and HOA document delivery requirements.

Status: Signed by the Governor on July 23, 2014 (Chapter 185, 2014 Statutes)

AB 2540 (Dababneh) Email Address Collection by CalBRE - Under current law the Bureau of Real Estate (CalBRE) is empowered to require licensees to provide a valid business or mailing address as part of the license process. However, the current law is silent on email addresses and phone numbers. This measure will empower CalBRE to collect and maintain valid contact information from licensees, including an email address and phone number. This will allow CalBRE to reliably communicate with licensees in a more cost-effective and efficient manner.

Status: Signed by the Governor on August 25, 2014 (Chapter 295, 2014 Statutes)

SB 1091 (Galgiani) Central Repository for ALL Regulatory Rulemaking Notices and Subscription Services – Current law requires regulatory bodies to post meeting notices and public reports on their individual websites. This measure would have required ALL state agencies to submit notices related to pre-rulemaking activity to the California Regulatory Notice Register (Register) 15 days prior to any scheduled meeting seeking to establish, research, or consider future regulatory changes. SB 1091 also required the Register to serve as a central repository complete with a searchable and subscribable website by January 1, 2017.

Status: Died in the Senate Appropriations Committee

SJR 19 (Correa) Federal Loan Limits - Existing federal law provides for standard and "high-cost" conforming loan limits. High-cost loan limits provide residents in regions with high housing costs access to safe and affordable mortgages. The current cap for high-cost and standard loan limits for Fannie Mae and Freddie Mac is $625,500, and $417,000 respectively. In December of 2013 the Federal Housing Finance Agency (FHFA), which has conservatorship of Fannie Mae and Freddie Mac, requested comments on a proposal to decrease national conforming loan limits from $417,000 to $400,000 and to lower the existing cap for high-cost loan limits from $625,500 to $600,000. SJR 19 was introduced to register a formal objection to the proposed reductions. The FHFA ultimately decided to maintain existing loan limits. C.A.R. continued to sponsor SJR 19 as an affirmative statement of the California Legislature that any reductions in federal loan limits will have a negative impact on California's housing market, which is still struggling to recover from the economic downturn. This measure makes legislative findings that lowering loan limits would be harmful to California's housing market and declares the California State Legislature's support for preserving existing federal loan limits.

Status: Chaptered by the Secretary of State on August 18, 2014 (Chapter 116, 2014 Statutes)

BILLS OF INTEREST:

Transactional Issues – Broker Practice & Risk Management

AB 186 (Maienschein) Temporary Licenses for Military Spouses - Existing law allows, for certain professions, individuals with a valid license to practice in another state. As introduced, AB 186 would have required California to grant expedited, temporary licenses to the spouse of an active duty member of the military as long as they have a valid active license from another state. C.A.R. sought and received amendments exempting CalBRE from this temporary license requirement because of the complexity and uniqueness of California's real estate laws. AB 186 was amended to require certain licensing agencies, not including CalBRE, to grant these expedited, temporary licenses. With these amendments C.A.R. removed its opposition to the bill.

Position: Watch
Status: Signed by the Governor on September 27, 2014 (Chapter 640, 2014 Statutes)

AB 713 (Wagner) Broker-Dealers Definition - The Corporate securities Law of 1968 defines a broker-dealer as someone who is involved in effecting transactions in securities for themselves or others. This can include, among other things, such activities as identifying potential securities purchaser or sellers, soliciting or structuring transactions, providing valuations, negotiating terms, handling funds or securities, or acting as an intermediary. AB 713 would have declared that a "finder", a registered individual who refers potential investors or securities issuers to each other, is not included in the definition of a securities broker-dealer. C.A.R. sought and obtained amendments to this measure which clarified that a "finder" does not include a real estate licensee in the scope of their license. With these amendments C.A.R. moved to a Watch position on AB 713

Position: Watch
Status: Held in the Senate Appropriations Committee

AB 1164 (Lowenthal) Employee Liens - Under current law, an individual who works on the creation or improvement of a property can record a mechanic's lien against the property to ensure payment. AB 1164 would have authorized an employee to record a lien for unpaid wages against their employers' real or personal property. C.A.R. opposed this measure because it jeopardized financing of properties by the creation of a new super-priority lien "clouding" title and without due process for property owners. AB 1164 was amended significantly in early 2014 to provide limitation to the attachments of the above described liens, for example, no lien may be attached to an employers' property should the employer have significant insurance or surety bonds to cover the wages and related damages sought by the employee. Also, employees who fall under the administrative, executive or professional exemptions in the protections of the Industrial Welfare Commission wage orders cannot claim liens against their employers property; the time in which the notice of lien must be recorded and served is shortened from 1 year to 180 days; the time period an employee has to commence and action to enforce the lien is shortened from 180 days to 90 days; and if an employee refuses to record a release of a lien after proper notice the employer may petition the courts for a release of lien and by entitled to any applicable attorney's

fees and costs up to $1000. These amendments did not, however, alleviate C.A.R. or other opponents' concerns and C.A.R. remained opposed to the measure. (See also AB 2416, pg. 8)

Position: Oppose
Status: Died on the Assembly Floor Inactive File

AB 1220 (Skinner) Consumer Credit Reporting - Under existing law, consumer credit report agencies, upon request, are to provide a consumer with their credit report. As introduced, AB 1220, among other things, enabled a consumer denied credit to receive, upon request, the same credit report as the one provided to retailers. C.A.R. supported this measure because it allowed consumers access to the same information that is given to retailers. AB 1220 was amended to remove the section requiring that a consumer be provided the full credit report retailers receive, instead, allowing a full report to be disclosed to the consumer under certain circumstances. With these amendments C.A.R. dropped to a Favor position.

Position: Favor
Status: Signed by the Governor on September 30, 2013 (Chapter 433, Statutes 2013)

AB 1698 (Wagner) Falsified or Forged Documents - Individuals who file, register or record falsified or forged documents are guilty of a felony. AB 1698 allows the criminal court hearing these cases to issue a written order voiding any falsified or forged documents at the end of the criminal trial. C.A.R. sought amendments to allow for an affected party to "opt out" and have the issue decided in a quite title action. C.A.R. believes that allowing interested parties to have the ability to "opt out" of the voiding decision in the court, and instead utilize a quiet title action will reduce the potential for injustice and will speed up the ultimate resolution of ownership interest by the various victims. When amendments added to the bill resolved this concern, C.A.R. moved to a Watch position on the measure.

Position: Watch
Status: Signed by the Governor on September 19, 2014 (Chapter 455, 2014 Statutes)

AB 1730 (Wagner) Mortgage Loan Modifications - Existing law prohibits anyone who negotiates or arranges loan modifications from charging advance fees for their services, and only allows them to be paid after all services have been completed. As introduced, AB 1730 restricted those performing loan modifications further by prohibiting any one who has, currently does, or will work on loan modifications from accepting payment prior to the approval of the loan modification, rather than at the completion of work. Additionally, this measure increased the penalties for violating this provision by: increasing the maximum fine from $10,000 to $20,000 and higher if the case involves seniors or disabled individuals; instituting a possible prison sentence; and labeling the violation "fraud". AB 1730 specified the division of any assessed penalties based on the agency investigating and prosecuting the violation; including allowing the Department of Consumer Affairs reimbursement for actions they have taken. C.A.R. opposed this measure because it required mandatory prosecutions and fines. C.A.R. was also concerned that the bill's penalty and reimbursement provisions would have created a "bounty hunter" incentive for the agencies and organizations deputized by the District Attorney to prosecute these cases. AB 1730 was amended to remove the fraud and bounty hunter provisions along with the provisions prohibiting payment prior to the approval of the loan modification. With these amendments C.A.R. moved to a not favor position on the measure.

Position: Not Favor
Status: Signed by the Governor on September 19, 2014 (Chapter 457, 2014 Statutes)

AB 1888 (Ting) Transfer Tax shown on Separate Unrecorded Paper - Currently, individuals recording documents conveying real property can request that the amount of the documentary transfer tax due be shown on a separate paper. This allows individuals to keep the amount of the tax private and, thus, conceal the price paid for the real property. AB 1888 would delete the rule that allows an individual to request the tax due to be shown on a separate paper. C.A.R. supported this measure because it increases accessible information about closed sales and transparency in public records.

Position: Support
Status: Signed by the Governor on June 4, 2014 (Chapter 20, Statutes 2014)

AB 1897 (Hernandez) Labor Contracting - Current law places restrictions on labor contracts between an employing individual and a construction, janitorial, security guard, etc. contractor ("labor contractor"). AB 1897 defines the individual or entity receiving workers' labor as the "client employer" and the individual or entity supplying the workers as the "labor contractor". This measure makes the labor contractors' client (client employer) jointly liable with the contractor for legal employment requirements including a safe working environment, wage payment, reporting and paying all required employer contributions, valid workers compensation coverage, etc. Additionally, this measure prohibits the client employer from shifting the responsibility for these requirements to the labor contractor. C.A.R. opposed this measure because it exposes property owners to liability for violations which are outside their control, however, C.A.R. moved to a Not Favor position after amendments exempted core services provided by REALTORS®.

Position: Not Favor
Status: Signed by the Governor on September 28, 2014 (Chapter 728, 2014 Statutes)

AB 2196 (Fox) Title Insurance Termination Exemption - Title insurance policies protect property owners against issues with the title of the property (i.e. loss or damages due to liens, defects in title, invalid liens, etc.). AB 2196 would, for all policies issued after January 1, 2015, have required the title insurance policy continue when the insured property is placed in a trust. C.A.R. supported this measure because holding property in a trust has become an increasingly common mechanism for estate planning and should not be burdened by the cost of a new title policy or loss of coverage. AB 2196 has been withdrawn from committee because standard form CLTA policies have already been amended to include the coverage sought.

Position: Support
Status: Died in the Assembly Insurance Committee

AB 2206 (Gomez) Public Record Confidentiality – Existing law requires that transfer or lien documents recorded against a property include the names of the property owner and this information is available through the county recorder. AB 2206 would have authorized a county board of supervisors to create a program that allowed public safety officials to request that their names be removed from property records that fall under the Public Records Act. C.A.R. opposed this measure, because concealing information from the property record complicates transfer transactions and could be used to facilitate fraud. C.A.R. suggested the use of a trust mechanism already allowed by law instead. After discussions with the author and sponsors, AB 2206 was

dropped and a compromise measure was passed in the form of AB 634. AB 634 allows an appointed public safety official or their representative to demand that certain information not be reported by third parties, even if it is in the public record. As AB 634 did not address the removal of names from property records C.A.R. did not take an active position on the measure.

Position: Oppose
Status: Died in the Assembly Local Government Committee

AB 2237 (Grove) Litigation Costs - Currently, in lawsuits brought against an individual for unfair competition the court can award court costs and attorney's fees to the prevailing plaintiff but can only award similar costs to the defendant if the action was not in good faith. AB 2237 proposed to instead allow the court to award court costs and attorney's fees to whoever is the prevailing party. C.A.R. supported this measure because its policy is to support even handed awards of attorney fees. In other words, if one party is entitled to fees if it prevails, the other party should also be entitled to fees in similar circumstances. Allowing fees and costs only to the plaintiff encourages speculative lawsuits.

Position: Support
Status: Died in the Assembly Judiciary Committee

AB 2416 (Stone) Employee Liens - Under current law, an individual who works on the creation or improvement of a property can record a mechanic's lien against the property to ensure payment. AB 2416, a re-introduction of AB 1164 of 2013, would have authorized an employee to record a new kind of lien for unpaid wages against their employers real or personal property. C.A.R. opposed this measure because it jeopardized financing of properties by the creation of a new lien "clouding" title without due process for property owners. AB 2416 was amended to remove the "super priority" status of the new lien, expand the provisions surrounding the removal of such a lien, and limit the time period that an employee has to file an action to enforce a lien. These amendments, however, did not remove C.A.R.'s concerns and C.A.R. remained opposed to AB 2416. (See also AB 1164, pg. 5)

Position: Oppose
Status: Failed passage on the Senate Floor

AB 2494 (Cooley) Frivolous Proceedings - Existing law allows a court to order a plaintiff to pay reasonable expenses to the opposing party for a complaint or proceeding initiated on or before December 31, 1994 if the proceeding is determined to be a bad-faith action that is "frivolous," solely for the purpose of harassment. AB 2494 would delete the December 31, 1994 date limitation on the courts ability to award reasonable fees. Additionally, this measure would update the definition of "frivolous" to instead allow for the payment of reasonable expenses if harassing the opposing party was the main purpose of the suit rather than the sole purpose. C.A.R. was in Favor of this measure because it helped discourage groundless suits against REALTORS®

Position: Favor
Status: Signed by the Governor on September 18, 2014 (Chapter 425, 2014 Statutes)

AB 2523 (Cooley) Department of Technology - Existing law, until January 1, 2015, establishes the Department of Technology (Department) within the Government Operation Agency to facilitate the approval and oversight of information technology projects. AB 2523 would extend the

sunset date for the Department until January 1, 2020. Additionally, the measure would require the Department to make recommendations on the potential development of a team of consulting information technology experts to support state government with issues relating to information technology projects and identify gaps and new opportunities. C.A.R. would have supported this measure if it were amended to include provision to streamline public notice and disclosure of regulatory pre-rulemaking activities similar to provisions in C.A.R.-sponsored SB 1091. Since the measure was not amended to include these provisions, C.A.R. moved to a Watch position. (See also SB 1091, pg. 4)

Position: Watch
Status: Signed by the Governor on September 17, 2014 (Chapter 391, 2014 Statutes)

SB 426 (Corbett) Deficiency Judgment Protections - California's anti-deficiency rules protect a borrower from personal liability after foreclosure on many purchase money mortgages. In 2011 C.A.R. sponsored SB 458 (Corbett) to provide additional anti-deficiency protections in short sale situations. With the passage of SB 458, any lender that agrees to a short sale must accept the agreed upon short sale payment as full payment of the outstanding balance of its loans and cannot require the short seller to provide funds in addition to the sale proceeds. Once the lender has approved the short sale and the sale is concluded, the lender may no longer pursue the debtor or the debt. SB 426 extended the prohibition on pursuing this debt to other mortgage anti-deficiency statutes. C.A.R. supported this measure because it clarified protections for borrowers.

Position: Support
Status: Signed by the Governor on July 11, 2013 (Chapter 65, Statutes 2013)

SB 652 (DeSaulnier) Residential Construction Defect Claims - Existing law contains a special process for pursuing a claim for damages based on defects in the construction or design of a residential property. As introduced, SB 652 required an individual who files a construction defect suit to record a list of what is claimed to be defective, and after the settlement, record a second document that shows what on the first list was fixed. C.A.R. opposed this measure because it inappropriately burdened the title record and might create new liability to subsequent sellers. Amendments to SB 652 removed the recording requirements and instead required that a seller disclose to a potential buyer any claims relating to defects in the residence and the status of those claims. C.A.R. expressed concerns about the possible threat of unintended liability to subsequent sellers and maintained its opposition to the measure. The author incorporated additional amendments into SB 652 which limit the disclosure requirement to only a seller making a defect claim and add the information to the "pending lawsuit" item of the Transfer Disclosure Statement (TDS). While these amendments have removed C.A.R.'s opposition to the bill, C.A.R. still sought additional amendments to move the disclosure requirement contained within the measure to a source other than the TDS.

Position: Amend
Status: Signed by the Governor on September 30, 2013 (Chapter 431, Statutes 2013)

SB 676 (Block) Willful Destruction of Real Estate Records - Existing law prohibits any form of dishonest conduct by a real estate licensee and requires licensees to make records available to the Bureau of Real Estate (BRE). SB 676 clarified that the intentional destruction, concealment or falsification of real estate office records may be prosecuted by the BRE as a violation. C.A.R. supported this measure because it increased the quality of real estate business practice for both

consumers and other licensees by clarifying the linkage between the professional obligation to retain records and the potential prosecution for violations.

Position: Support
Status: Signed by the Governor on September 24, 2013 (Chapter 349, Statutes 2013)

SB 803 (DeSaulnier) Void Document Falsification - Currently, individuals can be tried and convicted of felonies for crimes in which documents pertaining to the right, title or interest in real property were falsely completed. SB 803 would allow the judges presiding over such cases to declare void any documents completed by the convicted individuals as part of the fraudulent scheme. C.A.R. is seeking amendments to SB 803 to protect the rights of bona fide purchasers. This measure was amended in early 2014 to pertain to an unrelated topic. With these amendments, C.A.R. removed its opposition from the bill. (See also AB 1698, which is very similar in effect and has the same sponsor, pg. 6)

Position: Oppose Unless Amended
Status: Died in the Senate Public Safety Committee due to amendments

SB 1171 (Hueso) Commercial Agency Disclosure - Existing law requires listing and selling agents participating in residential property transactions to provide a disclosure form to the buyer and the seller disclosing whether they are acting as the buyer's agent, seller's agent, or as a dual agent representing both the buyer and the seller. SB 1171 would extend this written disclosure requirement to agents performing commercial property transactions. C.A.R. opposed this measure because it unnecessarily complicates commercial transactions. Commercial Transactions were excluded from the original agency disclosure legislation because the relatively more sophisticated parties are adequately protected by other prohibitions on conflicts of interest and disclosures of relationships.

Position: Oppose
Status: Signed by the Governor on August 15, 2014 (Chapter 200, 2014 Statutes)

H.R. 2767 Protecting American Taxpayers and Homeowners Act - Fannie Mae and Freddie Mac have been in conservatorship since September of 2008 and the government has guaranteed 85 to 95 percent of the nation's housing market since the credit crisis of 2007. In response, legislation was introduced, HR 2767 (the Protecting American Taxpayers and Homeowners Act - PATH). H.R. 2767 would: eliminate Fannie Mae and Freddie Mac; make the 30-year, fixed-rate mortgage less readily available; eliminate the conforming mortgage due to the abolishment of a government guarantee; limit FHA financing to first-time home buyers or low- and moderate-income home buyers; and lower loan limits in high-cost states, such as California, forcing California home buyers to pay higher mortgage rates.

Position: Oppose
Status: House Floor

H.R. 4208 Stabilizing FHA Loan Limit Calculations Act - In December 2013, the FHA announced it was reducing the loan limit for FHA-insured loans from $729,750 to $625,500 beginning Jan. 1, 2014. However, while the FHA is required by statutes under the Housing and Economic Recovery Act (HERA) to lower its cap on loan limits, it has also interpreted HERA to require it to reset metropolitan statistical area (MSA) median home prices. Since 2008, FHA has

based its MSA median home prices on the highest median home price for a county over time (which for many counties has meant 2007 home prices, when prices were at a peak). According to FHA's announcement, FHA believes it must use 2008 price levels. If an area's median home price has increased since 2008, FHA will use the higher median price. C.A.R. has worked with congress to introduce H.R. 4208, Stabilizing FHA Loan Limit Calculations Act, which would require HUD to use—as the minimum—the same median home prices for MSAs as they used in calculating the 2013 loan limits.

Position: Support
Status: Referred to House Financial Services Committee

S. 1217 The Housing Finance Reform and Taxpayer Protection Act - Fannie Mae and Freddie Mac have been in conservatorship since September of 2008 and the government has guaranteed 85 to 95 percent of the nation's housing market since the credit crisis of 2007. In response to this the Senate introduced housing finance reform language. This proposal has been amended into S. 1217, the Housing Finance Reform and Taxpayer Protection Act (also known as the Corker/Warner proposal), the mortgage finance reform vehicle in the Senate. S. 1217 is now popularly referred to as the "Johnson/Crapo" proposal. The bill would: eliminate Fannie Mae and Freddie Mac in five years; replace them with the Federal Mortgage Insurance Corporation (FMIC) which will provide a government guarantee on 90-percent of qualified mortgage backed securities; require private capital to take a 10% first-loss position on the MBS; create "aggregator" companies who would pool mortgages from loan originators and sell the mortgage backed securities in the secondary market; require 20-percent down or private mortgage insurance to qualify; and keep current loan limits, While the bill does create a government guarantee in the secondary market, multiple third-party analysis of the Johnson/Crapo language puts the additional cost to homebuyers anywhere from 25 basis points to 250 basis points depending on borrower characteristics. C.A.R. opposes the Johnson/Crapo bill because it will limit capital in down markets, and reduce mortgage availability.

Position: Oppose
Status: Senate Floor

S. 1376 The FHA Solvency Act of 2013 – On July 31, 2013 S. 1376, "The FHA Solvency Act of 2013", was voted out of the Senate Banking, Housing and Urban Affairs Committee The bill promotes FHA's financial solvency with common sense financial reforms, while still retaining FHA's critical historic mission. C.A.R. supported the bill that provides FHA with tools to rebuild its capital reserves, protect taxpayers, and continue its mission of providing responsible qualified borrowers with affordable mortgage financing.

Position: Support
Status: Senate Floor

Federal Communications Commission Open Internet Proposed Rule – The Federal Communications Commission (FCC) published a Notice of proposed Rulemaking that would allow internet service providers (ISPs) to create "fast lanes," "paid prioritization," and/or exclusivity for rights for faster speeds. This proposal would reverse twenty-years of "net-neutrality" which is where the ISPs treat all internet content the same and do not hinder the speed in which content is provided to consumers. C.A.R. "SUPPORT" net-neutrality and has submitted a comment letter in opposition of the FCC's proposed rule.

Position: Oppose
Status: FCC is Reviewing Comments

Housing & Property Management

AB 323 (Chesbro)/AB 1826 (Chesbro) Organic Waste Disposal - AB 323 of 2013, among other things, would have required businesses, including multi-family dwellings of five units or more, to provide separate collection and recycling services for organic waste (i.e., lawn/yard clippings, food waste, etc.). While, C.A.R. agrees that "green" waste collected through the landscaping process should be recycled, C.A.R. expressed concerns with a requirement that would have subjected multifamily properties to mandatory "food waste" recycling requirements. C.A.R. sought amendments to exempt complexes with less than 16 units. These complexes have a little or no public storage space and simply cannot comply. AB 323 failed to move forward and the amendments were never added. As amended, AB 1826 incorporates many of the provision contained in AB 323. AB 1826 requires multifamily property owners that contract for landscaping or gardening services to require that organic waste generated be recycled in compliance with state law. AB 1826 specifically exempts multifamily properties from arranging for organics recycling services for waste generated by tenants. With these amendments, C.A.R. has taken a "Favor" position on AB 1826.

Position: Oppose and Favor
Status: AB 323 Died in the Assembly Appropriations Committee (See also AB 1826, pg. 12)

AB 325 (Alejo) Challenges to Local Planning Decisions – For nearly 25 years there has been a very short window for challenging land use decisions of local governments. Advocates for the development of low and moderate-income housing have historically enjoyed an exception to the review process timetable, created to recognize that cities and counties have an obligation to ensure that such housing can and will be built. As introduced, AB 325 proposed to clarify this long-standing provision by expanding to three years the time period in which a challenge can be made to a general plan based on an inadequate housing element. This represents a compromise between the 90-day period established by a recent court case and the almost indefinite period, tied to the duration of the historical housing element, of between 5 and 8 years that existed prior to that case. In an attempt to address the opposition to AB 325 by the cities and counties, the author amended the bill to delete the 3-year period and substitute a 270-day notice period for actions or proceedings challenging the adoption or revision of housing elements. C.A.R. originally supported AB 325 as a positive step towards creating a more favorable local regulatory environment for housing development. However, with the 270-day amendments C.A.R. moved to a "Favor" position because the last amendments created a far smaller "window of opportunity" to challenge adopted housing elements than initially proposed by the bill.

Position: Favor
Status: Signed by the Governor on October 12, 2013 (Chapter 767, Statutes 2013)

AB 343 (Patterson) Duty to Report Animal Cruelty - This measure proposed to require that an individual, who "willfully or knowingly" videotapes, photographs or records an act of animal cruelty taking place, to provide a copy to law enforcement within 48 hours. As introduced, AB 343 would have made it a misdemeanor with a punishment of up to a $250 fine if the individual who

videotaped, recorded or photographed the abuse failed to comply with this provision. The bill raised liability issues for residential property managers, primarily of multi-family housing, that set up security cameras to help protect their tenants. C.A.R. secured amendments making clear that the inadvertent recording of images through video surveillance, security systems, or other imaging systems is not covered under the requirements of this measure. With these amendments C.A.R. dropped its opposition to the bill.

Position: Watch
Status: Died in the Assembly Agriculture Committee

AB 746 (Levine) Smoking in Multifamily Housing - California law authorizes landlords to ban smoking in their buildings. AB 746 proposed to prohibit smoking in all areas of a multifamily dwelling except in designated smoking areas. Any violation of this new provision would have resulted in a fine of up to $100. C.A.R. opposed this measure because it did not protect the rental property owner, landlord or property manager from possible litigation over enforcement of the ban. For example, tenants could sue the landlord and/or property manager for failure to enforce the law despite the fact that landlords for many rental properties would find it impossible to meet ALL of the stipulated requirements for smoking areas. C.A.R. sought amendments to AB 746 to eliminate these areas of concern for rental property owners and managers. In 2013 the bill's author indicated a willingness to consider amendments offered by C.A.R. but did not so include them before the bill was defeated in the Assembly Housing Committee. The bill was “revived” and significantly amended to be limited to a statement of the Legislature's intent that all California's have a right to a "100% smoke-free home by 2030." With these amendments, C.A.R. moved to a "Watch" position.

Position; Watch
Status: Died in the Assembly Housing and Community Development Committee

AB 968 (Gordon) CID Common Area Maintenance - C.A.R. supports AB 968 which establishes a general rule that a common-interest development (CID) association is responsible for repairing and replacing exclusive-use common areas and the individual owners are responsible for maintaining their separate interest. This bill was "gutted and amended" from its original version and has a delayed effective date of January 1, 2017. By establishing a general rule that repair and replacement of exclusive-use common areas are the responsibility of the association and not the owner, this bill helps associations better budget to address these duties and provides clarity to associations whose governing documents do not address the issue.

Position: Support
Status: Signed by the Governor on September 18, 2014 (Chapter 405, 2014 Statutes)

AB 1229 (Atkins) Rent Control – Local legislative bodies are currently allowed to regulate the zoning ordinances within their jurisdictions. Under the 1995 C.A.R.-sponsored Costa-Hawkins Act, however, new construction is exempt from rent control. AB 1229 would have effectively repealed the new construction exemption by allowing local governments to impose inclusionary zoning as a condition of development. This would have required a new housing developer to include "below market" residential units in their development plans and eliminated any incentive for local government officials to negotiate new construction requirements with representatives of housing developers. C.A.R. opposed this measure because it discouraged construction of

affordable single family and rental housing; did not address any of the factors that cause high housing costs; and eliminated the new construction exemption from rent control laws.

Position: Oppose
Status: Vetoed by the Governor on October 13, 2013

AB 1360 (Torres) Electronic Voting in CID Elections - The Davis-Stirling Act regulates the methods and circumstances surrounding elections in a common interest development (CID), including requirements for paper ballots. AB 1360 proposed to allow Homeowners Associations (HOAs) to make electronic ballots available to members. Each member would have been asked to indicate if they wish to vote electronically and those that did not would have been provided with a paper ballot. C.A.R. supported this measure because it created a more efficient voting process option for CID elections.

Position: Support
Status: Died in the Senate Judiciary Committee

AB 1738 (Chau) CID Dispute Resolution - The Davis-Stirling Common Interest Development (CID) Act requires CIDs to provide procedures for dispute resolution between owners and the Homeowners Association (HOA). As introduced, AB 1738 clarified that either party has the right to be represented by counsel in these dispute resolution procedures. C.A.R. supported this measure because it provided CID unit owners the option to retain legal counsel in assisting their efforts to resolve a dispute with the HOA. AB 1738 was amended to require the party to provide advanced written notice in advance of bringing representation to a dispute resolution proceeding. Due to the "watering down" of AB 1738's provisions C.A.R. moved to a Favor position on the measure.

Position: Favor
Status: Signed by the Governor on September 18, 2014 (Chapter 411, 2014 Statutes)

AB 1826 (Chesbro) Organic Waste Disposal - See AB 323 (Chesbro) on Pg.11

Position: Favor
Status: Signed by the Governor on September 28, 2014 (Chapter 727, 2014 Statutes)

AB 1848 (Allen) Construction-Related Accessibility Claims - Existing law allows a disabled individual to bring a suit against a business for a construction- related accessibility violation if the injured person files a demand letter stating the facts demonstrating the nature of the violation. AB 1848 proposed to require a disabled individual to provide notification of the special access violations to the property owners. The owner would have then had 30 days to remedy the violation. C.A.R. supported this measure because it proposed to create a system for owners to effectively remedy access deficiencies.

Position: Support
Status: Failed passage in the Assembly Judiciary Committee

AB 1885 (Bigelow) Disabled Persons Access - The federal Americans with Disabilities Act created special access building code requirements for streets, highways, public buildings, and facilities to ensure these areas are accessible to disabled individuals. Unfortunately some

individuals visit older public buildings or facilities in order to identify violations of these codes and file lawsuits without providing advanced notification or giving the property owners a chance to remedy the violations. AB 1885 would have established a notice system to be followed prior to the filing of an action against a business for an access violation, including: requiring prior notice to the owner of the property; a 30-day response period in which the owner can provide a mitigation plan or challenge the allegations; and, a 90-day grace period granted to the owner to allow for the violation to be remedied. C.A.R. supported this measure because it created a system for owners to effectively remedy access deficiencies.

Position: Support
Status: Failed passage in the Assembly Judiciary Committee

AB 1999 (Atkins) Rehabilitation - The federal government currently administers the federal Historic Preservation Tax Incentives Program, available for California's income producing historic properties. California, however, does not have state incentives for preservation or restoration of such properties. AB 1999 would have allowed, beginning on January 1, 2015 and sunsetting on January 1, 2022, a state tax credit (personal or corporate) for specified costs incurred by a taxpayer in rehabilitation of a certified historic structure. The credit amount would have been up to 25% of the qualified rehabilitation costs. C.A.R. supported this measure because it would have provide a financial incentive to revitalize economically depressed areas.

Position: Support
Status: Vetoed by the Governor on September 29, 2014

AB 2026 (Stone) Mobilehome Park Sales - Currently, there are no statutory guidelines for the sales of mobilehomes within mobilehome parks and communities, with the decision and qualification requirements being left to the decisions of the park management. AB 2026 intended to achieve a more balanced set of guidelines for these sales. These guidelines include a set definition of what constitutes a financially able borrower, and requires park management to provide a potential buyer with a list of eligibility qualifications. Park management is also required to provide documentation as to why a potential buyer was denied. C.A.R. supported this measure because these new requirements would have created a more enhanced potential for successful completion of purchase transactions by qualified buyers who met uniform financial guidelines.

Position: Support
Status: Failed passage on the Assembly Floor

AB 2100 (Campos) Maintenance of Exclusive Areas - See SB 992 (Nielsen) on Pg. 18.

Position: Support
Status: Signed by the Governor on July 21, 2014 (Chapter 164, 2014 Statutes)

AB 2104 (Gonzalez) Water-Efficient Landscapes in CIDs - Governor Brown has declared a "Drought Emergency" in California. Under the Davis-Stirling Act, provisions in governing documents (e.g., bylaws, declarations, operating rules, etc) for common interest developments (CIDs) and their Homeowners Association (HOA) are unenforceable if they prohibit homeowners from using low water-using plants in the CID or restrict compliance with local water conservation measures or ordinances. AB 2104 clarifies that neither provisions in governing documents or board decisions can prohibit homeowners from replacing existing landscaping with low-water use

plants. C.A.R. supported this measure because residents of HOAs in CIDs should be permitted to undertake landscape modifications that foster more efficient water usage without risking a monetary fine by the HOA.

Position: Support
Status: Signed by the Governor on September 18, 2014 (Chapter 421, 2014 Statutes)

AB 2361 (Jones) Proposition 65 Enforcement - Proposition 65, passed by the voters in 1986, enacted the Safe Drinking Water and Toxic Enforcement Act (Act), which is designed to warn members of the public about the presence of chemicals in their environment to help them avoid exposure. The Act requires, among other things, private businesses with more than 10 employees to post warnings when they knowingly expose workers or the public to listed chemicals. AB 2361 would have provided businesses with less than 25 employees a 14-day window to cure a signage violation and avoid a lawsuit. C.A.R. supported this measure because it would have helped protect small businesses from unwarranted lawsuits related to alleged missing or inadequate signage required by Proposition 65.

Position: Support
Status: Held in the Assembly Environmental Safety and Toxic Materials Committee

AB 2405 (Ammiano) Ellis Act - The C.A.R.-sponsored Ellis Act authorizes a property owner to remove a tenant from a rental property in order to withdraw the property from the rental market. AB 2405 would have allowed a civil action to be brought against a landlord attempting to use the Ellis Act authority. In this mandatory proceeding the evicted tenant could accuse the landlord of non-compliance with ordinances, or statutes regarding the withdrawal of the property from the market. Additionally, this measure proposed to empower local jurisdictions to require residential property owners to rent or continue to rent their property indefinitely. C.A.R. was adamantly opposed to this measure because it unreasonably and unnecessarily usurped private property rights.

Position: Oppose
Status: Failed Passage in the Assembly Judiciary Committee

AB 2451 (Daly) Water Submeters - Existing law requires that a county sealer inspect and test water submeters that are used for commercial purposes. AB 2451 allows a county sealer with the proper equipment to inspect and certify the accuracy of a residential water submeter and would allow submeters approved in one county to be used in other California counties. A submeter tested by a county sealer that is found to be reading incorrectly shall be marked as "out of order" and returned to a service agent. C.A.R. supported this measure because it generated better availability of state-approved submeters for residential use.

Position: Support
Status: Signed by the Governor on September 25, 2014 (Chapter 539, 2014 Statutes)

AB 2508 (Fox) Unlawful Detainer - In an unlawful detainer proceeding for the nonpayment of rent, the tenant can assert defenses on their behalf, such as that the property lacks features the landlord had promised, or the landlord has not made needed repairs to the property. AB 2508 proposed to require tenants to provide facts supporting their defenses. Additionally, the bill would have required, on or before July 1, 2016, that the Judicial Council create a specific form that

tenants must fill out, recording the facts related to their unlawful detainer action. C.A.R. supported this measure because it provided needed balance between landlords and tenants in unlawful detainer actions.

Position: Support
Status: Failed passage in the Assembly Judiciary Committee

AB 2561 (Bradford) Personal Agriculture – AB 2561 would have limited the ability for local governments, landlords and homeowners' associations to restrict a tenant's right to participate in personal agriculture production related to the cultivation of edible plants and crops. C.A.R. opposed AB 2561 as it did not allow property owners to impose reasonable restrictions and health and safety protections on the growing of plants. Due to strong opposition, the bill was substantially amended to limit its provisions. As amended, the bill only permits personal agriculture production in portable containers in rental properties of not more than two units. Tenants must obtain landlord approval for the location, placement and types of containers, and are only permitted to place agricultural production containers in an outdoor, ground-level, backyard area. With these amendments, C.A.R. removed its opposition.

Position: Watch as Amended
Status: Signed by the Governor on September 26, 2014 (Chapter 584, 2014 Statutes)

AB 2565 (Muratsuchi) Electric Vehicle Charging Stations in Rental Property – As introduced, AB 2565 voided any term in a lease or rental agreement for commercial or residential property if it prohibited or "unreasonably" restricted the installation of an electric vehicle (EV) charging station. C.A.R. opposed AB 2565 because the use of "unreasonable" was not clearly defined and would have resulted in confusion related to the lessee's responsibility for the installation and maintenance of the EV charging station. As amended, the bill requires tenants, executing leases after July 1, 2015, to obtain landlord approval for the installation of an EV charging station. Tenants must pay for all costs associated with the installation, maintenance, repair, removal and replacement of the charging station, while also maintaining a general liability coverage insurance policy of $1 million. Commercial properties with less than 50 parking spaces and multifamily residential properties with less than 5 rental units are not required to comply with the provisions of this bill. With these amendments, C.A.R. removed its opposition.

Position: Watch as Amended
Status: Signed by the Governor on September 21, 2014 (Chapter 529, 2014 Statutes)

AB 2587 (Hernandez) Rent Control - Mobilehome Residency Law currently regulates the circumstances under which a mobilehome owner can rent or sublease their home as well as the amount that the mobilehome owner can charge. AB 2587 would have allowed a local government to set a base rent amount for each mobilehome park in its jurisdiction based on the results of an instituted regional mobilehome park rent survey. C.A.R. opposed this measure because it created a statewide statutory authority for rent control in mobilehome parks.

Position: Oppose
Status: Died in the Assembly Housing and Community Development Committee

SB 1 (Steinberg) Sustainable Communities Investment Authority - Redevelopment agencies were dissolved as of February 1, 2012 and existing law provides for the creation of successor

agencies to dispose of residual assets. SB 1 proposed to allow local governments with remaining redevelopment funds to create a Sustainable Community Investment Authority (Authority) for the purpose of developing a plan for establishing sustainable communities investment areas. Within such an area the authority would be able to utilize remaining redevelopment funds to improve existing, and create new, infrastructure. C.A.R. initially supported SB 1 because one of the authorized uses of these funds was a broad authority for creation of new residential housing. SB 1 was amended to limit the types of residential housing eligible for funding, however, and additional amendments to the bill pertaining to the manner in which "blight" conditions on a property are determined placed C.A.R. in an oppose position. If the blight provisions of the measure were removed, C.A.R. would have moved to a "watch" position on the bill

Position: Oppose Unless Amended
Status: Died on the Senate Floor Inactive File

SB 269 (Hill) Prepaid Rental Listing - Prepaid rental listing services charge a fee for providing prospective tenants with lists of available residential rental units. Under existing law, engagement in the offering of prepaid rental listing services is prohibited unless the individuals offering such services are licensed to do so by the Bureau of Real Estate (CalBRE), either as a real estate licensee or as a listing provider. As introduced, SB 269, effective January 1, 2015, would have eliminated the "listing provider" license option, requiring ALL providers of pre-paid rental listing services to hold a real estate license and to include their license number on each contract they execute with a prospective tenant. C.A.R. supported these consumer protections as high demand for rental properties has led to prepaid rental listing service abuses under the current system. Substantial amendments taken in the last days of the 2013 session expanded the enforcement powers of CalBRE over prepaid rental listing services (PRLS) licenses and authorizes consumers harmed by PRLS providers to seek compensation from the state Consumer Recovery Account (Account). It also increases application fees for the PRLS licensees to better fund the Account and requires licensees to provide prospective clients with a written notice of consumers' rights when retaining a PRLS. With these amendments C.A.R. has dropped to a Favor position because the measure is no longer eliminating the separate prepaid rental listing service license and creates a large burden on the oversight responsibilities of the BRE.

Position: Favor
Status: Signed by the Governor on September 30, 2013 (Chapter 436, Statutes 2013)

SB 411 (Wolk) Water Submeters in Multiunit Structures - Existing law requires the installation of a water meter when new water service is requested. SB 411 was amended in the final days of the legislative session to replace SB 750, which stalled in committee earlier this year. SB 411 contained all agreed upon amendments that were sought previously by C.A.R. and its coalition partners. As amended, SB 411 required that a water submeter be installed on all newly constructed multiunit rental housing or mixed use residential and commercial structures beginning January 1, 2017. This measure required that owners of multiunit residential buildings ensure that the submeters comply with all laws and regulations regarding their use and installation. SB 411 also permitted landlords to charge tenants separately for water services provided they make specified disclosures to the tenant prior to the execution of the rental agreement. C.A.R. supported SB 411 because it phases in the water-submeter requirements over 2 years and establishes a reasonable fee structure for the maintenance of such meters by rental property owners and managers.

Position: Support
Status: Held in the Assembly Rules Committee

SB 450 (Galgiani) Unattended Collection Boxes - Under existing law organizations placing collection boxes on private property are required to include their contact information on the outside of the box but do not have to obtain advanced approval from the property owner. This has resulted in a surge of collection boxes being placed on rental housing and retail properties without the property owners' consent, and which the property owners cannot remove without incurring potential personal liability. SB 450 would have allowed local governments to institute ordinances to provide property owners with immunity from liability for removing unapproved collection boxes from their property. If a box was removed, the property owners would be required to send written notice of the removal to the address listed on the box, which includes the box's current location, within five days of removal. C.A.R. supported this measure as it addressed the public's desire to donate goods for charitable purposes and at the same time protected the rights of property owners to remove unapproved collection boxes from their properties. A similar measure (AB 1978, Galgiani), which C.A.R. supported, was introduced in 2012. That measure, however, was vetoed by the Governor and SB 450 attempts to address the concerns expressed in the AB 1978 veto message.

Position: Support
Status: Died in the Senate Governance and Finance Committee

SB 510 (Jackson) Mobile Home Park Conversion Requirements - The Subdivision Map Act requires subdividers to obtain a survey that gauges mobile home park residents' support for a proposed conversion of an existing mobilehome park to private ownership. SB 510 would require local agencies to consider whether the survey indicated that a majority of the residents of a mobile home park support the park's conversion to private ownership prior to making a decision regarding the conversion. This measure also authorizes local agencies to enact ordinances or resolutions to help them enforce this survey provision. C.A.R. initially opposed SB 510 because it would have created unnecessary and cumbersome impediments that make it more difficult for parks to convert to resident-ownership and would have interfered with challenges to such conversions. SB 510 was amended to remove Section 2 of the bill. This section stated that granting local government agencies the authority to disapprove a conversion map if a majority of the park's homeowners did not support the conversion, is "declaratory of existing law", making disapproval based on park homeowners' support/nonsupport mandatory. The removal of this section makes the local governments' ability to disapprove a conversion a discretionary option rather than mandatory. With this amendment C.A.R. removed its opposition to the bill.

Position: Watch
Status: Signed by the Governor on September 26, 2013 (Chapter 373, Statutes 2013)

SB 603 (Leno) Security Deposits - Existing law governs the amount of security deposit a landlord can collect and the uses for which security deposit monies may be applied upon termination of the landlord/tenant relationship. As introduced, SB 603 would have required landlords, in February of each year, to pay tenants interest on their security deposit based on the Federal Reserve discount interest rate as of the end of the previous year. The landlord would also have been required to notify each tenant of their right to receive interest on the deposit through the posting of a public notice or written notice at the time a lease is signed. If a landlord failed to pay interest to a tenant by the end of February, SB 603 would have authorized the tenant to

deduct three times the interest amount from their rent. C.A.R. opposed this measure because it would have significantly increased the cost of providing rental housing (i.e. administrative expenses, bank fees, time expended, etc.). SB 603 was amended significantly and removed all of the provisions requiring landlords to pay interest on security deposits; instead, the final version of the measure only pertained to penalties for bad faith retention of security deposits. With these amendments, C.A.R. removed its opposition and moved to a watch position.

Position: Watch
Status: Died on the Senate Floor Inactive File

SB 662 (Galgiani) Financial Requirements for Structural Pest Operators - Under current law, structural pest control operators are required to either file evidence of an insurance policy with minimum coverage of $25,000 or evidence of a bond in effect prior to the company's registration with the Structural Pest Control Board (Board). SB 662 deletes the option of obtaining a bond in lieu of an insurance policy; it requires a structural pest control operator to maintain both insurance and a bond in order to register with the Board. This measure increases: the minimum limits for the required insurance policy to cover bodily injury and destruction of property from $25,000 to $500,000; the bond amount required to maintain a license or registration with the Board from $4,000 to $12,500; and the bond amount required to reinstate a license after suspension or revocation from $8,000 to $25,000. C.A.R. supported this measure because it strengthens the regulatory oversight of structural pest control activities and helps ensure more qualified operators in the field. It also reflects the practice of 90-95% of the structural pest control industry.

Position: Support
Status: Signed by the Governor on September 9, 2013 (Chapter 218, Statutes 2013)

SB 750 (Wolk) Water Submeters in Multiunit Structures - Existing law requires the installation of a water meter when new water service is requested. SB 750 would have mandated that a water submeter be installed, after January 1, 2015, on all new construction of rental housing. This measure required that owners of multiunit residential buildings ensure that the submeters comply with all laws and regulations regarding their use and installation. It also placed various responsibilities on landlords including: prohibiting landlords from charging tenants separately for water usage unless a submeter is installed, operated and maintained; requiring additional notifications to new tenants; and new responsibilities regarding system maintenance and repairs. C.A.R. initially opposed SB 750 because it contained no provisions for recovering the cost of providing such services. C.A.R. and others achieved amendments to secure recovery of costs for installing such meters. C.A.R also obtained additional amendments to incorporate a fee schedule and a delayed effective date; however, the measure still contained conflicting language regarding installation timelines. C.A.R. remained opposed pending amendments addressing these inconsistencies.

Position: Oppose Unless Amended
Status: Died in the Assembly Water Parks and Wildlife Committee

SB 992 (Nielsen) and AB 2100 (Campos) Maintenance of Exclusive Areas - Under current law Homeowners Associations (HOAs) can create rules and regulations dictating the responsibilities of separate interest owners to maintain their yards and can impose fines if these rules are not followed. AB 2100 and SB 992 would prohibit an HOA from imposing fines for under-watered lawns and plants during a period for which the Governor has declared a drought

emergency, unless the HOA uses recycled water for landscaping. Additionally, during a drought emergency, SB 992 voids any CID bylaws/regulations requiring power-washing of units. C.A.R. supports these measures because residents of HOAs in CIDs should be permitted to undertake landscape modifications that foster more efficient water usage without risking a monetary fine by the HOA.

Position: Support
Status: Signed by the Governor on September 18, 2014 (Chapter 434, 2014 Statutes) (See also AB 2100, pg. 13)

SB 1144 (Galgiani) Yard Maintenance - Existing law allows the governing body of a property (Homeowners Association, local government, etc.) to impose regulations relating to the maintenance of a property owner's yards and allows for the imposition of fines if these rules are not followed. SB 1144 prohibited the imposition of fines by a HOA or local government body for under-watered lawns and plants during a period for which the Governor has declared a drought emergency. C.A.R. supported this measure because residents of HOAs in CIDs should be permitted to undertake landscape modifications that foster more efficient water usage without risking a monetary fine by the HOA. SB 1144 was dropped by the author due to the existence of several other measures doing the same thing. This bill's content was amended into SB 992 and Senator Galgiani became a principal co-author of that measure. (See also SB 992 p. 18)

Position: Support
Status: Died in the Senate Transportation and Housing Committee

SB 1244 (Lieu) Structural Pest Control Board - Existing law, sunsetting on January 1, 2015, establishes the Structural Pest Control Board under the Department of Consumer Affairs to license and regulate pest control operators. SB 1244, among other things, extends this sunset date until January 1, 2019. This measure also clarifies that an action brought by the commissioner against a pest control operator for a violation must be brought within 2 years of an alleged violation and provides other clarifications as to licensing and regulatory processes. C.A.R. supported this measure because established the framework for a more efficient and effective regulation of structural control operators, as well as extended the regulatory boards existence.

Position: Support
Status: Signed by the Governor on September 25, 2014 (Chapter 560, 2014 Statutes)

SB 1439 (Leno) Ellis Act - Since 1985, the Ellis Act has prohibited local government agencies from requiring rental property owners to involuntarily continue in the rental business. SB 1439 proposed to allow San Francisco to mandate a 5-year "hold period" before the owner of a rental unit could convert it to another use or withdraw it from availability as a rental. Additionally, this measure would have also prohibited an owner from converting more than one rental property within a period of 10 years. Should a property owner violate these provisions they would have been liable to each tenant for damages of at least $2,000. C.A.R. opposed this measure because it unreasonably and unnecessarily diminished private property rights of rental property owners. In order to gain enough votes to pass SB 1439 off the Senate Floor the author promised numerous amendments including; an exemption to separate "real people" from corporate owners, exemption for owners of up to two properties, an undetermined cap on the units exempted and a possible sunset. The author did not, however, include all promised revisions in the new

amendments, which attempt to exempt "natural" owners who own two properties and up to four units. These amendments did not remove C.A.R.'s opposition.

Position: Oppose
Status: Failed passage in the Assembly Housing and Community Development Committee

Land Use, Environment & Infrastructure

AB 22 (Blumenfield) Sidewalk Repair - Under existing law, private property owners whose property fronts a sidewalk damaged by trees are responsible for the sidewalk repair. Some cities, however, have adopted ordinances taking on these repair responsibilities. AB 22 would have required a majority vote of those in the affected area in order to repeal an existing sidewalk repair ordinance that places responsibility on the local government. C.A.R. supported this measure because voters should have a say in any changes made to local ordinances requiring property owners and business to be responsible for damages to sidewalks caused by the trees.

Position: Support
Status: Died in the Assembly Local Government Committee

AB 52 (Gatto) Native American Sacred Places - The California Environmental Quality Act (CEQA) requires an individual or organization to conduct an environmental impact report (EIR) which reports any significant effects, including impacts on air, water, species, agricultural resources, etc, that the project will have on the environment or areas deemed to be Native American sacred sites. AB 52 would, among other things, have allowed tribes to deem any lands spiritually significant without having to provide a measurable criteria or demonstration of physical or archeological support and would have required project proponents to preserve and protect those sites. C.A.R. along with other interest groups opposed the bill and proposed amendments to mitigate its negative impact. AB 52 was amended late in the session to incorporate some of these amendments, C.A.R., however remained opposed concerned about the uncertainty and potential for abuse in identifying spiritual sites, specifically, the sites and resources listed in the Sacred Lands File, a document which is confidential, unregulated, subjective and inaccessible to the public and regulators. The author in an effort to remove opposition amended AB 52 to, among other things, limit the use of the Sacred Lands File, and require lead agencies to figure out which tribes need consulting. With these amendments C.A.R. and other opponents removed their opposition.

Position: Watch
Status: Signed by the Governor on September 25, 2014 (Chapter 532, 2014 Statutes)

AB 116 (Bocanegra) Subdivisions Map Expiration Date - The Subdivision Map Act sets procedures for the processing, approval, conditional approval and filing or final or tentative parcel maps by the legislative body of a local agency and requires that an approval for a tentative map will expire twenty-four months after it is approved with a possible extension of twelve more months. As introduced, AB 116 would have extended the expiration date for a period of 24 months for existing and unexpired tentative tract maps and parcel maps set to expire before January 1, 2016. The measure was amended to instead extend, for 24 months, the expiration date for any existing and unexpired tentative tract maps and parcel maps approved on or after

January 1, 2000. The amendments also allow for the extension for 24 months of the expiration date for maps approved on or before December 31, 1999, once it is determined the map is consistent with applicable zoning and general plan requirements. C.A.R. continued to support this measure because it extends the life of thousands of tentative maps so that when California's economy improves, the construction industry will be poised to begin building right away rather than waiting for new maps to be approved.

Position: Support
Status: Signed by the Governor on July 11, 2013 (Chapter 62, Statutes 2013)

AB 203 (Stone) Coastal Commission Permit Authority - The California Coastal Act of 1976 requires anyone undertaking a development project in a coastal area to obtain a permit from the California Coastal Commission (CCC) and subjects the developer to civil penalties for the lack of or violation of a coastal development permit. As introduced, AB 203 would have empowered CCC staff to halt the processing of a permit application if staff determined that an open, existing violation may exist on the property owned by the applicant even if the supposed violation is unrelated to the permit. C.A.R. opposed this measure because it would have allowed CCC staff to halt permit application processing for violations that have no nexus between the application and the existing violation on the parcel in question. AB 203 was amended to exempt development for agriculture from the measure's provisions. These amendments had no impact on C.A.R.'s opposition. In early 2014 AB 203 was again amended removing all previous language and instead requiring, until January 1, 2019, the commission to submit a report to the legislature on January 1 of each year describing all restoration, and cease and desist orders issued during the previous calendar year. With these amendments C.A.R. removed its opposition, although C.A.R. continued to monitor the bill.

Position: Watch
Status: Died in the Senate Rules Committee

AB 543 (Campos) Translation of California Environmental Quality Act Documents - Under the California Environmental Quality Act (CEQA) developers are required to complete environmental impact reports (EIR) or a mitigated negative declaration for projects that may have a significant effect on the environment. As introduced, AB 543 required the developer, when at least 5% of the population in the developer's area or the project area is made up on non-English-speakers, to translate specified CEQA documents into the language spoken by the non-English-speaking group. The measure was later updated to increase the percentage of the non-English-speaking population from 5% to 25%. C.A.R. opposed this measure because it would have increased the liability, time and expense of complying with CEQA. AB 543 was significantly amended to delete the contents of the bill and instead require the Governor's Office of Research and Planning to develop guidelines establishing criteria for lead agencies to use to assess the need for translating notices into non-English languages for projects subject to CEQA. With these amendments, C.A.R. has removed its opposition to the measure.

Position: Watch
Status: Vetoed by the Governor on September 25, 2014

AB 667 (Hernandez) Development Project Review – This measure would have required local governments to mandate that an economic impact report be completed as part of the application process for development projects that are 90,000 square feet or more (super stores) and which

will receive $100,000 or more in public funds or subsidies. These reports would have included an assessment of the project's impact on local designated economic assistance areas, other retail operations, and employment in the vicinity. C.A.R. opposed AB 667 because it required new commercial development to jump through additional subjective bureaucratic hoops. Requiring this new type of report would have led to increased litigation and project denials thus taking away the power of a community to build and define itself. Lastly, this new mandate would have given the state the ability to dictate to local communities which parameters they should consider as being of primary importance in the local land-use planning process.

Position: Oppose
Status: Died in the Senate Governance and Finance Committee

AB 823 (Eggman) Agricultural Land - This measure would have enacted the California Farmland Protection Act, which would require an applicant for a project that would develop agricultural land for nonagricultural purposes (commercial, residential, industrial, etc.) to mitigate any environmental impacts caused by this land use conversion. The Act proposed to achieve mitigation by requiring developers to purchase alternate agricultural land or resources which will be permanently designated and preserved for agricultural uses. C.A.R. opposed this measure because it would have placed an unreasonable burden on developers, ultimately halting development in many parts of California.

Position: Oppose
Status: Died in the Assembly Agriculture Committee

AB 834 (Williams) Energy Efficiency Standards Enforcement - Under existing law California Energy Commission (CEC) establishes Energy and Appliance Efficiency Standards for new construction, and additions or renovations to existing buildings with which contractor must comply. AB 834 sought to, among other things; establish rigorous enforcement mechanisms wherein the CEC and Contractors State License Board would be authorized to go after licensed contractors who are pulling the appropriate permits for construction actions but who fail to comply with the CEC's energy efficiency standards. C.A.R., along with various other industry groups, was opposed to this measure. These energy efficiency building standards are very technically complex and substantial changes are made to the standards by the CEC every three years. C.A.R. and other interested groups sought amendments to clarify that, prior to the granting of such extensive enforcement authority, the CEC could be required to establish a thorough and on-going education and training program for licensed contractors, builders, site-superintendents and local building officials in an effort to help them understand the CEC's complex energy efficiency standards.

Position: Oppose Unless Amended
Status: Died in the Senate Energy, Utilities and Communications Committee

AB 953 (Ammiano) California Environmental Quality Act - The California Environmental Quality Act (CEQA) requires organizations that want to begin a development project to complete an environmental impact report (EIR) in an effort to assess the project's potential impact on the environment and consider changes to the project based on that report which would mitigate or lessen the impact. AB 953 would have expanded those requirements to additionally require organizations conducting an EIR to evaluate the impacts of environmental factors (natural hazards, adverse environmental conditions, existing infrastructure, etc.) on a proposed project

and on people who might be attracted to the new development. C.A.R. opposed this measure because the requirement to consider any possible effects of the environment on people would have created a new litigation hook to stop development. Existing law already requires developers to mitigate for earthquakes, fires, flooding, impacts from nearby freeways, etc.

Position: Oppose
Status: Died on the Assembly Floor Inactive File

AB 976 (Atkins) Coastal Resources and Enforcement - Under current law, the California Coastal Commission (CCC) is authorized to seek, through the Attorney General, civil penalties and fines on individuals who engage in unpermitted development activities. AB 976 would extend this judicial authority to the CCC, allowing the commission to impose civil penalties until January 1, 2019, upon a majority vote of the commissioners, of up to 75% of the maximum penalty which can currently be imposed. This measure was amended to limit the fining authority in the bill, prohibiting the imposition of fines on those property owners who correct the violation within 30 days of receiving written notification. Additionally, the per-day penalty was limited to no more than 5 years. Despite these amendments, C.A.R. maintains its opposition to the measure. C.A.R. opposed the passage of AB 976 because judicial authority to pursue fines and penalties should remain in the courts where due process is afforded. C.A.R. sought amendments to limit the total maximum fine and increase communication between the regulated community and Commissioners. A narrow application of the civil penalty provisions contained in AB 976 was inserted into AB 1466 and SB 861, 2014 budget trailer omnibus bills, at the last minute during budget negotiations. These bills offered language that granted authority to the CCC to administer civil penalties only when property owners violated public access provisions of the Act. C.A.R. took a "Not Favor" position on these measures and SB 861 was passed by the legislature and signed into law.

Position: Oppose Unless Amended
Status: Failed concurrence on the Assembly Floor; In Conference Committee

AB 1161 (Salas) Mining Activity Nuisance - Existing law defines a nuisance as anything that interferes with the “quiet enjoyment” of property. As introduced, AB 1161 proposed to exempt mining operations, which has been in operation for 3 years, from being classified as a nuisance due to changes in the makeup of the area surrounding the facility unless the operation obstructs the usage of public waters, parks or roadways. This measure also allowed a local government to adopt an ordinance requiring that prospective purchasers be notified that the property is in close proximity to a mining facility. C.A.R. opposed the disclosure portion of the bill as state law already exists requiring the disclosure of mining activity to home purchasers within a 1-mile radius of a mine. This disclosure is required in Natural Hazard Disclosure reports. AB 1161 was amended to remove the provisions allowing for a disclosure requirement and with that amendment C.A.R. moved to a Watch position on the measure.

Position: Watch
Status: Died in the Assembly Natural Resources Committee

AB 1259 (Olsen) Undetermined Risk Area - In 2007, C.A.R. supported SB 5 (Machado) which requires local governments to amend their general plans and zoning ordinances to reflect flood hazard zones and to condition the approval of subdivisions on one of three provisions dealing with increasing flood protection levels. AB 1259 is a "fix-it" bill which will clarify requirements for

"undetermined risk areas" for planning and permitting in Central Valley Flood Protection Plan areas. C.A.R. supports this measure as it will eliminate confusion and provides local government agencies with the correct planning requirements for these kinds of areas.

Position: Support
Status: Signed by the Governor on September 6, 2013 (Chapter 246, Statutes 2013)

AB 1302 (Hagman) and SB 787 (Berryhill) Sustainable Environmental Protection Act - Since the enactment of the California Environmental Quality Act (CEQA) in 1969, California legislators have passed over 120 environmental laws, and CEQA guidelines have expanded to include the increasing evaluation requirements. AB 1302 and SB 787 would have maintained the environmental protections already in place while eliminating duplicative analysis that occurs in the CEQA evaluation process. More specifically, these bills proposed to eliminate duplicate evaluation of properties that are already consistent with density, use type, and other land use planning requirements. C.A.R. supported these proposed overhauls of the process as they would have provided relief from duplicative efforts without changing existing environmental laws. Additionally, these measures would have helped integrate applicable planning law and regulations that did not exist when CEQA was first passed.

Position: Support
Status: AB 1302 Failed passage in the Assembly Natural Resources Committee (See also SB 787, pg. 26)

AB 1349 (Gatto) CalConserve Water Use Efficiency Revolving Fund - California has set a goal of reducing urban water usage by at least 20% by the year 2020. Water planners agree that large gains in water conservation can be made through what are often costly modifications to landscape and landscape irrigation. AB 1349 would have established the CalConserve Water Use Efficiency Revolving Fund to provide grants to local water agencies for low-interest loans to customers for cost-effective water efficiency retrofits. C.A.R. supported this measure as it provided an affordable option to assist property owners with achieving water efficient landscapes and reaching compliance with existing interior fixture retrofit mandates.

Position; Support
Status: Held in the Assembly Appropriations Committee

AB 1636 (Brown) Water Conservation - Governor Brown has declared a "drought emergency" in California. AB 1636 would have prohibited a city or county, during a drought emergency declared by the Governor, from enforcing a law or ordinance requiring a resident to water his or her lawn. As introduced, this measure additionally prohibited a Homeowners Association in a Common Interest Development (CID) from imposing fines during a drought emergency for under-watered lawns. The provision relating to CIDs was removed; however, C.A.R. continued to support AB 1636 because it would have brought added protection to property owners while allowing everyone to do their part to reduce water usage through curtailing non-critical uses of water.

Position: Support
Status: Died in the Assembly Local Government Committee

AB 1827 (Patterson) Administrative and Civil Penalties - Under existing law boards, commissions and agencies within the California Environmental Protection Agency and the Natural Resources Agency are authorized to impose and enforce civil and administrative penalties on businesses for regulatory violations. AB 1827 proposed to require these Agencies to give small businesses (50 or fewer employees) an opportunity to cure a minor violation prior to assessing civil fines and penalties. The measure clearly defined what constituted a minor violation. Minor violations would NOT result in actual harm to the public, endanger public safety, be intentional in nature, result in an economic benefit, or be a chronic repeat violation. C.A.R. supported this measure because it provided small businesses with an opportunity to take corrective action on minor violations while also giving state agencies an opportunity to focus their efforts on serious violations.

Position: Support
Status: Died in the Assembly Environmental Safety and Toxic Materials Committee

AB 1867 (Patterson) Timber Harvest Plan Exemption - The Z'berg-Nejedly Forest Practices Act of 1973 prohibits the removal of trees unless a timber harvest plan has been submitted to the Department of Forestry and Fire Protection. The Act does provide for some exemptions, including the sale of trees removed to create 150 feet of defensible space surrounding a structure to protect against fire. AB 1867 expanded that exemption to allow for the sale of trees generated from the clearing of defensible space to a distance of 300 feet from a structure. C.A.R. supported AB 1867 because it brought added fire protection to property owners while allowing them to offset the cost. Additionally, this measure saved community and state dollars by incentivizing land owners to provide a more robust defensible space around their structures, thereby reducing the need for structural fire suppression. This incentive program will expire on December 31, 2018.

Position: Support
Status: Signed by the Governor on September 29, 2014 (Chapter 804, 2014 Statutes)

AB 1961 (Eggman) Sustainable Farmland Strategy - Existing law requires local legislative bodies to adopt a long term general plan for the physical development of the area which must take into account various elements including housing, business, industry, open space, waste disposal, etc. AB 1961 would have required most counties to develop a sustainable farmland strategy to protect and preserve agricultural lands. C.A.R. opposed this measure because it allowed this new, restrictive zoning to be applied to significantly lesser quality lands that are not critical to the maintenance of the agricultural economy or for the protection of the state's food supply. Additionally, the state already has protections in place, including the Williamson Act which provides incentives to farmers who want to commit their land to agriculture, and CEQA which requires findings of significant impacts if a project converts farmland to another use.

Position: Oppose
Status: Held in the Assembly Appropriations Committee

AB 2108 (Eggman) Sacramento-San Joaquin Valley Flood Management - The required 200-year flood protection on urban infill development has become a significant barrier even for communities attempting to direct growth away from greenfield lands into urban areas. Existing prohibitions on each city and county within the Sacramento-San Joaquin Valley prevent them from approving permits that would result in construction located in an "undetermined risk area" unless the structure or its location have a mitigate flood risk (i.e. stilts, levies, etc.). This bill would

have allowed local governments to re-characterize an "undetermined risk areas" as defined in state law to "a developed area" as defined by Federal law, exempting the area from being subject to existing 200-year flood protection rule. C.A.R. supported this measure because it would have allowed infill development to continue in communities where flood protection improvements are being planned but are not completed.

Position: Support
Status: Died in the Senate Natural Resources Committee

SB 401 (Hueso) Cost Transparency of Building Standards - Under existing law state agencies proposing new building standards that will impact housing are required to complete an economic impact analysis that clearly identifies any adverse economic impacts. SB 401 will require a state agency proposing a building standard to cite the estimated cost and the benefits of compliance regardless of its impact on housing. C.A.R. supports this measure because it will provide additional transparency to the true cost of compliance for those who could be affected by new building standards.

Position; Support
Status: Signed by the Governor on September 6, 2013 (Chapter 212, Statutes 2013)

SB 617 (Evans) California Environmental Quality Act - The California Environmental Quality Act (CEQA) requires consideration of the impacts a proposed development project would have on the environment through the completion of an Environmental Impact Report (EIR). SB 617 would have, among other things, required an EIR to evaluate the impacts of environmental factors (natural hazards, adverse environmental conditions, existing infrastructure, etc.) on the project and people who might be attracted to the new development. Most of the natural hazards SB 617 sought to address (flood hazards, seismic hazards, etc.) were already addressed in a myriad of planning and development laws in California. C.A.R. opposed this measure because the requirement to consider any possible effects of the environment on people would have created a new litigation hook to stop projects.

Position: Oppose
Status: Died on the Senate Floor Inactive File

SB 630 (Pavley) California Tahoe Regional Planning Agency - Existing law creates the Tahoe Regional Planning Agency to prepare and enforce a long term regional plan to regulate the development of the Lake Tahoe Region. SB 630, among other things, originally required certification of compliance with the regional plan's environmental best management practices as a point-of-sale requirement for commercial parcels. SB 630 also proposed to usurp local control by pre-empting the locally-adopted land use and development management plan and instead proposed a state-dictated plan for the area. C.A.R. opposes placing the burden of certification of parcels on a transaction and the imposition of a state-dictated land use plan over a local plan. In late May 2013, the Governor and legislative leaders from Nevada and California agreed upon amendments to legislation in both states, including SB 630, which would implement the locally-approved 2012 Regional Plan. With these amendments C.A.R. is no longer opposed to the bill.

Position: Watch
Status: Signed by the Governor on October 12, 2013 (Chapter 762, Statutes 2013)

SB 673 (DeSaulnier) Development Project Review - Under existing law, developers are required to complete an Environmental Impact Report (EIR) on all proposed development projects. SB 673 would have additionally required local agencies to complete a cost benefit analysis prior to permitting the construction or alteration of any retail or commercial project receiving $1 million or more in public funds or subsidies. This measure would have required the analysis to assess the overall costs, anticipated revenues generated by the new development, the effect of the development on the localities ability to meet and maintain its general plan goals, and the projects consistency with land use plan designations, density, sustainable community strategies, etc. C.A.R. opposed SB 673 because it required new commercial development to jump through additional subjective, bureaucratic hoops and would have led to increased litigation and project denials thus taking away the power of a community to build and define itself. C.A.R. also felt that SB 673 would have given the state the ability to dictate to local communities which parameters they should consider as being of primary importance in the local land-use planning process. SB 673 was amended and no longer does this. With these amendments C.A.R. removed its opposition.

Position: Oppose
Status: Died on the Senate Floor Inactive File

SB 731 (Steinberg) California Environmental Quality Act and Sustainable Communities Strategy - The California Environmental Quality Act (CEQA) has numerous, complicated guidelines governing the process developers use to assess the impacts of their proposed project on the environment and to determine what mitigation, if any, is necessary. SB 731 touches on numerous issues in an attempt to modernize the CEQA but the bill falls short of creating any meaningful reform. C.A.R. could not continue to support the measure as it moved through the legislature and sought amendments to provide broader relief to all development projects that are in compliance with existing environmental laws. Amendments added to SB 731 in the last days of the 2013 session moved C.A.R. to an oppose position. These amendments, among other things added the definition of "economic displacement" (displacement of residents or businesses because of increased property values or rents due to development) to current CEQA law and directed the Office of Planning and Development to address this issue within CEQA guidelines. This new definition would have created a new source of litigation for those wishing to stop development projects, especially infill development. C.A.R. and a coalition of other groups sought amendments to: remove all the new language; eliminate duplicative project reviews; make compliance with California's Environmental laws and regulations the standard for determining what, if any, impact a project has on the environment; expedite CEQA litigation and reduce costs; and enhance transparency in the litigation process. If the author had amended SB 731 to incorporate these changes, C.A.R. would have dropped its opposition.

Position: Oppose Unless Amended
Status: Died in the Assembly Local Government Committee

SB 753 (Steinberg) Central Valley Flood Protection Board Encroachment Notices - The Central Valley Flood Protection Board constructs and maintains flood control structures (levees, channels, etc.) and is authorized to issue cease and desist orders to any individual who is undertaking a project which could result in encroachment or weakening of such structures. When an order is issued, the landowner or individual conducting the objectionable project must be notified either in person or by telephone, or by a written notice that is hand delivered or sent by certified mail. Originally, SB 753 would have expanded the notification requirements to allow only

a written notice posted on the objectionable structure to serve as satisfactory notice of the cease and desist order. The bill was later amended to require that the notice first be hand delivered or delivered by certified mail before being posted on the building, thus satisfying C.A.R.'s concerns. With these amendments C.A.R. removed opposition on SB 753.

Position: Watch
Status: Signed by the Governor on October 8, 2013 (Chapter 639, Statutes 2013)

SB 754 (Evans) California Environmental Quality Act - Under the California Environmental Quality Act (CEQA) developers are required to conduct environmental impact reports (EIRs) to assess potential impacts of a project on the environment. Currently, developers can complete their EIRs using a tiered approach; updating older, existing EIRs to take into account new environmental factors or changes to the development plan. SB 754 proposed to change this tiered approach, designating a 7-year life for all EIRs, requiring a developer to start over from scratch, rather than building on an existing environmental assessment. C.A.R. opposed this measure because CEQA already contains clear provisions to ensure that any changes in the project or circumstances under which the project occurs, and any new issues or impacts that arise after the preparation of the original EIR all must be analyzed in any subsequent CEQA process. CEQA's current tiering provisions ensure that redundant analysis is not required while guaranteeing that any unique or new issues are subject to full review.

Position: Oppose
Status: Held in the Senate Appropriations Committee

SB 787 (Berryhill) Sustainable Environmental Protection Act - See AB 1302 (Hagman) on Page 22.

Position: Support
Status: Died in the Senate Environmental Quality Committee

SB 834 (Huff) Sustainable Environmental Protection Act - Since the enactment of the California Environmental Quality Act (CEQA) in 1969, California legislators have passed over 120 environmental laws, and CEQA guidelines have expanded to include the increasing evaluation requirements. SB 834 would have modernized our existing environmental review process by eliminating duplicative analysis and creating more certainty in the CEQA process without changing the important environmental laws in place. This bill would have also helped integrate applicable planning laws and regulations that did not exist when CEQA was first passed. C.A.R. supported this measure because it would have brought needed reforms to the complicated CEQA process without impacting the level of care provided for in our current environmental protections.

Position: Support
Status: Died in the Senate Environmental Quality Committee

SB 1155 (Lieu) Geological Hazards - Under existing law, a local agency must, prior to approving a project within a mapped earthquake fault zone, obtain a geological report and ensure that the project meets the criteria established by the State Mining and Geology Board and the State geologist. SB 1155 required that a project proponent in a seismic hazard zone prepare a site investigation and geologic report with findings about the location of the project with respect to

a fault trace where the recency of faulting is "undetermined." The measure introduced a new duty to project proponents and REALTORS® which required them to examine all peer-reviewed journals that may include a report or map showing a major or minor fault in the project vicinity. C.A.R. sought amendment to remove the peer-journal review requirement because it would have created an impossible research requirement and resulted in unnecessary litigation and expense to both project proponents and lead agencies, and fought to ensure that the scientific review process was in accordance with existing Alquist-Priolo Seismic Hazard Mapping Act rules and regulations.

Position: Oppose Unless Amended
Status: Died on the Senate Floor Inactive File

H.R. 3370 Homeowner Flood Insurance Affordability Act - In 2012 Congress pass the Biggert-Waters flood insurance reform bill that was intended to solidify the financial wellbeing of the National Flood Insurance Program (NFIP). The NFIP has been in the red since Hurricanes Katrina and Rita hit the Gulf coast in 2005. Instead, homebuyers and property owners in many flood areas saw their flood premiums dramatically increase. While the Biggert-Waters bill intended to phase in actuarial rates, the manner in which FEMA has doing so was bringing turmoil to the market. In response, Congress passed and President Obama signed the REALTOR supported "Homeowner Flood Insurance Affordability Act" into law in March 2014. This law repeals FEMA's authority to increase premium rates at time of sale or new flood map, and refunds the excessive premium to those who bought a property before FEMA warned them of the rate increase. The bill limits premium increases to 18% annually on newer properties and 25% for some older ones. Additionally, the bill adds a small assessment on policies until everyone is paying full cost for flood insurance.

Position: Support
Status: Signed into law

Volume 1: Taxation

AB 23 (Donnelly), AB 124 (Morrell) and SB 17 (Gaines) Fire Prevention Fee - In 2011, the legislature passed a measure requiring the State Board of Forestry and Fire Prevention to establish regulations instituting a fire prevention fee not to exceed $150 on structures located in State Responsibility Areas. AB 23, AB 124 and SB 17 would have repealed the fire prevention fee. C.A.R. supported these measures because homeowners who already pay a local fire prevention fee should not be forced to pay twice for fire prevention.

Position; Support
Status: AB 23 was held in the Assembly Appropriations Committee (See also AB 124 pg. 27 and SB 17, pg. 32)

AB 59 (Bonta) Split Roll within School Districts - The *Borikas v. Alameda Unified School District* decision states that parcel taxes imposed by a school district must be applied uniformly to all property (residential or commercial) within the district. AB 59 would have voided the *Borikas v. Alameda Unified School District* decision; clarifying that school districts could take into account property type when assessing taxes within their districts. C.A.R. opposed this measure as it

would open the door to allowing school districts to create a "split roll" in which commercial properties are taxed differently from residential properties.

Position: Oppose
Status: Died in the Assembly Revenue and Taxation Committee Due to Amendment

AB 124 (Morrell) Fire Prevention Fee - See AB 23 (Donnelly) on Page 27.

Position: Support
Status: Held in the Assembly Appropriations Committee

AB 188 (Ammiano) Split Roll – Existing law requires the reassessment of real property upon the sale or transfer of the property. AB 188, a re-introduction of AB 2492 of 2010 and AB 448 of 2011, proposed to instead trigger reassessment of a commercial property upon the sale or transfer of 100% of the corporation that owns the property in any single transaction. C.A.R. opposed AB 188 because it would have created a burdensome reassessment rule on non-residential property and lead to a "split" tax roll accelerating the trend toward the “fiscalization” of land use decisions.

Position: Oppose
Status: Held in the Assembly Revenue and Taxation Committee

AB 243 (Dickinson) Infrastructure Financing Districts - Existing law authorizes the creation of an infrastructure financing district and the issuance of bonds to finance district projects upon the approval of two-thirds of the voters. AB 243 would have, among other things, authorized the creation of such a district and the issuance of bonds to finance it with only 55% voter approval. C.A.R. opposed this measure because C.A.R. believes that the creation of such districts and, thus, the expenditure of public funds should require a two-thirds vote.

Position: Oppose
Status: Held on the Assembly Floor Inactive File

AB 468 (Chesbro) Disaster Management, Preparedness and Assistance Surcharge - In 2011, the legislature passed a measure requiring the State Board of Forestry and Fire Prevention to establish regulations instituting a fire prevention fee not to exceed $150 on structures located in State Responsibility Areas to supplement the State Responsibility Area Fire Prevention Fund. AB 468 would have repealed the fire prevention fee and replace it with an insurance surcharge on every commercial and residential fire and multi-peril insurance policy issued after January 1, 2014. The surcharge, which would have been deposited into the Disaster Management, Preparedness, and Assistance Fund, was proposed at 4.8% of the residential insurance premiums or the property exposure for commercial policies and would have been utilized to fund emergency activities carried out by the Office of Emergency Services, the Department of Forestry and Fire Protection, and the Military Department. C.A.R. opposed AB 468 because it would be inappropriate to establish a statewide surcharge to fund emergency activities given that not all homeowners face the same potential hazards; in other words, this is a tax not a fee. This measure was amended to pertain to an unrelated topic. With these amendments, C.A.R. dropped its opposition to this measure.

Position: Watch

Status: Died in the Senate Appropriations Committee

AB 561 (Ting) Documentary Transfer Tax - California's documentary transfer tax authorizes local governments to adopt an ordinance imposing a transfer tax, based on the value of the property transferred, on a deed, instrument or notice dealing with the sale or transfer of real property. AB 561 would have changed the definition of what constitutes a "transfer" to include situations in which the transfer of an "ownership interest" of a company also constitutes a transfer of that organization's real property, triggering the imposition of the documentary transfer tax. C.A.R. opposed AB 561 because created a new tax on commercial, industrial and residential rental properties and opened the door for enactment of a "split roll."

Position: Oppose
Status: Died in the Assembly Revenue and Taxation Committee

AB 690 (Campos) Jobs and Infrastructure Financing Districts - Currently, the legislative body of a city or county is authorized to create an infrastructure financing district, adopt an infrastructure financing plan and issue bonds to finance improvements within the district upon approval of two-thirds of the voters. As introduced, AB 690 would have changed the infrastructure financing district provisions to allow for the creation of job and infrastructure financing districts and the issuance of bonds upon approval of 55% of the voters. Amendments to the measure instead allowed for the creation of a job and education financing district and removed the vote requirement altogether, allowing local governments to create these districts without any voter input. C.A.R. opposed this measure because the individuals funding the operations of the district through payment of property taxes should have a say in whether it is created. AB 690 was amended again at the beginning of 2014 to instead pertain to international relations.

Position: Oppose
Status: Died in the Assembly Local Government Committee due to amendment

AB 905 (Ting) Private Transfer Tax - This measure creates a private transfer tax to fund environmental improvements to a property. As introduced, AB 905 would have allowed current owners of a property (exempting residential 1-4) to enter into a binding contract that forces ALL future owners of the property to pay a transfer tax of as high as 2% of the purchase price of the property (e.g., $20,000 for a property costing $1 million). These contracts could be entered into in connection with the installation of equipment or improvements that promote increased energy, water or other natural resource efficiency for the property. Due to the unfair nature of such covenants to homebuyers C.A.R. unsuccessfully sponsored SB 670 (Correa) in 2007 to outlaw private transfer fees and, in March 2012, the Federal Housing Finance Agency (FHFA) restricted Fannie Mae and Freddie Mac's ability to invest in mortgages with such private transfer fees. C.A.R. opposed AB 905 because it forced a financial burden on future owners of a property with no oversight, no accountability and no limit on how long the tax can be imposed, even years after the improvement has been paid for or the useful life of the improvement has passed. C.A.R. also believed that this measure did not comply with FHFA's newly imposed regulations so such covenants would have restricted financing on the encumbered property. The author of AB 905 took amendments in an effort to fix some of the issues with the bill including instituting a 50 year cap on the transfer tax and a subordination clause making the covenant lien subject to any mortgages against the property. Even with these amendments, C.A.R., however, remained opposed to the measure.

Position: Oppose
Status: Died in the Assembly Judiciary Committee

AB 1172 (Bocanegra) Intercounty Transfer of Base Year Value - Currently, Propositions 60 and 90 allows a homeowner 55 years of age or older to transfer, on a one-time basis, their property tax base year value to another home of equal or lesser value within the same county, or to a home located in a county that has adopted an ordinance permitting homeowners to transfer their property tax base year value to that county. Beginning January 1, 2014, AB 1172 would have allowed homeowners who are 65 years of age or older to transfer their property tax base year value to a dwelling located in a different county without the adoption of an ordinance. C.A.R. supported this measure because it would have protected seniors who are often on a fixed and/or limited income from property tax increases that can occur when purchasing a new home. Florida adopted a "Save Our Homes" law in 1992, which allows for the transfer of a property tax base year value to another home. Amendments to AB 1172 proposed to require the California Research Bureau, on or before December 1, 2015, to provide a report to the legislature on the revenue impacts of Florida's law and the potential state and local impacts of a similar law in California. C.A.R. supported these amendments because, until the revenue impact of portability is determined, any effort to expand portability will fail. AB 1172 was amended again late in the legislative session to instead deal with income taxes for charitable trusts after it was determined that legislation was not needed to have the study completed. With these amendments C.A.R. moved to a Watch position on the measure.

Position: Watch
Status: Died on the Senate Floor

AB 1188 (Bradford) Vote Threshold Requirement for Fire Protection Bonds - Currently, the board of a fire protection district can issue bonds to fund the improvement of facilities or equipment which will be used by fire, emergency, or law enforcement personnel upon approval of two-thirds of the voters. AB 1188 would have lowered the vote threshold from two-thirds to 55%. C.A.R. opposed this measure because bonded indebtedness, which involves the expenditure of public funds, should only be approved by a two-thirds vote.

Position: Oppose
Status: Died in the Senate Governance and Finance Committee

AB 1322 (Patterson) Senior and Disabled Citizens Property Tax Deferment – The Senior Citizens and Disabled Citizens Property Tax Postponement Law, which allowed the Controller to postpone payment of property taxes for those qualified property owners who applied for the program, expired as of February 20, 2009. AB 1322 proposed to repeal the sunset of the program and allow the Controller to accept and process applications for tax deferment beginning July 1, 2014. This measure would have also created the Senior Citizens and Disabled Citizens Property Tax Postponement Fund which would be funded through the repaid tax postponement payments. Money from this fund would have been appropriated to the Controller beginning on January 1, 2014 for the administration of the deferment program. C.A.R. supported this measure as it tried to assist individuals who are on a fixed income, such as senior citizens or disabled individuals.

Position: Support
Status: Held in the Assembly Appropriations Committee

AB 1393 (Perea) Debt Forgiveness Income Tax - See SB 339 (Cannella) on Page 33.

Position: Support
Status: Signed by the Governor on July 21, 2014 (Chapter 152, 2014 Statutes)

AB 1754 (Hagman) School Bonds - Over the years the Legislature and state voters have approved numerous school bonds to fund the construction, reconstruction, rehabilitation or replacement of school facilities. AB 1754 would have prohibited the use of funds from approved school bonds to purchase instructional materials and/or portable electronic devices. C.A.R. supported this measure because these types of bonds should be used exclusively for capital expenditures, not to finance day-to-day operating costs.

Position: Support
Status: Died in the Assembly Education Committee

AB 2097 (Morrell) Homeowners' Tax Exemption and Renters' Tax Credit - See SB 1216 (Morrell) on Pg. 35.

Position: Support
Status: AB 2097 died in the Assembly Revenue and Taxation Committee due to the Author's election to the Senate

AB 2109 (Daly) Controller Financial Transaction Reports - Existing law requires the California State Controller to compile and publish financial transaction reports for each county, city and special district in the state. AB 2109 required any local government entity imposing a parcel tax to provide specified parcel tax information (i.e. type, rate, and number) to the Controller for inclusion in these financial transaction reports. C.A.R. supported this measure because it provided transparency as to the amount property owners are paying in parcel taxes in each taxing jurisdiction.

Position: Support
Status: Signed by the Governor on September 29, 2014 (Chapter 781, 2014 Statutes)

AB 2231 (Gordon) - Senior and Disabled Citizen Property Tax Postponement - The Senior Citizens and Disabled Citizens Property Tax Postponement Law, which expired February 20, 2009, allowed the Controller to postpone payment of property taxes for those qualified property owners who applied for the program. AB 2231 re-established the Senior Citizens and Disabled Citizens Property Tax Postponement Fund within the State Treasury. Beginning on July 1, 2016, qualified individuals with at least 40% equity in their home may file a claim with the Controller to postpone the payment of their property taxes. Applications will be accepted until January 1, 2017, and the postponed tax amount will be filed as a lien against the property. C.A.R. supported this measure because it provided individuals who are on a fixed income, such as senior citizens or disabled individuals, a program to which they can turn for assistance with paying their property taxes, allowing them to stay in their homes.

Position: Support
Status: Signed by the Governor on September 28, 2014 (Chapter 703, 2014 Statutes)

AB 2358 (Harkey) Debt Forgiveness Income Tax - See SB 339 (Cannella) on Page 33.

Position: Support
Status: Held in the Assembly Revenue and Taxation Committee

AB 2372 (Ammiano) Split Roll – Existing law requires the reassessment of real property upon the sale or transfer of the property. As introduced, AB 2372, a re-introduction of AB 188 of 2013, proposed to instead trigger reassessment of a commercial property upon the sale or transfer of 100% of the corporation that owns the property in any single transaction. C.A.R. opposed AB 2372 because it would have been the first step toward a split tax roll, and created a burdensome reassessment rule on non-residential property. AB 2372 was amended following an agreement between the author and opponents of the bill to require that commercial properties be reassessed if 90% of the ownership interest in the corporation that owns the property transfers. With these amendments, C.A.R. has removed its opposition from the measure. C.A.R. has informed the author that it will move to a support position on AB 2372 if the bill is amended to: 1) provide an exemption to non-profits and small businesses to avoid the reassessment of the real property holdings of both companies following a merger; and, 2) limit the reporting requirements to one annual report to the Board of Equalization rather than individual reports each time an acquisition occurs. (See also AB 188, pg. 27)

Position: Support if Amended
Status: Died in the Senate Appropriations Committee

AB 2415 (Ting) Property Tax Agents - Existing law allows a taxpayer to file an application for a property tax reduction with their county assessment appeals board. AB 2415, among other things, creates a new local lobbyist registration requirement. The measure defines a "property tax agent" as an individual who receives compensation to communicate with, or testify before, county officials regarding the taxable value of a property, and requires them to first register with the Secretary of State and pay a registration fee of $250. REALTORS® often accompany homeowners when they go before assessment appeals boards to provide "expert testimony" on the value of the property in question. C.A.R. obtained amendment to AB 2415 that provide an exemption from the property tax agent registration requirement for "expert testimony" provided by real estate agents. With this amendment C.A.R. has moved to a Watch position.

Position: Watch
Status: Vetoed by the Governor on September 29, 2014

ACA 3 (Campos) Bonded Indebtedness Vote Threshold Reduction – Under existing law bond indebtedness may be incurred by a city or county upon approval from two-thirds of the voters in the area. ACA 3 would have reduced the vote required to approve bonded indebtedness to fund fire, emergency response, police or sheriff facilities or equipment from a two-thirds vote to 55 percent. C.A.R. opposed ACA 3 because bonded, indebtedness as an expenditure of public funds, should only be approved by a two-thirds vote.

Position: Oppose
Status: Held in the Assembly Local Government Committee

ACA 8 (Blumenfield) Bonded Indebtedness Vote Threshold Reduction – This measure would have reduced the vote required to approve bonded indebtedness to fund public improvements and facilities or facilities used to provide public safety services, from a two-thirds vote to 55

percent. C.A.R. opposed ACA 8 because special taxes and bonded indebtedness should only be approved by a two-thirds vote. In a political maneuver ACA 8 was removed from its policy committee without a hearing and passed by the Assembly.

Position: Oppose
Status: Held in the Senate Governance and Finance Committee

SB 17 (Gaines) Fire Prevention Fee - See AB 23 (Donnelly) on Page 27.

Position; Support
Status: Died in the Senate Rules Committee

SB 33 (Wolk) Infrastructure Financing District - Currently, the legislative body of a city or county is authorized to create an infrastructure financing district and to issue bonds to finance improvements within the district if two-thirds of the voters approve the plan. SB 33 proposed to eliminate the voter approval requirement to establish an infrastructure financing district and issue bonds. C.A.R. opposed this measure because it would have resulted in the property owners who would fund the district through property taxes losing their ability to vote on the establishment of such a district and the issuance of bonds. In the last week of the 2013-2014 session SB 33 was amended to pertain to an unrelated issue. With these amendments C.A.R. removed its opposition to the bill.

Position: Oppose
Status: Died in the Assembly Rules Committee

SB 125 (Gaines) Fire Responsibility Areas - In 2011, the legislature passed a measure requiring the State Board of Forestry and Fire Prevention to establish regulations instituting a fire prevention fee not to exceed $150 on structures located in State Responsibility Areas. SB 125 would have exempted property owners from paying a fee on habitable structures which are located within both a State Responsibility Fire Area and a local fire district. C.A.R. supported this measure because it would have kept those homeowners already paying for local fire protection from being forced to pay twice for fire prevention.

Position: Support
Status: Failed passage in the Senate Natural Resources and Water Committee

SB 339 (Cannella), AB 1393 (Perea), AB 2358 (Harkey) and SB 439 (Evans) Debt Forgiveness Income Tax - SB 339 and AB 2358 are re-introductions of C.A.R.-sponsored SB 30 and AB 42 from 2013. Under federal tax law borrowers were not required to pay income tax on mortgage debt forgiven in a "short sale" through January 1, 2014. C.A.R. sponsored SB 30 and AB 42 to conform California's tax law to federal law making debt forgiven in a short sale not income to the seller. In late 2013 C.A.R. received opinion letters from the IRS and the FTB clarifying that under California law debt forgiven in a short sale is not subject to income tax at the state or federal levels. While these letters took care of the tax problem surrounding short sales, C.A.R. is supporting SB 339, AB 1393 and AB 2358 because they will conform California tax law to federal tax law which applies the same debt forgiveness provisions to debt forgiven in loan modifications, principal reductions, etc., through January 1, 2014. These measures, if signed by the governor, will become effective immediately and are retroactive to January 1, 2013. Recently, C.A.R. received a clarifying letter from the IRS stating that their initial assessment of California

law was overly broad. This new letter clarifies that income tax will have to be paid on forgiven debt if the debt was recourse at its inception. (See also SB 30 and AB 42 pg. 1)

Position: Support
Status: SB 339 was held in the Assembly Rules Committee (See also AB 1393, pg. 30; AB 2358, pg. 31; SB 439, pg. 34)

SB 391 (DeSaulnier) Recording Tax - With the depletion of housing bond funds, the elimination of redevelopment resources for housing and the concern that housing bonds are not a sustainable form of funding with the electorate, the affordable housing community has been working on establishing a permanent funding source for affordable housing. SB 391 proposed to provide such funding by enacting the California Homes and Jobs Act 2013, which would require a flat $75 per document recording tax (on top of current recording fees) on every real estate instrument not part of a sales transaction. While C.A.R. has been and continues to be supportive of affordable housing, it opposed SB 391 because it believes that affordable housing must be paid for by all of California's citizens. SB 391 would have funded affordable housing by surcharging only real estate recordings, placing the responsibility for funding California's affordable housing and shelter needs on those recording documents on real property rather than on all taxpayers.(see also SB 30 on Pg. 1)

Position: Oppose
Status: Died in the Assembly Appropriations Committee

SB 439 (Evans) Debt Forgiveness Income Tax - See SB 339 (Cannella) on Page 33.

Position: Support
Status: Held in the Assembly Rules Committee

SB 628 (Beall) Infrastructure Financing Districts - Under current law, local governments can form, upon the approval of two-thirds of the voters in the area, an infrastructure finance district and issue bonds with the express purpose of facilitating transit oriented development. As introduced, SB 628 would have eliminated the voter requirement for the creation of infrastructure financing districts and the issuance of bonds that used to finance these kinds of transit projects. C.A.R. opposed this measure because it would have resulted in the individuals who would fund the operations of the district losing their ability to vote on the establishment of such a district and the issuance of bonds. In the last week of the 2013-2014 legislative session SB 628 was amended to lower the vote threshold for the establishment of an infrastructure financing district and the issuance of bonds from a two-thirds vote to 55%. With these new amendments C.A.R. re-asserted its opposition to the measure because C.A.R. believes that the creation of such districts and, thus, the expenditure of public funds should require a two-thirds vote.

Position: Oppose
Status: Signed by the Governor on September 29, 2014 (Chapter 785, 2014 Statutes)

SB 1021 (Wolk) Split Roll - The *Borikas v. Alameda Unified School District* decision states that parcel taxes imposed by a school district must be applied uniformly to all property (residential or commercial) within the district. SB 1021 proposed to allow school districts to assess parcel tax assessments within a district based one or more of the following rates: a flat amount, the square footage of a parcel, the square footage of improvements on a parcel, or the parcel's classification

(i.e., commercial, industrial, single-family residential, multifamily residential, etc.). This measure would also allow school districts to impose a different tax rate on unimproved parcels and treat multiple parcels as one "economic unit" when contiguous and owned by the same owner. SB 1021 was later amended to limit commercial property taxes to double the amount of residential. C.A.R. opposed this measure because it sought to allow school districts to establish a split roll parcel tax system.

Position: Oppose
Status: Failed passage in the Assembly Revenue and Taxation Committee

SB 1214 (Anderson) Senior and Disabled Citizens Property Tax Deferment - The Senior Citizens and Disabled Citizens Property Tax Postponement Law, which expired February 20, 2009, allowed the Controller to postpone payment of property taxes for those qualified property owners who applied for the program. SB 1214 would have re-created the Senior Citizens and Disabled Citizens Property Tax Postponement Fund within the State Treasury. This measure proposed to allow, beginning on July 1, 2015, qualified individuals to file a claim with the Controller to postpone the payment of their property taxes. Applications would have been accepted through January 1, 2016 unless new legislation provides an extension. C.A.R. supported this measure as it protected individuals who are on a fixed income, such as senior citizens or disabled individuals.

Position: Support
Status: Held in the Senate Appropriations Committee

SB 1216 (Morrell) and AB 2097 (Morrell) Homeowners' Tax Exemption and Renters' Tax Credit - Existing property tax law provides for a homeowners' property tax exemption in the amount of $7,000. Additionally, the existing Personal Income Tax Law authorizes a $120 credit for married couples renting a unit with an income of $50,000 or less, and a $60 credit for those renters whose adjusted gross income is $25,000 or less. SB 1216 and AB 2097 proposed to increase the homeowners' exemption from $7,000 to $20,000 of the full value of a dwelling. These bills also would have adjusted the renter's credit to $340 for married couples and to $170 for individuals. C.A.R. supported SB 1216 and AB 2097 because they would have clearly assisted homebuyers' ability to purchase a home and a renter's ability to rent by lowering the buyers' or renters' tax burden.

Position: Support
Status: SB 1216 was held in the Senate Governance and Finance Committee (See also AB 2097, pg. 31)

SCA 3 (Leno) Parcel Tax Vote threshold Reduction - As introduced, SCA 3 would have reduced the vote threshold required for a school district, community college district or county office of education to impose a parcel tax from two-thirds to 55% of the voters in the area. C.A.R. opposed SCA 3 because parcel taxes are a "flat fee" per parcel that are assessed without regard to the value of the property and place an additional burden on the homeowners least able to afford the tax. SCA 3 was amended to instead pertain to an individual's right to access information on the meetings of public bodies and documents produced by public officials and agencies. While, C.A.R. continued to monitoring this measure, it removed its opposition to SCA 3.

The content of SCA 3 was approved by the voters of California on the June 3, 214 Ballot as Proposition 42.

Position: Watch
Status: Signed by the Governor on September 20, 2013 (Chapter 123, Statutes 2013)

SCA 4 (Liu) and SCA 8 (Corbett) Transportation Project Special Tax Vote Threshold Reduction - Under current law cities, counties and special districts can impose special taxes upon the approval of two-thirds of the areas voters. SCA 4 and SCA 8 proposed to reduce the vote required to approve special taxes for local transportation projects to 55 percent. C.A.R. opposed these measures because special taxes should only be approved by a two-thirds vote.

Position: Oppose
Status: SCA 4 and SCA 8 Died in the Senate Appropriations Committee

SCA 7 (Wolk) Vote Threshold Reduction for Public Library Funding - The California Constitution requires the imposition of a special tax by a city, county or special district and the incurring of debt to be approved by of two-thirds of the voters. SCA 7 proposed to lower the vote threshold for the imposition, extension or increase of a special tax by a local government to provide funding and to incur bonded indebtedness for public libraries to 55% of the voters. C.A.R. opposed SCA 7 because bonded indebtedness should only be approved by a two-thirds vote.

Position: Oppose
Status: Died in the Senate Appropriations Committee

SCA 8 (Corbett) Transportation Project Special Tax Vote Threshold Reduction - See SCA 4 (Liu) on page 34.

Position: Oppose
Status: Died in the Senate Appropriations Committee

SCA 9 (Corbett) Vote Threshold Reduction for Economic Development - The California Constitution requires the imposition of a special tax by a city, county or special district to be approved by of two-thirds of the voters. SCA 9 would have lowered the vote threshold to 55% for special taxes used to fund community and economic development projects. C.A.R. opposed SCA 9 because special taxes should only be approved by a two-thirds vote.

Position: Oppose
Status: Died in the Senate Appropriations Committee

SCA 11 (Hancock) Vote Threshold Reduction for Special Taxes - Currently, local governments cannot impose a special tax unless it has been approved by two-thirds of the voters in the area. SCA 11 would have lowered the vote threshold for special taxes to fifty-five percent of the voters. C.A.R. opposed SCA 11 because special taxes should only be approved by a two-thirds vote.

Position: Oppose
Status: Died in the Senate Appropriations Committee

C.A.R., through its policy committees and Board of Directors, may take any of nine different positions on pending legislation. These positions range from strongest opposition to the strongest possible support through sponsorship. The positions are set out below:

● **SPONSOR** - The proposal is required in order to further C.A.R. policy objectives and is worthy of the highest prioritization and allocation of C.A.R. resources. The language for such proposals is drafted by C.A.R. and C.A.R. selects and works with the author of the proposal to ensure passage.

● **SUPPORT** - The proposal is consistent with C.A.R. policy and is so beneficial that it merits an unsolicited expenditure of legislative resources.

● **SUPPORT IF AMENDED** - The proposal is one of interest to C.A.R., but does not merit active support. Like its counterpart in opposition, it connotes a lower priority of resource allocation and represents a target of opportunity rather than a concerted legislative campaign.

● **OPPOSE** - The proposal is one so offensive to C.A.R. policy that it cannot avoid C.A.R. opposition by any amount of amendment. This position may be adopted to make a statement as to the depth of opposition or to keep a policy issue squarely before the Legislature and not confused by tempering amendments.

● **OPPOSE UNLESS AMENDED** - The proposal is one that cannot be reconciled with C.A.R. policy in its present form, but may be salvaged by amendment. The position calls for a more conciliatory posture from legislative staff than “OPPOSE”, and tends to receive a lower priority than the all-out attack that results from undiluted opposition.

● **NOT FAVOR** - The proposal is inconsistent with C.A.R. policy, but opposition is of a lower priority than either “oppose” positions. Opposition will be expressed as resources are available, but an active campaign will not be waged. Position is relatively common in the situation where an objectionable bill has been watered down to the point that active opposition is no longer merited, but the bill is still flawed.

● **FAVOR** - The proposal is a good idea based upon its consistency with C.A.R. policy goals, but does not merit active support. In addition, there is no particular amendment to be sought that would raise it to a higher level of support. Position is relatively common and will usually result in a public statement of support if a request is received from the legislative author.

● **AMEND** - Staff will seek changes in the proposal to be more consistent with C.A.R. policy, but support will not result from the amendment, nor will the bill be opposed if the changes are rejected.

● **WATCH** - The proposal involves an area of interest to C.A.R., but is not one that merits the expenditure of lobbying resources to either pass or defeat it. This position is often the result of "OPPOSE UNLESS AMENDED" being successfully pursued.