CALIFORNIA ASSOCIATION OF REALTORS®

2022 New Laws

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This chart summarizes new laws passed by the California Legislature that may affect REALTORS® in 2022. For the full text of a law, click onto the legislative number or go to **http://leginfo.legislature.ca.gov/** for California laws. A legislative bill may be referenced in more than one section.

Topic	Description
Consumer Protection: Pace Liens and Seniors	This law clarifies that relief under the Consumer Legal Remedies Act (CL seniors who have fallen victim to predatory Property Assessed Clean Er assessments via home solicitations. AB 790 provides much-needed clar PACE lenders from using technical arguments to evade their obligations home has been put at risk because of a PACE loan seeks relief under th **Assembly Bill 790** is codified as Civil Code 1770. Effective January 1, 2022.
Continuing Education: Implicit Bias Training Implicit bias training is added to the mandatory course work for licensing and license renewals. The operative date for which the new requirements apply is January 1, 2023	**An applicant for a broker or salesperson license must take courses implicit bias before sitting for the licensing exam.** **For license renewals, implicit bias course work is now added to the requirements. For subsequent renewals, brokers and agents must survey course (as opposed to an 8-hour course under current law). beginning January 1, 2023, meaning, if a license is set to expire on then these new continuing education requirements must be met.** **Background** Implicit Bias refers to a person's relatively unconscious ideas and attitu personal characteristics. Implicit bias training is for the purpose of reco addressing one's own implicit biases.

In December of 2019, *Newsday* published the results of a three-year, un
in Long Island that found evidence of unequal treatment of Long Island
the time against Asian Americans, 39% of the time against Hispanic Am
the time against black Americans. Among other findings, the report stat
agents frequently directed white customers to areas with the highest w
and minority customers to more integrated areas. In response to this, i
Association of Realtors (NAR) and the Perception Institute in New York c
training workshop to help members avoid implicit bias.

Implicit bias training requirements

The course requirements foran applicant for a real estate broker or sale
contain a component on implicit bias, including education regarding the
bias, explicit bias, and systemic bias on consumers, the historical and so
biases, and actionable steps students can take to recognize and addres
biases.

Also required for that applicant is a course on legal aspects of real estat
a component on state and federal fair housing laws. As part of this cour
interactive participatory component during which the applicant shall ro
consumer and real estate professional.

For license renewals a two-hour implicit bias training course is added to
requirements. Also, the fair housing course requirement for initial licen
include an interactive participatory component.

For subsequent renewals, the length of the survey course is increased t
eight). This survey course will incorporate these new mandatory subjec
existing requirements.

Senate Bill 263 is codified as Business and Professions Code §§ 101
10170.5.

The new course requirements must be met for all licensees renewing w
expiration date on or after January 1, 2023.

C.A.R. sponsored legislation

Department of Real Estate Changes language in the real estate law from "bureau" to "department"	Existing law, as of July 1, 2018, removed the Bureau of Real Estate from Consumer Affairs and instead made it a department within the Busines and Housing Agency and renamed the bureau to the Department of Re the Department of Real Estate continued to be referenced in the Real E "Bureau" of real estate. This law changes all references in the Real Estate Law from "bureau" to Other minor changes included in this bill include an expedited process member of the US Armed Forces. Also, a minor change in the rule perm from continuing education requirements for a real estate licensee in go continuous years and is 70 years of age or older. Currently the law defi licensee in good standing" for this purpose to mean one who holds an a not been suspended, revoked, or restricted as a result of disciplinary ac additionally require for good standing that a licensee has not surrende under investigation or while subject to a disciplinary action, or received debarment. **Senate Bill 800** is codified Business and Professions Code 10050, 10 10150, 10151, 10151.5, 10153.8, 10159.5, 10162, 10165.1, 10166.07, 10 10167.95, 10170.8, 10176.1, 10177, 10231.2, 10232.1, 10232.2, 10235.5, 10249.8, 10249.9, 10471, 10471.1, 11003.4, 11010, 11011, 11012, 11013 11301, 11302, 11310.1, 11313, 11314, 11315, 11320.5, 11326, 11328, 11 11345.05, 11345.2, 11345.3, 11400, 11401, 11406, 11406.5, 11407, 1140 10151.2. Effective January 1, 2022.
Disclosures: Appraisal Discrimination and Purchase Agreement Notice New statutory notice regarding discrimination in appraisals to be incorporated into the real property purchase agreements.	**Requires that every contract for the sale of real property contain a any appraisal of the property is required to be unbiased, objective by improper or illegal considerations. The notice also provides con filing a complaint if the buyer or seller believes that the appraisal illegal considerations.** After July 1, 2022, every contract for the sale of real property shall con point type, the following notice: *"Any appraisal of the property is required to be unbiased, objective improper or illegal considerations, including, but not limited to, an color, religion (including religious dress, grooming practices, or b but not limited to, pregnancy, childbirth, breastfeeding, and related identity and gender expression), sexual orientation, marital sta military or veteran status, national origin (including language us*

	driver's license issued to persons unable to provide their presence authorized under federal law), source of income, ancestry, disabili including, but not limited to, HIV/AIDS status, cancer di characteristics), genetic information, or age. If a buyer or seller bel has been influenced by any of the above factors, the seller or information to the lender or mortgage broker that retained the app a complaint with the Bureau of Real Esta https://www2.brea.ca.gov/complaint/ or call (916) 552-9000 for how to file a complaint." This notice as part of the Transfer Disclosure Statement law contains a right. However, AB 948 is ambiguous as to whether this notice must be real property purchase agreements or only those which require deliver **Additionally, this law includes the following changes:** 1. Creates a simple form for the filing of a complaint. The form contains the complainant believes that the opinion of the value of the real estate requesting information identifying the protected status of the complain 2. Prohibits an appraiser from basing their appraisal of the market valu basis of race, color, religion, gender, gender expression, age, national o marital status, source of income, sexual orientation, familial status, em military status of either the present or prospective owners or occupant property, or of the present owners or occupants of the properties in th property, or on any other basis prohibited by the federal Fair Housing A 3. Mandates course work in cultural competency and elimination of bia (appraiser) renewal. 4. Requires the above referenced notice to delivered by a licensed pers estate broker or agent, who is refinancing a first lien purchase money l residential 1 to 4 property. **Assembly Bill 948** is codified as Business and Professions Code §§ 1 and 11424; Civil Code § 1102.6g; and Government Code § 12955. The new statutory notice is required after July 1, 2022. The effective dat requirements is January 1, 2022, except for new continuing education r required beginning January 1, 2023. C.A.R. supported legislation.
Disclosures: Discriminatory Restrictions	**Requires real estate brokers or agents, who have actual knowledg unlawfully restrictive covenants in a declaration, governing docum being directly delivered must notify the owner or buyer of such an**

Restrictive Covenants: Modification Process

Requires real estate brokers or agents, among others, with actual knowledge of discriminatory restrictions to notify the owner or buyer of it and the removal process.

Makes the process of redacting racially restrictive language easier and faster.

Creates a program for carrying out the "redaction" of unlawfully restrictive covenants

owner or buyer to have it removed through the Restrictive Covena process.

Makes it easier to redact racially restrictive language for homeow streamlining the recording process, and expanding who can file re

Creates a program requiring each county recorder to establish a p proactively "redact" unlawfully restrictive covenants.

Reasons for this law

Unlawfully discriminatory restrictive property covenants are provisions records that prohibit ownership, occupation, and use of the property b characteristics such as race and religion. Until they were ruled unlawful Supreme Court in 1948 (Shelley v Kramer), such covenants were primar African Americans, Asian-Americans, and Jewish people. In California, s covenants are common.

Although racially exclusionary covenants are now unenforceable, their felt. First, these covenants created housing segregation that ultimately financial, social, and geographic disparities which carry their own mom significant amount of the racial inequality today can be directly traced t covenants, along with various other government-backed policies that e proliferation. Second, the actual racial covenants themselves – their off hateful message – remain etched in property records throughout Califo Californians examining property records are frequently subjected to st covenants, most commonly right as they are on the cusp of purchasing their home. The experience can be jarring for anyone, but it is especiall traumatic for many homebuyers of color.

There are three parts to this law:

1. Disclosure obligations by agents, among others, for deeds or other g that are being directly delivered.

2. Modification of the procedures for redacting unlawful covenants to f those procedures.

3. The requirement that each county recorder's office establish a progr identify, catalog, and redact any unlawfully discriminatory restrictive co county's property records and authorizes the imposition, if approved b county board of supervisors, of a fee to fund the program.

Disclosure obligation based on actual knowledge

Beginning July 1, 2022, ifa real estate broker or agent(or county recorde
escrow company) has actual knowledge that a declaration, governing d
is being directly delivered to a person who holds or is acquiring an own
property includes a possibleunlawfullyrestrictive covenant, they shall n
holds or is acquiring the ownership interest in the property of the exist
and their ability to have it removed through the restrictive covenant mc
However, there is no presumption that a party providing a document h
or has actual knowledge of its content.

**Modification of the procedures for redacting unlawful covenants t
use of those procedures**

Prior law allows an owner to record a Restrictive Covenant Modification
words of an unlawful restrictive covenant, but only after review by the c
1466 requires the county counsel to complete the review within no mo
Additionally, any person is authorized to record an RCM including a buy
escrow company,county recorder,real estate broker, or real estate ager
2022, upon request before the close of escrow, AB 1466 requires the tit
companythat is directly involved in the pending transactionto assist in t
Restrictive Covenant Modification. A new statutory form has been creat
process.

County recorder's redaction program

Requires the county recorder of each county to establish a "restrictive c
assist in the redaction of unlawfully discriminatory covenants, including

a) Preparing, by July 1, 2022, a publicly available implementation plan w
b) Identifying all unlawfully restrictive covenants in the records of the c
c) Maintaining an index, updated at least biannually, of the location of a
restrictive covenants that the county recorder has identified, and makir
to the public, as specified; and
d) Redacting unlawfully restrictive covenants in the records of the respe
recorder's office.
e) The county recorder may charge a $2 fee on each single transaction
property

Assembly Bill 1466 is codified as Government Code §§ 12956.1, 12
12956.3 and 27388.2.

Effective January 1, 2022. Disclosure obligations, inter alia, effective July

Escrows Extension of law granting escrows important safeguards vis-à-vis credit reporting companies	**Extension of law until 2027 granting escrow agents important safe crediting reporting companies, such as the right to receive a copy produced by an escrow rating service, and the right to dispute and information.** In 2013, the California Legislature enacted important protections for Ca agents. "Escrow agent rating services" (Code Section 1785.28) were eval of escrow agents to perform settlement services by examining credit in filings, and other criteria. These companies were providing the services vendors for lenders to assist with federal requirements to conduct due vendors. The 2013 law applied important protections from California's to escrow agents, such as the right to receive a copy of any report prod service, and the right to dispute and correct inaccurate information. Wi protections, escrow agents could literally be put out of business based information. This law merely extends these protections to January 1, 20 **Senate Bill 360** is codified as Civil Code § 1785.28.6

Fire Hazard Zones: Home Hardening and Defensible Space Areas Expanded Extends home hardening and defensible space disclosures to high fire hazard zones within local responsibility area.	**This law, among many other changes, expands the fire hazard zon home hardening and defensible space disclosure laws apply withir responsibility area. The NHD statement can no longer be relied up the property is in such a zone.** Presently, existing law requires that an owner of property located in a h hazard zone within a state responsibility area make various disclosures hardening and that in most circumstances the buyer and seller shall ag comply with state defensible space laws or a local vegetation managem one year after closing ("defensible space compliance"). This same law al property located in *a very high fire hazard zone within a local responsibili* SB 63 requires Cal Fire to now designate within local responsibility area *very high* fire hazard zones, as opposed to just *very high* fire hazard zon not the intended effect, these new designations will require home hard defensible space compliance for properties that fall within both *very hig* severity zones that are within a local responsibility area. Thus, expandir the disclosures apply. Another result of this is that the NHD statement can no longer be reliec whether a property is subject to home hardening disclosures and defer compliance, at least for properties that are within local responsibility ar NHD statement discloses two fire related zones. Although overbroad, th circumstance where a property would be subject to the home hardenin defensible space compliance and not be indicated on the NHD stateme possible since the NHD statement only discloses very high fire hazard s responsibility areas. Accordingly, agents are advised to consult with the representative for guidance. **Senate Bill 63** and Assembly Bill 9 are codified as Government Code 51178.5, 51182, and 51189, Health and Safety Code § 13108.5, and Pub 4124.5, 4291, 4123.8, 4291.5, and 4291.6. Effective January 1, 2022

Foreclosure Sales (trustee's) for residential one to four properties: Owner Occupant Right of First Refusal Clean-up Bill Closes loophole by disallowing an owner's related entity or other persons to purchase at a trustee's sale as a priority "owner occupant"	**Background:** Last year legislation was passed which created a category a foreclosure sale (trustee's sale) of residential one to four properties. A bidders with the highest priority was a prospective "owner occupant." E excluded from this category were the mortgagor or trustor; or the child the mortgagor or trustor. This legislation aims to close a loophole by expanding the category of e can claim to be an eligible priority "owner occupant" bidder. AB 175 sta owner occupant bidder means a natural person that is not any of the fc (i)The mortgagor or trustor. (ii)Thechild, spouse, or parent of the mortgagor or trustor. (iii)The grantor of a living trust that was named in the title to the notice of default was recorded. (iv)An employee, officer, or member of the mortgagor or trustor (v)A person with an ownership interest in the mortgagor, unless publicly traded company. AB 175 makes other technical changes regarding the sale of foreclosed property at a trustee's sale. To verify the identity of the bidders, inform submitted to a trustee as an affidavit or declaration given under penalt prescribes with more detail the times by which bids are required to be information that is to accompany them. AB 175 also extends the date th deemed perfected, when an eligible bidder submits a written notice of i days to 60 days. Relevant parts of **Assembly Bill 175** are codified as Civil Code 2924h January 1, 2022.

Homeowner's Associations **Owners: Notices and delivery of documents**	**SB 392 requires an association to communicate with homeowners v homeowner's preferred method of communication (for notices tha delivered individually under the Davis-Sterling Act).**
Requires an association to communicate with homeowners via email, if that is the homeowner's preferred method for communication,	Under prior law, an association was required to deliver documents to its mail, fax, or electronic delivery (email). But delivery of documents to hor was at the option of the association. This meant that an association coul various notices in hard copy only. However, electronic document deliver effective and reduces negative environmental impacts. SB 392 requires the following: For notices under the Davis-Sterling Act that must be delivered by "indiv "individual notice" 1) Associations must communicate with homeowners via email, if that is preferred method for communication, and 2) Property owners, not the association, are entitled to choose their two communication methods. In particular, the annual budget report, annual policy statements and nc assessments or delinquencies, among others, are notices that must be d "individually," and thus, the homeowner may require that they receive tl For notices under the Davis-Sterling Act that require "general delivery" o association may place general notices on the association's website if the an internet website for the purpose of distributing information on assoc member. Or the association may communicate its general notices throu means. **Senate Bill 392** is codified as Civil Code §§ 4041, 4045, 4055, 5200, 5 and 5320 Effective January 1, 2022. However, the portion of the law mandating er at the option of the homeowner becomes effective January 1, 2023. C.A.R. sponsored law

Home Inspectors: **Sewer lateral** Plumbers may both inspect and perform repairs re sewer laterals	**A plumbing contractor may inspect a sewer lateral pipe connectin business to a sewer system and also offer to or perform repairs if t provided a specified disclosure before authorizing the home inspe** Existing law defines a home inspection as a noninvasive, physical exami a fee in connection with a transfer of real property, of the mechanical, e systems or the structural and essential components of a residential dw specifies that a home inspector is an individual who provides home insp Under existing law, it is an unfair business practice for a home inspecto employs the inspector, or a company that is controlled by a company th interest in a company employing a home inspector, to perform specifie performing or offering to perform for an additional fee, any repairs to a the inspector, or the inspector's company, has prepared a home inspec 12 months. This law declares that those provisions do not affect the ability of a plur holds a specified license to perform repairs pursuant to the inspection connecting a residence or business to a sewer system if the consumer i disclosure before authorizing the home inspection. This disclosure states the following: (1)The same company that performs the sewer lateral inspection a repairs will perform the home inspection on the same property. (2)Any repairs that are authorized by the consumer are for the repairs lateral inspection report and no repairs identified in the home authorized or allowed except as specified in the sewer lateral inspectio (3)The consumer has the right to seek a second opinion on the sewer la **Senate Bill 484** is codified as Business and Professions Code 7197. Effective January 1, 2022.

Housing: The California Surplus Land Unit	**Establishes the California Surplus Land Unit with the primary purp the development and construction of residential housing on local s** This law establishes the California Surplus Land Unit within the Departr Community Development to facilitate the development and constructio housing on local surplus property. Among other things this law will auth facilitate agreements between housing developers and local agencies th surplus land; provide advice, technical assistance, and consultative and local agencies with surplus land and developers that seek to develop ho land; and collaborate with specified state agencies to assist housing dev agencies with obtaining grants, loans, tax credits, credit enhancements, financing that facilitate the construction of housing on surplus land. SB 791 was amended to remove the provision that would have required subcontractors be charged with perjury if they did not comply with the skilled and trained workforce requirements. The bill was also amended stakeholder group to provide recommendations as to whether the depa explore ownership of local surplus lands as a strategy to further the dev on surplus land. **Senate Bill 791** is codified as Health and Safety Code, Part 17, comm 54900. Effective January 1, 2022. C.A.R. supported legislation
Housing: CEQA Exemption Allows local government to adopt voluntarily zoning process with CEQA exemption for certain areas	Creates a voluntary process for local governments to access a streamlir new multi-unit housing near transit rich or in urban infill areas, with up The legislation simplifies the CEQA requirements for upzoning, giving lo tool to voluntarily increase density and provide affordable rental oppor Californians. "Transit-rich area" means a parcel within one-half mile of a parcel on a l corridor or a major transit stop meaning a site containing any of the fol (a)An existing rail or bus rapid transit station (b)A ferry terminal served transit service (c)The intersection of two or more major bus routes with a frequency o minutes or less during the morning and afternoon peak commute perio **Senate Bill 10** is codified as Government Code 65913.5. Effective Janua

Housing: Development Fee Nexus Study	Under existing law, nexus studies have historically not been clear about services that jurisdictions provide and can set fees based on a higher le jurisdiction hopes to eventually attain. In fact, nexus studies are curren informal patchwork of guidelines and common practices, devoid of stat As introduced, AB 602 required special district and local jurisdictions' ne 1) State their existing level of service; 2) Provide a capital facility plan for proposed expenditures; and 3) Comply with public notice and meeting requirements. As amended the measure only applies to local governments and tasks t Housing and Community Development with developing a nexus study t supports AB 602 because it will codify nexus fees study methods in stat that fees are only being used to maintain existing service levels in jurisc new development. **Assembly Bill 602** is codified as Government Code §§ 65940.1 and 6 Safety Code § 50466.5. Effective January 1, 2022. C.A.R. supported legislation
Housing: Duplexes and Lot Splits Permitted in Single-Family Zoning Requires ministerial approval of a housing development of no more than two units in a single-family zone, and the subdivision of a parcel zoned for residential use into two parcels, or both	**This law requires ministerial approval of a housing development o units in a single-family zone, and the subdivision of a parcel zoned into two parcels, or both. However, myriad rules, conditions and e implementation.** **Background**: There are generally two types of housing projects: 1) Those that require discretionary vetting through public hearings and only "ministerial" approval by the city or county planning staff, without elected officials. Most large housing projects are not allowed ministerial review; instead, vetted through both public hearings and administrative review. On the reviewed ministerially require only an administrative review designed t consistent with existing general plan and zoning rules, as well as meetir building quality, health, and safety. Most housing projects that require and approval are subject to review under CEQA, while projects permitte generally do not thereby obviating the preparation of an environmenta **What this law does** This law requires a city or county to *ministerially approve* either or both (subject to exceptions and conditions): a) A housing development of no more than two units in a single-family z

b) The subdivision of a parcel zoned for residential use, into two approx
("lot split").

These rules would allow for the development of up to four homes on lo
only one exists. This theoretically this could lead to the development of
housing units. More realistically, assuming that only five percent of the
result in the creation of new two-unit properties, this law would result i
homes.

This law contains a number of detailed conditions, exceptions and allov
the permitting of duplexes or to lot splits or both. Perhaps the most sig
does not apply to property located within a historic or landmark district
areas, certain farmland or protected ecological zones.

Rules, conditions, exceptions and allowances

**For both the duplex and lot split approval the following requireme
otherwise indicated as to applying to only one or the other):**

1) The duplex or parcel to be subdivided must be located within an urb
cluster. More than 80% of the population of California live within an urb
cluster. Urbanized areas are so designated by the United States Census
urban and rural at the block level. To view maps for urbanized areas or
2010 Census Urban Area or Cluster Maps on this site:
https://www.census.gov/geographies/reference-maps/2010/geo/2010-c
areas.html

2) The property cannot be located on any of the following:
a) Prime farmland or farmland of statewide importance;
b) Wetlands;
c) Land within the very high fire hazard severity zone, unless the develo
state mitigation requirements;
d) A hazardous waste site;
e) An earthquake fault zone (unless seismic protection standards are cc
f) Land within the 100-year floodplain or a floodway (unless FEMA flood
requirements have been met);

g) Land identified for conservation under a natural community conserva
under conservation easement;
h) Habitat for protected species; or
i) A site located within a historic or landmark district, or a site that has a
landmark under state or local law

3) Prohibits demolition or alteration of an existing unit of rent-restricted that has been the subject of an Ellis Act eviction within the past 15 years occupied by a tenant in the last three years.

4) Prohibits demolition of more than 25% of the exterior walls of an exis the local ordinance allows greater demolition or if the site has not been in the last three years.

5) Prohibits a city or county from requiring more than one parking spac proposed duplex or a proposed lot split. Prohibits a city or county from requirements if the parcel is located within one half mile walking distan quality transit corridor or a major transit stop, or if there is a car share one block of the parcel.

6) Prohibits a city or county from rejecting an application solely because or connected structures, provided the structures meet building code sa are sufficient to allow separate conveyance.

7) Authorizes a city or county to impose objective zoning, subdivision, a standards that do not conflict with this law, except: a) A city or county s objective standards that would physically preclude the construction of u would physically preclude either of the two units from being at least 80 area. A city or county may, however, require a setback of up to four fee rear lot lines. b) A city or county shall not require a setback for an existi structure constructed in the same location and to the same dimensions structure.

8) Authorizes a city or county to require a percolation test completed w or, if the test has been recertified, within the last 10 years, as part of th permit to create a duplex connected to an onsite wastewater treatment

9) Authorizes a local agency to deny a housing project otherwise author building official makes a written finding based upon the preponderance the housing development project would have a specific, adverse impact safety or the physical environment and there is no feasible method to s or avoid the specific adverse impact

10) Requires a city or county to prohibit rentals of less than 30 days.

11) Provides that a city or county shall not be required to permit an ADU to units approved under this law.

12) Requires a city or county to include the number of units constructed applications for lot splits under this law, in its APR.

Additional rules and conditions governing lot splits:

13) Requires a city or county to ministerially approve a parcel map for a local agency determines that the parcel map for the urban lot split mee requirements, in addition to the requirements for eligible parcels that a and lot splits:

a) The parcel map subdivides an existing parcel to create no more than approximately equal size, provided that one parcel shall not be smaller area of the original parcel.

b) Both newly created parcels are at least 1,200 square feet, unless the a small minimum lot size by ordinance.

c) The parcel does not contain rent-restricted housing, housing where a exercised their rights under the Ellis Act within the past 15 years, or has tenants in the past three years.

d) The parcel has not been established through prior exercise of an urb

e) Neither the owner of the parcel, or any person acting in concert with previously subdivided an adjacent parcel using an urban lot split.

14) Requires a city or county to approve a lot split if it conforms to all ap requirements of the Subdivision Map Act not except as otherwise expre bill. Prohibits a city or county from imposing regulations that require de or the construction of offsite improvements for the parcels being create approval.

15) Authorizes a city or county to impose objective zoning standards, ob standards, and objective design review standards that do not conflict w county may, however, require easements or that the parcel have access or adjoin the public right-of-way.

16) Provides that a local government shall not be required to permit mo a parcel.

17) Prohibits a city or county from requiring, as a condition for minister split, the correction of nonconforming zoning conditions.

18) Requires a local government to require an applicant for an urban lo affidavit stating that the applicant intends to occupy one of the housing principle residence for a minimum of three years from the date of the a

	unless the applicant is a community land trust, as defined, or a qualifie corporation, as defined. 19) Provides that no additional owner occupancy standards may be imp those contained within 18) above, and that requirement expires after fi 20) Allows a city or county to adopt an ordinance to implement the urb requirements and duplex provisions, and provides that those ordinanc under CEQA. 21) Provides that nothing in this law (as applied to both the duplex and supersedes the California Coastal Act of 1976, except that a local gover required to hold public hearings for a coastal development permit appl **Senate Bill 9** is codified as Government Code §§ 66452.6, 65852.21 a January 1, 2022. Please see our Q&A "**SB 9 Ministerial Urban Lot Splits and Du** explanation of this law.
Housing: Equal Access This law literally requires equal access to common entrances and amenities in mixed income multi-family properties	**In mixed income multifamily structures, all occupants must have e common entrances, areas and amenities as the occupants of mark units.** Assembly Bill 491 1) Requires that, for mixed income multifamily structures, the occupant housing units within the mixed-income multifamily structure shall have the common entrances, areas and amenities as the occupants of the m units. 2) Prohibits a mixed-income multifamily structure from isolating the aff within that structure to a specific floor or an area on a specific floor. 3) This law defines "affordable housing unit" as any residential dwelling by deed or other recorded document as affordable housing for persons or moderate income. 4) Provides that this bill is declaratory of existing law. Current law alrea government from using public or private land use authorizations to dis or moderate income families or individuals. This prohibition applies to p projects, those that receive density bonus or are subject to an inclusion Moreover, FEHA under disparate impact prohibits discrimination on a r correlate with low income. **Assembly Bill 491** is codified as Health and Safety § Code 17929. Eff C.A.R. sponsored legislation

Housing: Prohibition of Fees Prohibits affordable housing impact fees on a housing development's affordable units.	**Prohibits affordable housing impact fees, including inclusionary zo fees, from being imposed on a housing development's affordable u** **Background** Existing law, known as the Density Bonus Law, requires a city or county developer that proposes a housing development in the city or county w and other incentives or concessions for the production of lower income the donation of land within the development, if the developer agrees tc construct a specified percentage of units for very low income, low-incor income households or qualifying residents, including lower income stuc AB 571 prohibits affordable housing impact fees, including inclusionary lieu fees, from being imposed on a housing development's affordable u C.A.R. sponsored AB 571 to prohibit local governments from imposing f restricted affordable units contained within a density bonus applicatior to increase costs to construct deed restricted affordable housing, maki developers maximize the affordable unit set aside within their density b **Assembly Bill 571** is codified as Government Code § 65915.1. effect

Housing: Small Home Developments Requires cities and counties to allow more dense development of single-family housing nearby traditional single-family zoned or other lower density housing.	**This law facilitates the construction of inexpensive single-family h ("starter homes") on sites surrounded by single-family or other lov in an attempt to ensure that it only applies to sites where single-fa prevailing character of the area. However, this law only applies to already zoned for multi-family residential use.** This law generally requires cities and counties to approve applications f development" as long as it meets the criteria. It does so by removing th agencies to require setback requirement between the units beyond tha State Building Code, establish a minimum home size, or require enclose beyond that allowed by state density bonus law. It also establishes mini maximum average home sizes. It bans cities from requiring the creatior associations, which can drive up the cost, on sites developed pursuant t Development using the provisions of this law would be limited to sites s family or other lower density housing in an attempt to ensure that this to sites where single-family housing is the prevailing character. Eligible s identified in the jurisdiction's housing element as a site to accommodat jurisdiction's regional housing need for lower income households, whic law does not undermine the ability to build housing affordable to lower There are displacement prevention measures to ensure that the creatic homes that promote homeownership are not created at the expense o Other criteria for a small home lot development: It must be located on a larger than 5 acres, is substantially surrounded by qualified urban uses multifamily residential use. A small home lot development must meet a requirement and to consist of single-family housing units with an avera floorspace of 1,750 net habitable square feet or less. The units must co existing height and setback requirements applicable to the multifamily lot development must comply with any local inclusionary housing ordin developments are prohibited if it would require the demolition or altera types of housing. **Assembly Bill 803** is codified as Government Code § 66499.40. Effec

Housing: Streamlined Approval Process Prevents delaying tactics and loopholes that are used to frustrate the streamlined approval process	**AB 1174 attempts to counter the legal tactics used to frustrate the approval process that was established in 2017. It specifies that the development or modifications is paused when a project is sued, an subsequent permit applications must only meet the objective stan place when the project was initially approved.** Background: Senate Bill 35, passed in 2017, created a streamlined appr projects with two or more residential units in localities that have failed t housing to meet their regional housing needs allocation. Under SB 35 s are currently valid three years after the project is approved. However, some jurisdictions have used lawsuits to extend the project ti window, and then revoke the streamlining provisions. Another issue ari require a project to comply with objective standards that were not in pl project approval. This can compel a project proponent to seek a modifi further delay or derail the project. AB 1174 address these issues by specifying that a development or mod valid for 3 years from the date of the final judgment upholding the deve modification's original approval, if litigation is filed challenging that app requires local governments to consider the application for subsequent based on the objective standards and building codes that were in effect development application was submitted. **Assembly Bill 1174** is codified as Government Code § 65913.4. Effec 2021, as urgency legislation.
Landlord Tenant: Emotional Support Animals Imposes restrictions on how health care practitioners may provide documentation relating to Emotional Support Animals.	**AB 468 imposes restrictions on how health care practitioners may documentation relating to Emotional Support Animals (ESA). But it underlying federal or state law regarding reasonable accommodat housing.** **AB 468 also requires a person that provides an emotional support that the dog does not have the special training required to be a gu dog; and requires a person that provides a certificate, tag, vest, lea emotional support dog to give notice to the buyer that the materia emotional support dog to the rights and privileges afforded to a gu dog.** AB 468 prohibits a health care practitioner from providing documentati individual's need for an emotional support dog unless the health care p with specified requirements, including: 1. Holding a valid license

	2. Establishing a client-provider relationship with the individual for at le providing the documentation, and 3. Completing a clinical evaluation of the individual regarding the need support dog. **Comment:** This law also states that this provision is not to be construe existing federal and state law related to a person's rights for reasonable equal access to housing. In general, this law places restrictions on the b practitioners. But does not change the underlying federal law or state la landlord treats a tenant who is requesting a reasonable accommodatio type of documentation the landlord may request to verify the request. I recent guidance document "**Assessing a Person's Request to Ha a Reasonable Accommodation Under the Fair Housing Act** section entitled verifiers which includes a broad list of acceptable sourc ESAs. **Required notices** Two types of notices are required under AB 468 First, a person or busin provides a dog for use as an emotional support dog must provide a wri buyer or recipient of the dog stating that the dog does not have the spe to qualify as a guide, signal, or service dog and is not entitled to the rigl accorded by law to a guide, signal, or service dog, and that knowingly a representing oneself to be the owner or trainer of any canine licensed a or identified as, a guide, signal, or service dog is a misdemeanor. Second, a person or business that sells or provides a certificate, identifi or harness for an emotional support animal to provide a written notice recipient stating that the certificate does not entitle an ESA to the rights dog; and that knowingly and fraudulently representing oneself to be an dog is a misdemeanor. **Assembly Bill 468** is codified as Health and Safety Code §§ 122317 e January 1, 2022.
Landlord Tenant: Eviction Moratorium Extension and The Housing Recovery Act	**AB 832 extended the state eviction moratorium until September 3(October 1, 2021, landlords could demand the full amount of rent ir notice but are required to apply for emergency rental assistance a an unlawful detainer. This is a wide-ranging law affecting many as landlord/tenant law.** Initially AB 832 extended the COVID-19 Tenant Relief Act (CTRA) (as esta and SB 91) through September 30, 2021. However, on October 1, 2021, return to its pre-pandemic form. Instead, a new law, the COVID-19 Rent Act, (the "Recovery Act"), took its place. Here are the key differences in procedures.

Exemptions for SFP and new construction to the just cause evictio

Under CTRA, all properties in California were subject to the just cause e
single family properties. Beginning October 1, the standard exemptions
eviction rules return, the most significant ones being for single family p
of exemption, CAR form RCJC, has been integrated into the rental agree
construction properties built within the last 15 years. An exempted pro
allow the landlord to terminate tenancy without fault on 60- day notice.
local eviction just cause rules may be more stringent.

**For rent due prior to October 1, 2021, the 15-day notice is required
prior to March of 2020)**

In terms of demanding rent, a landlord, under CTRA, must provide a 15
or quit along with a declaration of COVID related financial hardship and
notice. If the tenant returns the declaration, the landlord is precluded f
detainer, and further, can only demand 25% of the COVID rent (from Se
the tenant is required to pay by September 30, 2021. If the tenant fails
September 30, then the landlord may proceed to file an eviction lawsuit
complied with other provisions under the Recovery Act. See next parag
procedures for pre-October rent remain in effect even after October 1.
required based upon when the rent became due, and not when the not

Bottom line advice: To avoid confusion after October 1, if a tenant owec
before October 1, 2021, it is highly recommended to use the appropriat
the rent now.

**Special 3-day notice commenced on October 1, 2021, through Marc
requirement of applying for Emergency Rental Assistance**

Beginning October 1, a landlord may demand the full amount of rent us
notice to pay rent or quit for rent that became due on or after October
notice requires the landlord to apply for emergency rental assistance. It
the landlord do this prior to serving the 3-day notice. The landlord may
lawsuit if the emergency rental assistance has been denied or if the ten
cooperated in the application process for 20 days after service of the nc
to apply for emergency rental assistance applies to any eviction lawsuit
October 1, 2021, and March 31, 2022, including lawsuits for the 25% rer
September 30, 2020, through September 30, 2021.

Bottom line advice: For any rent that is unpaid from March 2020 throug
landlord should apply for emergency rental assistance

**For tenancies commencing October 1, 2021, landlords are not requ
emergency rental assistance as a precondition of filing an eviction**

If the tenancy has commenced on or after October 1, 2021, then it will r
apply for emergency rental assistance before filing an eviction lawsuit; l
should nonetheless still use the special 3-day notice to pay rent or quit.
mind. First, a "new" tenancy means that all of the occupants are new oc
October 1. And second, the property may still be subject to the statewic
rules since those rules, which came into effect on January 1, 2020, have
the pandemic.

**On November 1, 2021, the landlord may collect unpaid COVID rent
2020 through September 2021**

	Beginning November 1, 2021, the landlord may initiate a legal action to COVID rent. This includes going to small claims court to recover any am debt even if it is otherwise over the small claims court limits. The landlo a declaration stating that they attempted to collect the rent through the assistance program, or the judgment amount may be reduced. So even urged to apply for emergency rental assistance. Another caveat is in orc under the state law the landlord may commence an action to recover u debt in November, it is still possible that a local eviction moratorium ex even further, possibly as far as May 31, 2023, depending on the locality. **Senate Bill 832** is an act to amend Sections 789.4, 1788.65, 1788.66, the Civil Code, to amend Sections 116.223, 871.10, 871.11, 871.12, 1161 1179.03.5, 1179.04, 1179.05, and 1179.07 of, to amend and repeal Secti add and repeal Chapter 6 (commencing with Section 1179.08) of Title 3 of Civil Procedure, and to amend Sections 50897, 50897.1, 50897.2, 508 and to add Sections 50897.2.1 and 50897.3.1 to, the Health and Safety C tenancy, SB 832 was declared urgency legislation and took effect immediately or

Landlord Tenant: Government Inspections for Lead Hazards or substandard building Requires local governments to respond to lead hazard and substandard building complaints from tenants and other parties.	**Requires local governments to respond to lead hazard and substar complaints from tenants and other parties and to provide free cop reports and citations to the requestor and others who may be imp** This law requires, beginning July 1, 2022, a city or county that receives a substandard building or a lead hazard violation from a tenant, resident agent of a tenant, resident, or occupant to inspect the building, portion intended for human occupancy, or premises of the building, document violations that would be discovered based upon a reasonably competer inspection of the property, and identify any building, portion of a buildi human occupancy, or premises on which such a building is located that substandard. "Substandard" is defined under Health and Safety Code 17920.3 and ge with typical uninhabitability standards. A city or county is not required to conduct an inspection in response to types of complaints: (1)A complaint that does not allege one or more su (2)A complaint submitted by a tenant, resident, or occupant who, withir submitted a complaint about the same property that the chief building designee reasonably determined, after inspection, was frivolous or unfo The city or county is required to advise the owner or "operator" of each action that is required to be taken to remedy the violation and to sched verify correction of the violations. A city or county must provide free, ce inspection report and citations issued, if any, to the complaining tenant or agent, and to all potentially affected tenants, residents, occupants, o individuals. No fee can be charged for the inspection, unless the inspec more material lead hazard violations or deems and declares the proper **Assembly Bill 838** is codified as Health and Safety Code § 17970.5. E

Landlord Tenant: Short Term Rentals: Higher Fines Short term rentals face steeper fines when they threaten health and safety	Creates a new fine violation structure specifically for short term rentals rentals are threats to public health and safety. These new increased fin already existed criminal sanctions. **Background:** According to the author of this bill: "Though short-term rentals offer a v tourism and earn owners some extra money, their recent proliferation actors to use web platforms to advertise and secure homes for large pa violation of local ordinances. The Covid pandemic has led to increase in term rentals to evade public health restrictions on large public gatherin which tracks legal compliance among short-term rentals for 350 cities a has found that noise complaints as a result of parties have tripled since pandemic. These large gatherings have made some short-term rental p underage drinking, brawls, noise complaints, and violence. In the last h were shot inside or just outside a short-term rental property nationwid Unfortunately, the fines cities are allowed to levy under current law are violations. Hosts can charge so much rent for big houses that the fines, a cost of doing business. In order to improve the safety of our citizens, fines that cities and counties are allowed to impose on short term renta local property rental laws. SB 60 would authorize imposed fines up to $ a short-term ordinance." This law provides that the violation of a short-term rental ordinance tha punishable by the following: a) A fine not exceeding $1,500 for a first violation; b) A fine not exceeding $3,000 for a second violation of the same ordina and, c) A fine not exceeding $5,000 for each additional violation of the same year of the first violation. "Short term rental" is defined as a "residential dwelling", or any portion dwelling, that is rented to a person or persons for 30 consecutive days penalty limits set by this bill apply only to infractions that pose a threat safety, and do not apply to a first time offense of failure to register or p fee. **Senate Bill 60** is codified as Government Code §§ 25132 and 36900. Urgency legislation. Effective September 24, 2021.

Mobilehomes Rent Cap and Just Cause Eviction Statewide rent cap and just cause eviction rules under the Tenant Protection Act (AB 1482) apply to mobilehome rentals owned by a mobilehome park.	**Previously excluded, the owners of mobilehome rentals owned by will be now subject to the statewide rent cap and just cause evictio Tenant Protection Act (AB 1482). There is no exemption for newly b** **Recap of the Tenant Protection Act of 2019 (AB 1482):** AB 1482 creat cap by limiting allowable rent increases to 5% plus CPI for any 12-montl maximum increase. Along with the rent cap, a just cause provision was permissible reasons for termination of tenancy to a list of eleven fault a cause" reasons. However, AB 1482 excluded mobilehomes from its cov **New Law:** While mobilehome parks are typically characterized by resid homes and paying rent on the space to the park, often the mobilehome number of units and rent them out directly. Under AB 978, the statewic cause eviction law now applies to renters who are tenants in a mobileh if a tenant resides in a mobilehome unit for at least 12 months, their te terminated unless the reason is a qualified "just cause." Additionally, th tenants in a new mobile home, unlike AB 1482 which exempts tenancie within the last 15 years. AB 978 also extends the statewide rent cap to renters in a mobilehome cap takes effect on January 1, 2022; however, the maximum rent cap wi include all rent increases from February 18, 2021. If the rent increase si the maximum allowable rent increase, rents will be automatically rolled maximum allowable rent is. There is a special provision for mobilehome parks that span two cities. parks, the maximum rent increase will be 3% plus CPI not to exceed 5% **Assembly Bill 978** is codified as Civil Code §§ 1946.2 and 1947.12. Ef 2022, with rent increase look back period from February 18, 2021.

Names: Use of Prior Surname Allows a person who has legally changed their name to continue to use the prior name in conducting real estate business.	A real estate licensee who is a natural person and who legally changes t their license was originally issued may continue to utilize their former s purpose of conducting business associated with their license so long as with the department. Use of a former surname does not constitute a fictitious name for the p 10159.5. **Assembly Bill 44** codified, among other provisions, as Business and 10140.6. Effective January 1, 2022
Partition Actions: "Heirs Property" As part of a partition action involving heirs property, the court must first mandate an appraisal and grant co-tenants an option to buy. If a sale is ordered, it must be through the open-market by a broker, as opposed to an auction.	**Enacts the Uniform Partition of Heirs Property Act which grants co property" the first option to buy at an appraised price in a partitio property is property that is in part owned by or acquired from rela determine whether partition will be in kind or by sale, courts are r non-economic factors, such as the consequences of eviction and w has historic value. But if a sale is ordered, it must typically be an o through a brokerage, as opposed to a court ordered auction.** **How AB 633 works** In any partition action the court must first determine whether the prop If it is heirs property, the real property must be partitioned following th Act, unless all of the cotenants agree otherwise. **What is "heirs property"?** "Heirs property" means real property that meets all of the following cor a) It is held in tenancy in common. b) Its partition is not governed by an agreement that binds all of the cot c) One or more of the cotenants acquired title in the property from a re or deceased. d) At least one of the following conditions applies: i) Twenty percent or more of the interests in the property are held by cc relatives. ii) Twenty percent or more of the interests in the property are who acquired title from a relative, whether living or deceased. iii) Twenty percent or more of the cotenants are relatives. **How does an action to partition heirs property proceed?** A court will take the following steps in a partition action involving heirs **1) Appraisal to determine fair market value.** Determine the fair marl property generated through a disinterested real estate appraiser.

2) Option to buyout. Provide an opportunity for all cotenants, other th
requesting sale, to purchase the interests of the cotenants requesting s
appraised price.

3) Order in kind partition if no buyout. Absent such a purchase, the c
partition by kind unless the court finds that such a partition would caus
the cotenants as a group. "Great prejudice" is statutorily defined to req
the totality of the factors and circumstances involved, including how lor
been held by the cotenant and prior owners, and a cotenant's attachme

Comment: Even under the terms of the Act, a property whose value lay
improvements would ordinarily go to an open-market sale, rather than

4) Order open market sale. If the court does not order partition in kin
"great prejudice" to the co-tenants as a group, the court shall order par
sale, unless sealed bids in an auction would be more economically adva
cotenant requested partition by sale, the court shall dismiss the action.

5) Appointment of broker. If the court orders an open-market sale an
than 10 days after the entry of the order, agree on a real estate broker
of California to offer the property for sale, the court shall appoint the bi
reasonable commission.
If the parties do not agree on a broker, the court shall appoint a disinte
broker licensed in the State of California to offer the property for sale a
reasonable commission. The broker shall offer the property for sale in a
reasonable manner at a price no lower than the determination of value
conditions established by the court.

Any purchase entitled to a share of the proceeds is entitled to a credit a

**In a non-heirs property partition action, what is the standard for d
property is partitioned in kind or sold?**

When one cotenant seeks partition, it is presumed that it is more equita
property physically and distribute a portion to each cotenant.The burde
party who seeks a sale, rather than a physical division, to prove that it v
equitable" to sell the property rather than to divide it and distribute por
cotenants.In order to compel a sale rather than a physical division, it m
either: (1) a division into subparcels of equal value cannot be made,or (2
land would substantially diminish the value of each party's interest, suc
received by each cotenant would be of substantially less value than the
sale. (Miller & Starr § 11;17)

Reasons for this law

C.A.R.'s statement in support:

".... real estate speculators have exploited the land holdings of heirs by
share of heir's property and forcing a partition action. The speculator th
is able to acquire the property in a court ordered partition sale for far le
value, and, in turn, depletes a family's inherited wealth. Property owner
financial means and the expertise needed to access estate planning att

	to avoid the harsh consequences of a partition sale. But low to moderat otherwise disadvantaged heirs' property owners are vulnerable to thes these exploitive situations have classically occurred with rural landowne times, urban landowners have also found themselves subject to these l **Assembly Bill 633** is codified as Code of Civil Procedure §§ 872.020 874.323. Applies to actions filed on or after January 1, 2022, for partition of real p property.
Probate Avoidance Revocable transfer on death deed law extended until 2032	**This law extends until 2032 the revocable transfer on death deed (which allows a homeowner to transfer to a named beneficiary 1-4 upon the owner's death without a probate proceeding. Two witnes required to sign the deed. Stock cooperatives are excluded from th that may be transferred via RTODD but agricultural land with up t dwelling units are now included.** This law extends until January 1, 2032, the RTOD deed law which allows property on the death of its owner without a probate proceeding throu deed. This law applies to: • Residential one to four properties • Condominium units and • Single tract agricultural land (40 acres or less) improved with a re dwellings. • Stock cooperatives are excluded. The RTOD deed must be signed, dated and acknowledged before a not be recorded within 60 days after execution. Under SB 315, the deed is now required to be signed by two witnesses present when the RTODD was signed or acknowledged by the transferc the witnesses be competent to provide evidence in an action to contest RTODD. If a beneficiary of an RTODD also signs as a witness, the RTODD to be the product of fraud or undue influence.

During the owner's life, the deed does not affect his or her ownership r
is considered part of the owner's state for purpose of Medi-Cal eligibilit

There are three ways to revoke this deed: One, fill out, have notarized a
revocation from (the law creates a statutory form for this purpose); Two
notarized, and record a new RTOD deed; and; Three, sell or give away tl
transfer it to a trust, before you death and record the deed. A RTOD de
by will.

The law may void a RTOD deed if, at the time of the owner's death, the
joint tenancy or as community property with right of survivorship. The l
process for contesting the transfer of real property by a RTOD deed.

One remarkable aspect of this law is the list of statutory Frequently Ask
that explains the law clearly and directly.

SB 315 also allows that property may be transferred via an RTOD deed
other changes.

Senate Bill 315 is codified as Government Code §§ 5600, 5608, 5624
5644, 5652, 5660, 5674, 5682, 5690, and 5694, and Probate Code §§560
5658, 5659, 5677, 5678, 5681, and 5698.

SB 315 is effective January 1, 2022.But the changes in SB 315 do not ap
revocations that were signed before January 1, 2022.

Tax: Extension of time based on disaster Extends by two years the time period for a taxpayer affected by a disaster declared by the Governor to transfer their base year value to a new residence	**In regard to exemptions under Rev & Tax Code 69, extends by two y period for a taxpayer affected by a disaster declared by the Goverr base year value to a new residence when the deadline to transfer v 2020, but on or before the COVID-19 emergency termination date, (and the property was damaged within the same time period. RTC 6 a 5-year window to build a new structure. With SB 303, this extend law does not pertain to extensions regarding sales and new constr replacement property under Prop 19.** SB 303 enacts the following: 1) Extends by two years the time period for a taxpayer affected by a dis Governor to transfer their base year value to a new residence if the pro the following conditions: a) The last day to transfer their base year value was on or after M or before the COVID-19 emergency termination date, or March 4 earlier. b) The property was substantially damaged or destroyed on or a but on or before the COVID-19 emergency termination date, or whichever is earlier. 2) Applies the determination of base year values retroactive to the 2015 3) Contains a legislative finding stating that this retroactive treatment d gift of public funds for a specific public purpose. 4) Defines two terms, including "COVID-19 emergency termination date" Governor proclaims the termination of the emergency related to the CO was proclaimed on March 4, 2020, pursuant to the California Emergenc SB 303 allows for an extended time period for new construction under RTC 69 already allows for a 5-year window to build a new structure. Wit to seven years. This does not the time for the sale and new constructio principal residence under Prop 19. In fact, there are a host of laws rega reassessment for construction after a disaster including RTC 69.3, 69.5, none of which are altered by SB 303. **Senate Bill 303** is codified as Revenue & Tax Code 69. Effective immediately as urgency legislation.
Tax: Prop 19 implementing legislation	**SB 539 clarifies the law re exemptions from reassessment as put fo allows a homeowner to transfer their tax basis anywhere in the st property is of greater value (with an adjustment upward in such ca regarding the transfer of a tax basis of a principal residence for se severely disabled and victims of natural disaster, as well as the tra**

Prop 19 implementing legislation clarifies the rules of exemptions from reassessment allowing for the portability of a homeowner's tax basis everywhere in the state even if the value of the property is greater (with an adjustment upward in such case). Rules regarding intergenerational transfer of property or family farms from parent to child, are also addressed and clarified. This law takes effect immediately upon signature of the Governor.	**family farms from parent/grandparent to child/grandchild, are adc Most importantly, the purchase and sale of a homeowner's princip qualify for Prop 19 tax savings even if one leg of the transaction to April 1, 2021.** With the passage of Proposition 19, a homeowner who is 55 years of ag or whose home has been substantially damaged by wildfire or natural c the taxable value of their primary residence to: • A replacement primary residence • Anywhere in the state • Regardless of the value of the replacement primary residence (wi adjustments in the tax basis if "greater" in value) • Within two years of the sale • Up to three times (but without limitation for those whose houses fire) • Proposition 19 supersedes the old rules which limited this exemp purchase of a principal residence within the same county (Propos certain counties (Proposition 90) -- but only if the replacement pr or lesser value" and only one time. SB 539 clarifies the implementation of Prop 19 including: • A sale or purchase of a property may qualify for Prop 19 tax savir transaction closed prior to April 1, 2021, as long, as long as the su purchase takes place within two years and on or after April 1, 202 • Accessory Dwelling Units do not count as multiunit dwellings as lo homeowner occupies one of the units as occupied as a primary r • A previous transfer of a homeowner's tax basis under Prop 60/90 one of the three transfers under Prop 19. • If the full cash value of the replacement property is of equal or les original then the tax basis of the original transfers. "Equal or lesse replacement dwelling can be 105% of the full cash value of the or replacement property is purchased within one year after sale of t purchased within two years after sale of the original. • If the replacement property is of "greater value" to the original pr taxable value of the replacement property is be calculated by adc between the full cash value of the originalpropertyand the full cas replacement property to the taxable value of the original propert In addition to the changes to portability rules, SB 539 has clarified Prop intergenerational transfers and when a property transferred from pare child/grandchild is exempt from reassessment:

	▪ The property is eligible for the exemptions when it "continues as the transferee," meaning that only one of the heirs need to actua home to qualify for the exemption, even if there is more than one ▪ The property also may qualify if it's a family farm. This exemption parcel that constitutes a family farm. ▪ The homeowners' exemption (or disabled veterans' exemption) m transfer or within in one year to be eligible for the exemption. ▪ It is still necessary to file a claim for exemption within three years purchase (or prior to subsequent transferee, or if the child no lon property, whichever is earlier). ▪ The new tax basis represents a discount of $1 million dollars off t value of the property (but not less than its original taxable value). ▪ The $1 million dollar exemption also applies to family farms. This separately to the transfer or each legal parcel that makes up a fa This component of Prop 19 went into effect on **February 16, 2021.** SB 539 and accompanying regulations provide further detail, but gener previous rules under Prop 60/90 with the exception of those specifically Please see our Q&A "Property Tax Exemptions from Reassessment" (re details. **Senate Bill 539** is codified as Revenue and Tax Code §§ 63.2 and 69. Effective September 30, 2021, as urgency legislation See our Q&A "**Property Tax Exemptions From Reassessment Implementing Legislation**" for a complete explanation.

Tax: Penalties on Property Tax Tax Collector may cancel property tax late payment penalties if due to a shelter in place order.	**Tax Collector may cancel property tax late payment penalties if du place order if the principal payment for the proper amount of tax than June 30 of the fiscal year in which the payment first became** Currently, property tax law requires the county tax collector to collect a provides for the payment of taxes on the secured roll in 2 installments, payable on November 1 and February 1, respectively. Under existing pr first installment becomes delinquent if unpaid on December 10, and th becomes delinquent on April 10, at which point a delinquent penalty of applicable installment. Existing property tax law authorizes a county au to cancel any penalty, costs, or other charges resulting from tax delinqu tax collector finds, among other reasons, that the failure to make a time reasonable cause and circumstances beyond the taxpayer's control anc notwithstanding the exercise of ordinary care in the absence of willful r SB 219 additionally authorizes the auditor or the tax collector to cancel other charges resulting from tax delinquency upon a finding that failure payment is due to a documented hardship, as determined by the tax cc shelter-in-place order, if the principal payment for the proper amount c later than June 30 of the fiscal year in which the payment first became c **Senate Bill 219** is codified as revenue and Taxation Code § 4985.2 Effective July 23, 2021, as urgency legislation.

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