



Public Policy Update May 2024

Budget Update

The Governor's May Revise to the state budget will be released by May 14th, 2024. This is the time when he updates the budget based on the latest revenues and expenditures. Estimates of the budget shortfall have been between \$38 and \$73 billion since January. To date, the Governor has been resistant to increasing revenue in the form of tax reform, but whether that holds remains to be seen. The Legislative Analyst's Office, has released a [report](#) proposing several tax reform measures including eliminating the capital gains step-up basis on inherited assets, eliminating the mortgage interest deduction for second homes, and tax subsidies for oil and gas companies. After the May Revise is released, the summary will be accessible [here](#).

Legislative Update

The deadline for bills to pass the Appropriations Committees is May 17th. After that time, the focus will be on the Floor. Below, please find an update on several key pieces of legislation that we have been engaged in this year.

- **AB 2187 (Bryan, D-Culver City) - Office of Tenants' Rights and Protections** - Would establish the Office of Tenants' Rights and Protections, which is duplicative and costly. Although there are multiple existing government agencies that provide services and education in this area, including the Business, Consumer Services, and Housing Agency and the Department of Justice, this bill seeks to add another resource for renters within CRD. CRD is currently responsible for enforcing, among other things, the state's housing discrimination laws. This bill is set for a hearing in Assembly Appropriations Committee on May 8th. - OPPOSE
- **AB 2216 (Haney, D-San Francisco) - Household Pets** - Requires landlords to accept pets in their rentals without charging any additional refundable or non-refundable fee. As such, rental property providers would not be allowed to charge pet security deposits or prohibit common household pets in residential tenancies. This bill is pending a vote on the Assembly Floor. - OPPOSE



- **AB 2230 (Bennett) - Residential Housing Unfair Practices Act of 2023** - Would have made unfavorable changes to the Cartwright Act. CalRHA was part of a large coalition against the bill and, fortunately, it failed to pass the policy committee. - OPPOSED/DEAD
- **AB 2278 (Carillo, D-Los Angeles) - Publishing Rental Rates** - This is our sponsored bill regarding the publication of the maximum allowable annual rent increase by the Attorney General. The bill has already passed the Assembly and is in the Senate, where it has been referred to the Senate Judiciary Committee. - SUPPORT
- **AB 2347 (Kalra) - Evictions** - Would make various procedural changes to landlord-tenant law, including specified extensions of time for tenants to respond to notices and eviction papers. AB 2347 extends the time for the defendant's response to be filed from five court days to 10 court days after the unlawful detainer complaint and summons is served on the defendant. It also prohibits the clerk from entering default in an unlawful detainer action less than three court days after the plaintiff files the proof of service of the summons and complaint. AB 2347 is pending a vote on the Assembly Floor. - OPPOSE
- **AB 2498 (Zbur) - Rent Relief** - Establishes the California Housing Security Program (the Program) to provide counties with funding to administer a housing subsidy to eligible persons to reduce housing insecurity and help Californians meet their basic housing needs, subject to an appropriation. The bill would create a 2-year pilot in eight counties, including Los Angeles, Orange, and San Diego. The bill is pending a hearing in the Assembly Appropriations Committee. - SUPPORT
- **AB 2584 (Lee, D-Milpitas) - Corporate Owned Single-Family Homes** - Would prohibit owners of more than 1,000 homes from buying more single-family properties. This bill was sent to the Suspense File in the Assembly Appropriations Committee, due to the cost. We will know whether it is held or passed by May 17th. - OPPOSE
- **AB 2747 (Haney) - Credit Reporting** - Requires specified landlords to offer each tenant obligated on a lease the option of having the tenant's positive rental payment information reported to at least one nationwide consumer reporting agency. This bill is pending a vote on the Assembly Floor. - OPPOSE



- **AB 2785 (Wilson, D-Suisun City) - Security Deposits** - Would require a landlord to, within 30 days of receiving a tenant’s security, deposit the sum into an account of a bank or other financial institution regulated by the state or federal government. If it is deposited in an interest-bearing account, any interest accrued on that balance, would be payable to the tenant. The bill also caps screening fees and sets parameters for reimbursement, including if the tenant doesn’t qualify. We have been actively meeting with the author’s office on suggested amendments. - OPPOSE
- **AB 2801 (Friedman) - Security Deposits** - As introduced, the bill would have prevented using security deposits for professional carpet cleaning. However, the bill has been significantly amended and is less onerous. AB 2801 is pending a vote on the Assembly Floor.
- **SB 1201 (Durazo) - Beneficial Owners** - SB 1201 requires corporations, limited liability companies (LLCs), and real estate investment trusts to report information about their beneficial owners, as specified, on periodic reports that those business entities are required to file with the Secretary of State (SOS) and that are made available to the public. The bill was sent to the Senate Appropriations Suspense file, due to the cost, and we will know whether it is held or passed by May 17th. - OPPOSE
- **SB 1212 (Skinner) - Real estate investment trusts: purchase, acquisition, and sale of housing** - Would have banned institutional investors from “purchasing, acquiring, or leasing” a single-family home or duplex for any reason. Fortunately, this bill failed to pass the policy committee. - OPPOSED/DEAD

The legislative calendar for 2024 is as follows:

May 17 - Last day for fiscal committees to pass bills to Floor

May 24 - Last day for bills to pass their house of origin

June 15 - Budget bill must be passed by midnight

June 27 - Last day for legislative measure to qualify for the November 5th General Election ballot

July 3 - Last day for policy committees to meet and pass bills

July 4 - August 4 - Summer Recess

August 16 - Last day for fiscal committees to meet and pass bills

August 23 - Last day to amend bills on the Floor

August 31 - Last day for each house to pass bills



September 30 - Last day for the Governor to sign or veto bills

Initiative Update - Taxpayer Protection Act Oral Arguments on May 8th

Oral arguments are happening today in San Francisco on whether the Taxpayer Protection Act should be removed from the November Ballot. A detailed article may be found [here](#).