2015 Laws

2015 New Laws Affecting REALTORS®

Member Legal Services
Tel (213) 739-8282
Fax (213) 480-7724
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This chart summarizes new laws passed by the California Legislature during the first half of the 2014-15 legislative session and the U.S. Congress that may affect, or otherwise be interesting to REALTORS®. Although this webpage is entitled "2015 Laws", some of the laws contained in this list may have already come into effect in 2014 or not be effective until after 2015. More laws will be added to this list as Governor Brown has until September 30, 2014 to veto any bills. For the full text of any law, click onto the legislative number as indicated, or go to http://leginfo.legislature.ca.gov/ for California laws or http://www.gpo.gov/fdsys/ for federal laws.

Topic	Description
AUCTION COMPANIES	**Prohibits lenders or auction companies from requiring the homeowner or listing agent to defend or indemnify the auction company for liability resulting from the lender's or auction company's actions. Prohibits "shill bids" with the exception of a "seller bid" with full disclosure.** CAR sponsored legislation: This law prohibits a person bidding at an auction for real estate for the sole purpose of increasing the bid on any real property being sold by the auctioneer. However, an auctioneer or another person may place a bid on the seller's behalf during an auction of real property if notice, as specified, is given that liberty for that bidding is reserved and that type of bid will not result in a sale. The person placing that bid must contemporaneously disclose to all auction participants that the particular bid has been placed on behalf of the seller. The law creates an exception for a lienholder (lender) making a credit bid when the credit bid can result in the transfer of title to the lienholder. This law also prohibits a lender from shifting liability for the auction company's actions to an agent or homeowner. A lender or an auction company that is retained to control aspects of a residential real property transaction cannot require, as a condition of receiving a lender's approval of the transaction, that a homeowner or listing agent defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company, and would declare a clause, provision, covenant, or agreement in violation of this prohibition to be against public policy, void, and unenforceable. This provision would apply to any short sale even without an auction company. Assembly Bill 2039 codified as Civil Code §§1812.610 and 2079.23. Effective date is January 1, 2015 (for part pertaining to liability) and July 1, 2015 (for part pertaining to bidding).

BROKER and AGENT PRACTICE – CalBRE Notification	**Brokers and Agents must provide CalBRE with their current telephone number, email address and office or mailing address that the broker or agent uses for any licensed activity. This law does not require CalBRE to release telephone numbers and email addresses to the public generally.** This CAR sponsored law allows CalBRE to communicate with licensees in a cost-effective and efficient manner by requiring real estate brokers and agents to provide the commissioner with his or her current office or mailing address, current telephone number, and current electronic mail address that he or she uses to perform any activity that requires a real estate license, at which the bureau may contact the licensee. The broker or agent must keep the information current and update it no later than 30 days after making a change. CalBRE is not required to post or publish electronic mail addresses or telephone numbers, and if this information is released by CalBRE, it must be released in a way that discourages its use in unauthorized or unsolicited commercial electronic mail advertisement programs. The new requirement is in addition to the existing law that requires every licensed real estate broker to have and maintain a definite place of business in the state that serves as his or her office for the transaction of business, displays his or her license, and where he or she holds personal consultations with a client. Assembly Bill 2540 codified as Business and Professions Code §§10150, 10151, 10162 and 10165.1. Effective January 1, 2015.
BROKER and AGENT PRACTICE – Record retention	**No record retention requirement for text messages and tweets** CAR sponsored legislation: Under existing law, a broker must retain for three years copies of all documents executed by him or her or obtained by him or her in connection with any transactions for which a real estate broker license is required. This new law excludes electronic messages of an "ephemeral nature" such as text messages, instant messages and tweets from this record retention requirement (unless designed to be retained or to create a permanent record). The new law, however, does not clearly exclude emails from the record retention requirements. Therefore, CalBRE's instructions from the Real Estate Bulletin - Spring 2013 should still be adhered to in regard to emails. Assembly Bill 2136 codified as Business and Professions Code §10148 and Civil Code §1624. Effective January 1, 2015.

BROKER and AGENT PRACTICE – Team Names	**The use of a team name does not require application to CalBRE for a separate license to be issued for that name. Sales agents may contract to maintain ownership of their own fictitious business names.** This CAR sponsored law authorizes the use of team names under the California Business and Professions Code. (Presently, it is only by virtue of CalBRE's Bulletin from Spring 2013 is their use permitted). Under the new law, the use of a team name no longer requires the broker to apply to CalBRE for the issuance of a separate license, and does not constitute a fictitious business name if: • The name is used by two or more real estate licensees • The name includes a licensee's surname in conjunction with the term "associates," "group," or "team" • And the name does not include any term or terms that imply or suggest the existence of a real estate entity independent of a responsible broker. Despite the above, a team name may still have to be recorded with the county recorder (under existing law). Advertising that contains a team name, including print or electronic media and "for sale" signs, must adhere to the following: • The licensee's name and license number, and shall be displayed in a conspicuous manner. • The responsible broker's identity shall be displayed as prominently and conspicuously as the team name. • The advertising material shall not contain terms that imply the existence of a real estate entity independent of the responsible broker. <u>Fictitious Business Names Owned by a Salesperson</u> This law confirms that a sales agent may maintain ownership of a fictitious business name if permitted by contract with the broker. Additionally, the broker may, by contract, permit the agent to file an application for a fictitious business name with the county clerk on the broker's behalf, deliver to CalBRE an application signed by the broker for use of the fictitious business name, and pay for any associated fees to the county or CalBRE. Nonetheless a salesperson using a fictitious business name shall use that name only as permitted by his or her responsible broker. Marketing and solicitation materials using a fictitious business name owned by a sales person, including business cards, print or electronic media and "for sale" signs, shall include: • The responsible broker's identity in a manner equally as prominent as the fictitious business name, and • The salesperson's name and license number Assembly Bill 2018 codified as Business and Professions Code §§10159.5, 10159.6 and 10159.7. Effective date is January 1, 2015

COMMON INTEREST DEVELOPMENTS – Stock Cooperatives	**Blanket encumbrances secured against stock cooperatives are permitted with disclosure and reserve safeguards, thereby encouraging the use of stock cooperatives as a common interest development structure** In California, with a few limited exceptions, the sale of cooperative shares in a stock cooperative is prohibited when the units are subject to a "blanket encumbrance." A blanket encumbrance is a single lien secured against the entire property as opposed to any one individual ownership interest. This prohibition is necessary to protect cooperative members from losing their homes in the event that one member of the cooperative fails to make payments to the single lienholder. However, the prohibition on blanket encumbrances acts as an effective ban on the development of stock cooperatives, because lenders generally will not lend on individual units in a cooperative. This law removes this significant barrier to financing stock cooperatives by allowing a stock cooperative to be sold or leased subject to a blanket encumbrance if all the following conditions are met: 1. Prospective purchasers are notified in the purchase contract that the property is subject to a blanket encumbrance; 2. The property has obtained a public report from the Bureau of Real Estate (BRE) that accounts for the blanket encumbrance; and 3. The governing documents require the association to create and maintain during the term of the blanket encumbrance anywhere between two and eight months of reserve accounts based upon the timing and number of interests sold. Assembly Bill 569 codified as Business and Professions Code §§11003.4, 11013.1 and 11013.6 and Civil Code §5100. Effective January 1, 2015.

CONSUMER PROTECTION	**Consumers cannot be forced to waive right to make critical or disparaging statements about a business** This law prohibits a contract or proposed contract for the sale or lease of consumer goods or services from including a provision waiving the consumer's right to make any statement regarding the seller or lessor or its employees or agents, or concerning the goods or services. It imposes civil penalties upon any person who violates the provisions of the law, of $2,500 for the initial violation and $5,000 for each subsequent violation, as well as an additional penalty of $10,000 if the violation was willful, intentional, or reckless in actions that may be brought by the consumer, the Attorney General, or a district attorney or city attorney. It does not prohibit or limit a person or business that hosts online consumer reviews or comments from removing a statement that is otherwise lawful to remove. Assembly Bill 2365 codified as Civil Code 1670.8. Effective January 1, 2015.
CONTRACTORS	**It is a misdemeanor to act as a contractor while working under a suspended license. Any advertisement for unlicensed work is only legal if the aggregate contract price for labor and materials is less $500.** This law provides that, unless exempted, it is a misdemeanor for a person to engage in the business of, or act in the capacity of, a contractor while his or her license is suspended. The Contractors' State License Law presently provides that it is a misdemeanor for any unlicensed person to advertise for construction or work of improvement unless that person states that he or she is unlicensed in the advertisement. This law additionally prohibits an advertisement for construction work or a work of improvement by an unlicensed person unless the aggregate contract price for labor, materials, and all other items is less than $500, and the work or operations are casual, minor, or inconsequential. Senate Bill 315 codified as Business and Professions Code §§7011.4, 7027.2, 7028 and 7110.5. Effective date is January 1, 2015.

DISCLOSURES – Agency Relationships	**Disclosure Regarding Real Estate Agency Relationships (C.A.R. form AD) must be delivered on commercial transactions** Presently, the Disclosure Regarding Real Estate Agency Relationships form (C.A.R.'s AD form) is required for real property transactions involving residential one to four dwelling units, leases of greater than one year and manufactured homes (if negotiated by an agent). Existing law also requires the listing or selling agent to disclose to the buyer and seller whether he or she is acting as the buyer's agent exclusively, the seller's agent exclusively, or as a dual agent representing both the buyer and the seller. This disclosure is typically made through the confirmation of agency relationships on the first page of CAR purchase agreements. Under the law, the AD form and confirmation will be required for any commercial, vacant land or industrial property; or any residential 1 - 4 property. Senate Bill 1171 codified as Civil Code §2079.13. Effective January 1, 2015.
DISCLOSURES – Commercial	**Energy Use Disclosure (AB 1103) Requirements for Commercial Property: Compliance on or after July 1, 2014 total gross square foot area measuring 5,000 square feet up to 10,000 square feet delayed to July 1, 2016** The sale or lease of commercial property meeting certain square footage measurements requires the delivery of energy use disclosure to the prospective buyer or tenant. The disclosure trigger was to become effective for the sale of lease or commercial property measuring between 5,000 and 10,000 square feet on July 1, 2014. The California Energy Commission amended subdivision (c) of section 1682 of title 20 of the California Code of Regulations as an emergency regulatory action to change the effective date from July 1, 2014 to July 1, 2016 when the disclosure requirements of Public Resources Code section 25402.10 apply for a nonresidential building with a total gross square foot area measuring 5,000 square feet up to 10,000 square feet. The Office of Administrative Law approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code. This emergency regulatory action became effective on September 2, 2014 and will expire on March 3, 2015.

DISCLOSURES – HOA	**Document bundling is prohibited. It is the responsibility for the seller to pay HOA document fees** CAR sponsored legislation: This law prohibits the practice of "document bundling" in the sale of units in a common interest development. ("Document bundling" means requiring the purchase of a package of documents together with the legally mandated disclosures). Current law requires delivery of various common interest disclosure documents ("mandated CID disclosures"). These disclosures include the CC&Rs, Bylaws, Operating Rules, rental and age restrictions, budget reports, regular and special assessments, etc… Under the new law the fees for these mandated CID disclosures must be individually itemized for each document. Additionally, the fees for all mandated CID disclosures must be separately stated and separately billed from all other fees, fines, or assessments. Only mandated disclosures may appear on the statutory form. Once a written request for the CID mandated disclosures is made, the HOA must estimate the cost of the mandated CID disclosures prior to processing the request. Where there is no hard copy delivery of documents, the HOA may not charge an additional fee for electronic delivery in lieu of the hard copy. The statutory form has been modified to reflect these changes. This law will also require a seller to provide a prospective purchaser with all mandated CID documents that the seller possesses -- free of charge. Moreover, if a seller confirms in writing that the document is a current document then the HOA may not bill for it. Lastly, the association may collect a reasonable fee based upon the association's actual cost for the procurement, preparation, reproduction and delivery of the documents – but only from the seller. It is the responsibility of the seller to pay the association, person, or entity that provides the mandated CID disclosures. As a result of this law, C.A.R. will modify its standard purchase agreements to require that the seller alone will pay for the mandated CID disclosures, but the cost for other contractual disclosures will remain negotiable. Additionally, form HOA will be modified to reflect the required changes by dividing it into three forms: one for the request to the HOA, form HOA 1; one for mandated CID disclosures, HOA 2 (per the revised statutory form); and one for additional contractual disclosures as required under the C.A.R. standard purchase agreements, HOA 3. Assembly Bill 2430 codified as Civil Code §§4528 and 4530. Effective January 1, 2015.

EMPLOYMENT – Affordable Care Act	**Affordable Care Act for small employers delayed until 2016. Internal Revenue Service bulletin confirms real estate sales agent's non-employee status** This law allows small employers to continue to offer their current health plans to employees through December 31, 2015, essentially conforming state law to the federal extension of the Patient Protection and Affordable Care Act (ACA) until January 1, 2016. Additionally, the Internal Revenue Service issued regulations in February of 2014 clarifying that real estate sales agents are not treated as employees for purposes of the ACA. Accordingly many, if not most real estate brokerage offices, may never reach the number of employees to trigger the employer obligations under the ACA. Because real estate sales agents will not be counted as employees for ACA, the extension for employer compliance may be a nonissue for most REALTORS®. Nonetheless, REALTORS® are reminded that their membership allows them access to several health plan options as members of the CALIFORNIA ASSOCIATION OF REALTORS®. Senate Bill 1446 codified as Health and Safety Code §1367.012 and Insurance Code §10112.300. Effective July 7, 2014. Internal Revenue Bulletin: 2014-9 (TD 9655, "Shared Responsibility for Employer Regarding Health Coverage"). Effective February 12, 2014.

EMPLOYMENT – Anti-Sexual Harassment Training	**Employers' training and education of supervisory employees regarding sexual harassment must include prevention of abusive conduct. This law applies to employers who employ 50 or more employees with persons providing services pursuant to contract as "employees" – a definition which may include agents.** Existing law also requires employers, as defined, with 50 or more employees to provide at least 2 hours of training and education regarding sexual harassment to all supervisory employees, as specified. Existing law requires each employer to provide that training and education to each supervisory employee once every 2 years. This law additionally requires that the above-described training and education include, as a component of the training and education, prevention of abusive conduct, as defined. For purposes of this law only, "employer" means any person regularly employing 50 or more persons or regularly receiving the services of 50 or more persons providing services pursuant to a contract, or any person acting as an agent of an employer, directly or indirectly, the state, or any political or civil subdivision of the state, and cities. Assembly Bill 2053 codified Government Code §12950.1. Effective date is January 1, 2015.
EMPLOYMENT – Paid Sick Leave	**Employers required to provide their employees paid sick leave** This law enacts the Healthy Workplaces, Healthy Families Act of 2014 to provide that an employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the commencement of employment is entitled to paid sick days for prescribed purposes, to be accrued at a rate of no less than one hour for every 30 hours worked. An employee is entitled to use accrued sick days beginning on the 90th day of employment. It authorizes an employer to limit an employee's use of paid sick days to 24 hours or 3 days in each year of employment, and prohibits an employer from discriminating or retaliating against an employee who requests paid sick days. This law requires employers to satisfy specified posting and notice and recordkeeping requirements. It authorizes the Labor Commissioner to impose specified administrative fines for violations and would authorize the commissioner or the Attorney General to recover specified civil penalties against an offender who violated these provisions on behalf of the aggrieved, as well as attorney's fees, costs, and interest. Assembly Bill 1522 codified as §§245 et seq. and 2810.5 of the Labor Code. Effective date is January 1, 2015

ENVIRONMENT	**California Red-Legged frog declared state amphibian** This law designates the California red-legged frog as the "State Amphibian." Presently, the frog is subject to protection under both federal and state laws passed in 1996. Additionally, in 2010 the US Fish and Wildlife Service announced 1,600,000 acres of protected land as a critical habitat for the species throughout California which has implications regarding development and use of such land. Although the designation does not provide any further legal protection to the frog as a threatened species, it does highlight the importance that California places on the frog's preservation. Assembly Bill 2364 codified as Government Code §422.7. Effective January 1, 2015.
ENVIRONMENT – Water Conservation	**Emergency regulation restricting use of water for outdoor landscapes adopted by State Water Resources Control Board** In January of 2014 Governor Brown declared a State of Emergency to exist in California due to severe drought conditions. Since then, other executive orders by the Governor have cleared the way for the state water board's adoption of emergency regulations to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation. On July 15, the state water board adopted emergency regulations restricting water use for outdoor landscapes. The regulations prohibit using potable water outdoors, such as watering your lawn, in a manner that results in runoff water on sidewalks, driveways, roadways and your neighbor's property; washing a car with a hose unless the hose is fitted with a shut-off nozzle; watering down your driveway and sidewalk; and using water in a decorative fountain unless it recirculates. Violation of the regulations is an infraction and may result in a fine of up to $500 for each day the violation occurs. C.A.R.'s form "Statewide Buyer and Seller Advisory" (SBSA) (an optional disclosure form) advises potential buyers of the possibility of governmental limitations on the amount of water available to the property, restrictions on the use of water, and an increasingly graduated cost per unit of water use, including penalties for excess usage. Article 22.5 Drought Emergency Water Conservation §864. Effective July 15, 2014.

FINANCE	**Seller/Borrower has right to request suspension of HELOC during escrow** Presently, if a borrower has a home equity line of credit (HELOC) secured by a lien on his house, the HELOC loan is supposed to be closed and not drawn on during the sale or refinancing of the house. If the lender fails to close the HELOC during escrow and money is drawn on, the underlying lien and loan may become the debt of the innocent buyer. This law facilitates the seller's/borrower's request to suspend the HELOC by creating a form for the seller/borrower to sign in escrow, the ultimate purpose being to avoid the mistake of drawing upon a HELOC during the escrow or immediately following the sale of the house. Assembly Bill 1770 codified as Civil Code §2943.1. Effective on July 1, 2015 to remain in effect only through July 1, 2019.
FINANCE – FHA Prepayment Penalties	**No prepayment penalties on any FHA-insured mortgages** "The Handling Prepayments: Eliminating Post-Payment Interest Charges" final rule revises FHA regulations to prohibit an FHA-approved mortgagee from charging the borrower interest through the end of the month when the mortgage is paid in full before month end, and prohibits prepayment penalties for all FHA-insured single family mortgage products and programs, even if the product or program could fit into one of the circumstances where Consumer Financial Protection Bureau's rules allow a limited prepayment penalty. FHA's final rule adopts the policies published in HUD's March 13, 2014 proposed rule on this topic without change, including: • Notwithstanding the terms of the mortgage, mortgagees shall accept a prepayment at any time and in any amount, and shall not charge a post-payment charge; and • Monthly interest on the debt must be calculated on the actual unpaid principal balance of the mortgage as of the date the prepayment is received and not as of the next installment due date. Finalized rule: Federal Housing Administration (FHA): Handling Prepayments: Eliminating Post-Payment Interest Charges 24 CFR Part 203 [Docket No. FR–5360–F–02] This final rule pertains to all FHA-insured mortgages closed on or after January 21, 2015, regardless of the actual terms of the mortgage.

FLOOD INSURANCE	**Flood insurance premiums increases are delayed** Background: the Biggert-Waters Flood Insurance Reform Act of 2012 was passed with the purpose of requiring homeowners to pay premiums which reflect the true risks of living in high-flood areas. Additionally, the adjusted premiums were intended to cover a short fall in the National Flood Insurance Program and end subsidization of flood insurance for second homes and businesses. However upon implementation, the magnitude of the premium increases was unanticipated. NAR has stated that as a result of the extreme rise in premiums, "property owners across the nation are again facing foreclosure in the 20,000 communities where flood insurance is required for a mortgage," and additionally "real estate agents are being forced to explain to former clients the lack of FEMA disclosures." http://www.realtor.org/topics/national-flood-insurance-program-nfip/nar-issue-brief-homeowner-flood-insurance-affordability-act. Hence the need for this present legislation. Even with its passage, FEMA must still implement the changes via rule making before property owners will see relief. The Home Flood Insurance Affordability Act of 2014 amends the Biggert-Waters law as follows: • Repeals point-of-sale requirement that buyers immediately pay the full-risk premium rate at the time of purchase • Restores "grandfathering" of rates in the flood zones where the properties were built to code • Caps premium increases to 18% annually for new properties and 25% for the older properties until they are paying full cost for flood insurance • Refunds any premiums paid by property owners in excess of 18-25% increases See NAR's Legislative Analysis "Homeowner Flood Insurance Affordability Act of 2014" http://www.realtor.org/topics/national-flood-insurance-program-nfip/legislative-analysis House Resolution 3370 "Homeowner Flood Insurance Affordability Act" signed into law on March 21, 2014. Effective dates depend upon FEMA administration.

FORECLOSURE – Right of Redemption	**Judgment Debtor retains equitable right to redeem real property after execution sale even beyond 90 day statutory period** In 1982 the legislature codified The Enforcement of Judgments Law which provides that a sale of real property pursuant to execution sale regarding enforcement of judgments is absolute and may not be set aside. As a procedural safeguard, that same law states that if the sale was improper because of irregularities in the proceedings, because the property sold was not subject to execution among other reasons, the judgment debtor may commence an action within 90 days after the date of sale to set aside the sale if the purchaser at the sale is the judgment creditor. However, the Enforcement of Judgments Law was not originally intended to affect the equitable right of redemption. This is the right that a judgment debtor has to redeem property from a sale where there may be a grossly inadequate price, or where the purchaser is guilty of unfairness or has taken undue advantage, or in other circumstances which could merit an equitable right to redeem beyond the 90 day period. This law declares that these provisions of existing law do not affect, limit, or eliminate a judgment debtor's equitable right of redemption. Assembly Bill 2317 codified as Code of Civil Procedure §701.680. Effective date is January 1, 2015
FORECLOSURE NOTICES	**Los Angeles County separate notification of notice of default or sale sent by county recorder as anti-fraud measure is extended** This law is specific to Los Angeles County. It extends to 2020 a previous measure that directs the L.A. County recorder to notify by mail the owner of a property and the occupants or tenants of a notice of default or a notice of sale. Notices of default and notices of sale are already required to be mailed to the property owner and posted under state law, so this additional notice may appear redundant. However, the intent of this law is to alert an owner to potential fraud, since someone recording fraudulent notices of default or sale would likely not mail out the state-law mandated notice of default or sale. Senate Bill 827 codified as Government Code §§27297.6 and 27387.1. Effective January 1, 2015.

GOVERNMENT – Solar Energy System Approval Process	**Local governments must have an expedited, streamlined permitting process in place for small residential rooftop solar energy systems.** The law requires a city, county, or city and county to adopt an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems, as specified. The law additionally requires a city, county, or city and county to inspect a small residential rooftop solar energy system eligible for expedited review in a timely manner. It prohibits a city, county, or city and county from conditioning the approval of any solar energy system permit on approval of that system by an association that manages a common interest development. If an application for solar energy installation is denied, the applicant must be informed within 45 days, not 60 as is the current law. This law would also prohibit deed covenants or HOAs from imposing restrictions on certain solar energy systems that increase their cost by 10% or more than $1000, or decrease their efficiency by more than 10%. Assembly Bill 2188 codified as Civil Code §714 and Government Code §65850.5. Effective date is September 30, 2105.
HOA – Backyard Plants	**HOA must allow personal agriculture** This law requires a landlord to permit a tenant to participate in “personal agriculture” in portable containers approved by the landlord in the tenant’s outdoor backyard area. It must be on the ground level of the rental unit; for planting edible fruits or vegetables; for personal use or donation; and cannot include marijuana or any unlawful crops, among other conditions. This law also affects HOAs. It would make void any provision of a governing document of a common interest development that effectively prohibits or unreasonably restricts the use of a homeowner’s backyard for personal agriculture as described above. Assembly Bill 2561 codified as Civil Code §§ 1940.10 and 4750. Effective date is January 1, 2015.

HOA – Common Interest Disclosures	**Document bundling is prohibited. It is the responsibility for the seller to pay HOA document fees** CAR sponsored legislation: This law prohibits the practice of "document bundling" in the sale of units in a common interest development. ("Document bundling" means requiring the purchase of a package of documents together with the legally mandated disclosures). Current law requires delivery of various common interest disclosure documents ("mandated CID disclosures"). These disclosures include the CC&Rs, Bylaws, Operating Rules, rental and age restrictions, budget reports, regular and special assessments, etc… Under the new law the fees for these mandated CID disclosures must be individually itemized for each document. Additionally, the fees for all mandated CID disclosures must be separately stated and separately billed from all other fees, fines, or assessments. Only mandated disclosures may appear on the statutory form. Once a written request for the CID mandated disclosures is made, the HOA must estimate the cost of the mandated CID disclosures prior to processing the request. Where there is no hard copy delivery of documents, the HOA may not charge an additional fee for electronic delivery in lieu of the hard copy. The statutory form has been modified to reflect these changes. This law will also require a seller to provide a prospective purchaser with all mandated CID documents that the seller possesses -- free of charge. Moreover, if a seller confirms in writing that the document is a current document then the HOA may not bill for it. Lastly, the association may collect a reasonable fee based upon the association's actual cost for the procurement, preparation, reproduction and delivery of the documents – but only from the seller. It is the responsibility of the seller to pay the association, person, or entity that provides the mandated CID disclosures. As a result of this law, C.A.R. will modify its standard purchase agreements to require that the seller alone will pay for the mandated CID disclosures, but the cost for other contractual disclosures will remain negotiable. Additionally, form HOA will be modified to reflect the required changes by dividing it into three forms: one for the request to the HOA, form HOA 1; one for mandated CID disclosures, HOA 2 (per the revised statutory form); and one for additional contractual disclosures as required under the C.A.R. standard purchase agreements, HOA 3. Assembly Bill 2430 codified as Civil Code §§4528 and 4530. Effective January 1, 2015.

HOA – Dispute Resolution	**Dispute resolution by common interest development association must be in writing and signed by both parties, and authorizes a member and an association to be assisted by an attorney or another person at their own costs during the dispute process** This law provides that a party to an association dispute resolution (or under the statutory alternative dispute resolution) must have the right to be assisted by an attorney (at his or her own cost). Furthermore, any agreement to a dispute resolution (whether under the association's procedures or under the statutory alternative dispute resolution) that binds the parties and is judicially enforceable must be in writing and signed by both parties. Background: The Davis-Stirling Common Interest Development Act requires an association to provide a fair, reasonable, and expeditious procedure for resolving a dispute between an association and a member. The act authorizes an association to develop its own procedure for these purposes and requires this procedure to satisfy specified minimum standards, including, among others, that a resolution or agreement of a dispute, pursuant to the procedure, binds the association and is judicially enforceable. The act also requires that the procedure provide a means by which the member and the association may explain their positions. The act also establishes an alternative procedure applicable to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure as described above. Under these provisions a procedure that, among other things, authorizes either party to request, in writing, the other party to meet and confer, prohibits the association from refusing a request to meet and confer, and requires the parties to meet and confer in good faith in an effort to resolve the dispute, is deemed a fair, reasonable, and expeditious dispute resolution procedure. The act provides that an agreement reached under this procedure binds the parties and is judicially enforceable if specified conditions are satisfied. Assembly Bill 1738 codified as Civil Code §§5910 and 5915. Effective date is January 1, 2015.

HOA – Exemption from Drought Emergency Rules	**HOA may impose fines for reduction of water use if HOA uses recycled water for landscape irrigation** Existing law prohibits an association from imposing a fine or assessment on separate interest owners for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency or the local government has declared a local emergency due to drought. This bill would exempt from these prohibitions against imposing a fine or assessment an association that uses recycled water for landscape irrigation. Senate Bill 992 codified as Civil Code §§4735 and 4736. Effective date is September 18, 2014.
HOA – Maintenance Obligations	**A common interest development is responsible for repairing and replacing the exclusive use common areas while the owner is only responsible for its maintenance** This law, beginning January 1, 2017, provides that the association is responsible for repairing and replacing the exclusive use common area while the owner of each separate interest is responsible for maintaining the exclusive use common area appurtenant to the separate interest unless otherwise provided in the declaration of a common interest development. This law confirms that the association is responsible for maintaining, repairing, and replacing the common area, and that the owner of each separate interest is responsible for maintaining, repairing, and replacing the separate interest, unless stated otherwise in the declaration. Assembly Bill 968 codified as Civil Code §4775. Effective date is January 1, 2017.

HOA – Water Conservation	**A common interest development's architectural or landscaping guidelines are void and unenforceable if they prohibit the use of low water-using plants as a group or as a replacement of existing turf** Existing law provides that a provision of any of the common interest development governing documents is void and unenforceable if it prohibits the use of low water-using plants as a group. This law extends that same provision to include the architectural or landscaping guidelines or policies which shall also be void and unenforceable if it contains the above-described prohibitions or includes conditions that have the effect of prohibiting, low water-using plants as a replacement of existing turf. Assembly Bill 2104 codified as Civil Code §4735. Effective January 1, 2015.
HOA – Water conservation	**HOAs prohibited from fining members for reducing water use** This law prohibits a homeowner's association from imposing a fine or assessment against a member who reduces or eliminates watering of vegetation or lawns during any period during which the Governor or local government has declared an emergency due to drought. In January of 2014 Governor Brown declared a State of Emergency to exist in California due to severe drought conditions. Assembly Bill 2100 codified as Civil Code §4735. Effective on July 21, 2014.

HOUSING – First Time Homebuyer Program	**"HAWK" - New Homebuyers Pilot Program. First time homebuyers may qualify for savings on FHA-insured loans** "HAWK" stands for Homeowners Armed with Knowledge and serves as an umbrella term for Federal Housing Administration initiatives that link HUD's Housing Counseling program with FHA-insured mortgage origination and servicing. Under the new proposed pilot homebuyers will qualify for savings on their FHA-insured loans by completing housing counseling by a HUD-approved counseling agency. The counseling is aimed at improving buyers' financial management skills and housing decisions. The program is open to first-time homebuyers as defined by FHA who qualify for FHA mortgage insurance. FHA defines a first-time homebuyer as an individual who has not been an owner in a primary residence for at least three years leading up to the purchase. The HAWK Pilot is proposed to be a four-year pilot. Federal Housing Administration (FHA): Homeowners Armed With Knowledge (HAWK) for New Homebuyers [Docket No. FR–5786–N–01]. Estimated start date is October 1, 2014.
LANDLORD/TENANT – Backyard Plants	**Landlord must allow personal agriculture** This law requires a landlord to permit a tenant to participate in "personal agriculture" in portable containers approved by the landlord in the tenant's outdoor backyard area. It must be on the ground level of the rental unit; for planting edible fruits or vegetables; for personal use or donation; and cannot include marijuana or any unlawful crops, among other conditions. This law also affects HOAs. It would make void any provision of a governing document of a common interest development that effectively prohibits or unreasonably restricts the use of a homeowner's backyard for personal agriculture as described above. Assembly Bill 2561 codified as Civil Code §§ 1940.10 and 4750. Effective date is January 1, 2015.

LANDLORD/TENANT – Electric Charging Stations	**Landlords must allow for installation of electric vehicle charging stations by renters, so long as the station meets requirements** A tenant shall have the right to install at his or her expense an electric vehicle charging station for any lease executed, renewed, or extended on and after July 1, 2015, in accordance with specified requirements and compliance with the landlord's approval process for modification to the property. As for residential properties, the law will not apply to properties with less than 5 parking spaces and one subject to rent control, among other exceptions. As for commercial properties, the law will not apply to properties with less than 50 spaces among other exceptions. The electric vehicle charging station and all modifications and improvements made to the property must comply with federal, state, and local law, and all applicable zoning requirements, land use requirements, and covenants, conditions, and restrictions. This law also requires the tenant to agree to specified provisions, including compliance with the lessor's requirements for the installation, use, maintenance, and removal of the charging station and installation of the infrastructure for the charging station as part of the tenant's request to install the station. The law requires a tenant to maintain in full force and effect a $1,000,000 lessee's general liability insurance policy, as specified. The tenant would be required to pay for all costs prior to installation, and later, all costs of damage, maintenance, repair, removal and replacement of the charging station. Assembly Bill 2565 codified as Civil Code §§1947.6 and 1952.7. Effective date is July 1, 2015.

LANDLORD/TENANT - Eviction	**Creates a pilot program in three cities permitting the owner of a vacant property to remove squatters by pre-registering the property.This would then enable the owner to obtain a court injunction and the local law enforcement to remove squatters for trespassing.** This CAR sponsored law creates a pilot program in the Cities of Palmdale, Lancaster and Ukiah, applicable to 1 – 4 residential property. Under the program the property owner, or an agent of the property owner, could file the Declaration of Ownership of Residential Real Property with the local law enforcement agency which could later be used to remove squatters. If a squatter is found on the property the local law enforcement agency would be required to respond and take specified action, including requiring the person to produce written authorization to be on the property or other evidence demonstrating the person's right to possession, and notifying any person who does not produce that authorization that the owner or owner's agency may seek to obtain a court order and that the person will be subject to arrest for trespass if he or she is subsequently found on the property in violation of that order. Assembly Bill 1513 codified as Code of Civil Procedure §§527.11 and 527.12. Effective date is January 1, 2015 through January 1, 2018.

LANDLOR/TENANT – Eviction	**For the cities of Los Angeles, Long Beach, Sacramento and Oakland only. Allows city attorney to demand that a landlord evict a tenant for unlawful possession of weapons or ammunition. If there are safety-related reasons for the owner not to proceed then the city attorney has right to be assigned the UD action against the tenant, or the city may undertake the UD action itself.** Pilot program: To abate the nuisance caused by illegal conduct involving unlawful weapons or ammunition on real property, the city prosecutor or city attorney may file, in the name of the people, an action for unlawful detainer against any person who is in violation of the nuisance or illegal purpose provisions of the unlawful detainer law. Filing this action shall be based upon an arrest or warrant by a law enforcement agency, reporting an offense committed on the property and documented by the observations of a law enforcement officer or agent. Prior to filing an action, the city prosecutor or city attorney shall give 30 calendar days' written notice to the owner, requiring the owner to file an action for the removal of the person who is in violation of the nuisance or illegal purpose of the UD law. The owner shall, within 30 calendar days of the mailing of the written notice, either provide the city prosecutor or city attorney with all relevant information pertaining to the unlawful detainer case, or provide a written explanation setting forth any safety-related reasons for noncompliance, and an assignment to the city prosecutor or city attorney of the right to bring an unlawful detainer action against the tenant. Assembly Bill 2310 codified as Civil Code §3485. Effective date is September 15, 2014 through January 1, 2019

LANDLORD/TENANT – Eviction	**For the cities of Sacramento and Oakland only. (The law already applies in the city of Los Angeles). Allows city attorney to demand that a landlord evict a tenant for illegal conduct involving controlled substance. If there are safety-related reasons for the landlord not to proceed then the city attorney has right to be assigned the UD action against the tenant, or the city may undertake the UD action itself.** Pilot program: To abate the nuisance caused by illegal conduct involving controlled substance on real property, the city prosecutor or city attorney may file, in the name of the people, an action for unlawful detainer against any person who is in violation of the nuisance or illegal purpose provisions of the unlawful detainer law, with respect to that controlled substance. Fling this action shall be based upon an arrest or warrant by a law enforcement agency, reporting an offense committed on the property and documented by the observations of a law enforcement officer or agent. Prior to filing an action, the city prosecutor or city attorney shall give 30 calendar days' written notice to the owner, requiring the owner to file an action for the removal of the person who is in violation of the nuisance or illegal purpose of the UD law. The owner shall, within 30 calendar days of the mailing of the written notice, either provide the city prosecutor or city attorney with all relevant information pertaining to the unlawful detainer case, or provide a written explanation setting forth any safety-related reasons for noncompliance, and an assignment to the city prosecutor or city attorney of the right to bring an unlawful detainer action against the tenant. Assembly Bill 2485 codified as Civil Code §3486. Effective date is September 15, 2014 through January 1, 2019.

LANDLORD/TENANT – Security Deposits	**Landlords and tenants may agree to use electronic communications regarding the security deposit generally. Delivery of the itemization of deposit still requires "personal receipt" or by mail.** This law permits landlords and tenants to agree to the use of electronic communications for some notices and agreements pertaining to the establishment and handling of security deposits, including the Notice of Right to Inspection Prior to Termination of Tenancy (CAR form NRI). Nonetheless, the security deposit law itself, Civil Code 1950.5, requires that the itemization of the security deposit and notice to the tenant of its disposition must still be made be either personal delivery or first class mail. This law may potentially impact the use of electronic signatures for lease agreements. Assembly Bill 2747 codified (in pertinent part) as Civil Code §1633.3. Effective date is January 1, 2015.
LICENSING – Citizenship or Immigration Status	**Prohibits CalBRE from denying a license based on citizenship or immigration status. Requires applicant to provide an individual taxpayer identification number (ITIN) or a social security number (SSN) for an initial or renewal license.** The law prohibits, except as specified, any entity within the Department of Consumer Affairs including CalBRE from denying licensure to an applicant based on his or her citizenship status or immigration status. It requires every board within the department to implement regulatory and procedural changes necessary to implement these provisions no later than January 1, 2016, and authorizes implementation at any time prior to that date. This law, no later than January 1, 2016, requires those licensing bodies to require an applicant to provide either an individual tax identification number or social security number if the applicant is an individual. The licensing bodies must report to the Franchise Tax Board, and subject a licensee to a penalty, for failure to provide that information, as described above. Senate Bill 1159 codified under the Business and Professions Code, the Family Code and the Revenue and Taxation Code. Effective date is January 1, 2016.

LICENSING – Criminal Conviction	**Prohibits CalBRE (amongst other boards and bureaus within the Department of Consumer Affairs) from denying a professional license based solely on a criminal conviction which has been expunged.** This law prohibits boards and bureaus within Department of Consumer Affairs which includes CalBRE from denying a professional license to an applicant based solely on a prior conviction that was dismissed by a court either because the individual completed the terms of his or her sentence without committing any additional offenses or because a dismissal would serve the interests of justice. Obtaining an order of dismissal in this way is referred to as expungement which may be granted upon petition to a person who successfully serves and completes all the terms of their sentence including payment of restitution and fines. Expungement is not available to persons who were sentenced to prison or who committed certain sex or other offenses. Assembly Bill 2396 codified as Business and Professions Code §480. Effective January 1, 2015.

LOAN DISCLOSURES	**TILA-RESPA disclosures will be integrated into two new forms: the "Loan Estimate" and the "Closing Disclosure." Effective date is August 1, 2015** The TILA-RESPA rule consolidates four existing disclosures required under TILA and RESPA for closed-end credit transactions secured by real property into two new forms: the "Loan Estimate" and the "Closing Disclosure." First, the Loan Estimate combines the Good Faith Estimate (GFE) and the initial Truth-in-Lending disclosure. The Loan Estimate must be delivered or placed in the mail no later than the third business day after receiving the consumer's application. Second, the Closing Disclosure combines the HUD-1 and final Truth-in-Lending disclosure. It is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. The Closing Disclosure must be provided to consumers at least three business days before consummation of the loan. Certain changes to the Closing Disclosure prior to closing require may require a new waiting period. These include an APR that becomes inaccurate; the loan product changes; or a prepayment is added. The new Integrated Disclosures must be provided by a creditor or mortgage broker that receives an application from a consumer for a closed-end credit transaction secured by real property on or after August 1, 2015. Creditors will still be required to use the GFE, HUD-1, and Truth-in-Lending forms for applications received prior to August 1, 2015. As the applications received prior to August 1, 2015 are consummated, withdrawn, or cancelled, the use of the GFE, HUD-1, and Truth-in-Lending forms will no longer be used for most mortgage loans. The TILA-RESPA rule applies to most closed-end consumer credit transactions secured by real property. However, the TILA-RESPA rule does not apply to HELOCs, reverse mortgages or mortgages secured by a mobile home or by a dwelling that is not attached to real property. The creditor must retain copies of the Closing Disclosure (and all documents related to the Closing Disclosure) for five years after consummation. However, the Escrow Closing Notice and the Post-Consummation Partial Payment Policy disclosure need only be retained for two years. For all other evidence of compliance with the TILA-RESPA rule creditors must maintain records for three years after consummation of the transaction. For further information see the CFBB's "TILA-RESPA Integrated Disclosure rule: Small entity compliance guide" http://files.consumerfinance.gov/f/201409_cfpb_tila-respa-integrated-disclosure-rule_compliance-guide.pdf In addition to the booklet, the CFPB has other resources: "Guide to Forms," "Disclosure timeline," and "Integrated loan disclosure forms & samples" which can all be accessed at

LOAN LIMITS	**Joint Resolution: The California Legislature expresses opposition to any reduction in conforming loan limits and urges the President, too, to join in opposition** CAR sponsored resolution: The Federal Housing Finance Agency has requested comments on a proposal to decrease national conforming loan limits. C.A.R. sponsored this joint legislative resolution declaring the California State Legislature's support to preserve existing federal loan limits. This law expresses the Legislature's opposition to any reduction of the current national and high-cost conforming loan limits for Fannie Mae and Freddie Mac by the Federal Housing Finance Agency (FHFA) and urges the FHFA to continue to resist implementation of any such reductions. It also would urge the President and Congress of the United States to join California in opposing any reduction of the national and high-cost conforming loan limits. Senate Joint Resolution No. 19 filed with Secretary of State August 18, 2014.
MANUFACTURED HOMES – Resident Conversions	**Better HCD funding for manufactured home park conversions to resident ownership** Presently, the HCD (Department of Housing and Community Development) makes loans from the Mobilehome Park Purchase Fund to qualified manufactured home park residents, resident organizations, and nonprofit housing sponsors or local public entities to finance conversion of the parks to resident ownership to make monthly housing costs more affordable. This law gives the HCD greater flexibility in its administration of the Purchase Fund (renamed the Mobilehome Park Rehabilitation and Purchase Fund) by allowing the HCD to lend for individuals to repair their manufactured homes and for nonprofit sponsors or local public entities to acquire manufactured home parks. This law aims to facilitate conversion of mobile home parks to resident ownership in three ways: It aims to ensure attractive loan terms for park conversions; It allows for a streamlined process in which nonprofit housing sponsors may take over troubled parks that might otherwise be forced to close due to neglect and substandard conditions; and it allows the loans to be used for needed repairs in addition to financing the conversion. Assembly Bill 225 codified as Health and Safety Code§§18114.1, 50781, 50782, 50784, 50785, 50786, 50784.5 and 50784.7. Effective date is September 20, 2014.

MORTGAGE BROKERING – Loan Modifications	**This law enhances civil penalties for violation of existing prohibitions regarding mortgage loan modification fees** Background: Existing law, applicable to residential mortgages, prohibits a person who negotiates, arranges, or otherwise offers to perform a mortgage loan modification or other form of mortgage loan forbearance for a fee or other compensation from, among other things, demanding or receiving any compensation until every service that the person contracted to perform or represented that he or she would perform is accomplished. Other examples of prohibited acts include taking any wage assignment, any lien of any type on real or personal property, or other security to secure the payment of compensation, and taking any power of attorney from the borrower for any purpose. Existing law makes a violation of these provisions by a natural person a misdemeanor punishable by a specified fine or imprisonment, or both. This law requires the assessment of civil penalties for improperly negotiating or arranging loan modifications in an action by the State Attorney General or district attorney, among others, to recover those penalties. The law contains a grant of authority for those officials to bring such civil actions. Additionally, this law authorizes further civil penalties for unlawful mortgage modifications perpetrated against a senior citizen or disabled person, as defined, and provides criteria for the assessment of these additional penalties. This law imposes a 4-year statute of limitations for actions brought pursuant to these provisions. This law applies mortgages and deeds of trust secured by residential property with four or fewer dwellings. Assembly Bill 1730 codified as Civil Code §§2944.7, 2944.8 and 2944.10. Effective date is January 1, 2015.

MORTGAGE BROKERING – Reverse Mortgages	**No fees may be assessed nor loan applications taken until 7 days from date of loan counseling** This law prohibits a lender from taking a reverse mortgage application or assessing any fees until 7 days from the date of loan counseling, as specified. It deletes the requirement that the lender provide a written checklist and instead prohibits a lender from taking a reverse mortgage application unless the applicant has received from the lender a specified reverse mortgage worksheet guide. The reverse mortgage worksheet guide must contain certain issues that the borrower is advised to consider and discuss with the counselor. It requires the counselor and the prospective borrower to sign the reverse mortgage worksheet guide, as specified. Assembly Bill 1700 codified as Civil Code §§1923.2 and 1923.5. Effective date is January 1, 2015.
MORTGAGE BROKER LICENSING	**Expanded educational requirements for CFL and CRM mortgage loan originators (MLOs)** This law does not change the education requirements for applicants of CalBRE-issued MLO licenses. It only applies to agents licensed under the California Finance Lenders Act and the California Residential Mortgage Licensing Act. For those agents it requires completion of an additional two hours of approved education related to relevant California law as part of pre-license education or continuing education. Senate Bill 1459 codified as Financial Code §§22109.2, 22109.3, 22109.5, 50142, 50143 and 50145. Effective January 1, 2015.
NOTARIES	**Notary verifies only the identity of the individual signing the document and not the document's truthfulness, accuracy, or validity** Existing law requires a notary to execute a certificate of acknowledgment or proof of execution on specified forms. This law changes the specified forms to include a notice that the notary verifies only the identity of the individual who signed the document and not the truthfulness, accuracy, or validity of the document. Senate Bill 1050 codified as Civil Code §1189 and Government Code §8202. Effective January 1, 2015.

TAX	**Documentary Transfer Tax – Purchase price cannot be kept secret** This law repeals the right of a principal to demand that the transfer tax be shown on a separate piece of paper. Previously, a seller or buyer of real property could demand from the county that the documentary transfer tax (the DTT) be stated apart from the recorded document. This enabled some principals to effectively keep the purchase price secret, since the amount of the transfer tax can be reliably used to deduce the purchase price. (Although the information could be obtained through a California Public Records Act request.) Now every document subject to the DTT when it is submitted for recordation must show on its face the amount of the tax due. These rules have little impact on listings input into an MLS since MLS Model Rules require the reporting of the selling price within two days after the final closing. Assembly Bill 1888. Codified as Revenue and Tax Code §§11932 and 11933. Effective January 1, 2015.
TAX – Fire Prevention Fee	**Penalty for late payment is reduced. Appeals process is simplified and the time for appeals may be lengthened. Uninhabitable residential structures may be exempted.** Presently, the current penalty of 20% for each 30-day period is excessive. This law eliminates that penalty and instead applies the state's general 10% penalty to the late payments of fees. Under existing law, a person has only 30 days to file an appeal after receiving notice of the fire prevention fee. This is done through a petition for a redetermination. This law gives CAL FIRE the authorization to also consider appeals filed after the 30 day period expires. Additionally, this law only requires a person to send the petition to one agency (CAL FIRE) instead of three (under existing law, a petition must be sent to CAL FIRE, the Board, and BOE). This law allows for exemption from the fire prevention fee residential structures that are subsequently deemed uninhabitable as a result of a natural disaster during the year. Assembly Bill 2048 codified as Public Resources Code §§4211, 4212, 4213, 4213.1, 4214, 4220.1, 4221 and 4225. Effective January 1, 2015.

TAX - Mortgage Debt Forgiveness	**Exclusions from taxation of mortgage debt forgiveness – state law conformed to federal through the end of 2013** This measure extends California's exclusions of taxation of mortgage debt forgiveness for qualified principal residence indebtedness but only through the end of 2013 in partial conformity with the federal Mortgage Forgiveness Debt Relief Act of 2007 (which sunset at the end of 2013). Qualified principal residence indebtedness is limited to $800,000 ($400,000 for taxpayers filing separately). Taxpayers may exclude from gross income up to $500,000 ($250,000 for taxpayers filing separate) of qualified mortgage debt forgiven. For information regarding taxation of forgiven mortgage debt for sales after 2013 see C.A.R.'s Realegals from December 5, 2013 and May 23, 2014, and C.A.R's Q&A "Taxation of Foreclosures and Short Sales." Assembly Bill 1393 codified as Revenue and Taxation Code §17144.5. Effective on July 21, 2014.
TAX - Seniors	**Postponement of property taxes for senior and disabled citizens** This law revives a modified version of a similar law that expired in 2009 which allowed income-eligible seniors and disabled citizens to defer payment of their property taxes. Senior and disabled citizens may file a claim with the Controller to postpone the payment of ad valorem property taxes if household income does not exceed specified amounts. The Controller, upon approval of the claim, may either make a payment directly to the county tax collector, or to issue the claimant a certificate of eligibility that constitutes a written promise of the state to pay the amount specified on the certificate. All sums paid by the Controller for postponed property taxes are to be secured by a lien in favor of the State of California with limited priority equal to that of a judgment lien. The Controller may accept applications for postponement under the program as of July 1, 2016. This bill would limit the household income amount of a claimant to $35,500 and would exclude losses and nonexpenses from "income" for purposes of these provisions. This bill would also exclude mobilehomes and houseboats from the scope of these provisions. Assembly Bill 2231 codified under the Government Code and the Revenue and Taxation Code. Effective date is July 1, 2016.

TAX - Solar Energy Systems	**Property tax exclusion for construction or addition active solar energy system is extended** This law extends a solar tax exemption for new active solar energy systems until 2025. An existing law, set to expire in 2017, bars property tax increases based upon the construction or addition of a solar system. (Without this exemption, such an improvement would add value to the property and thus result in an increase in the property taxes assessed.) Senate Bill 871 codified as Revenue and Tax Code §73. Effective June 20, 2014.
TITLE & ESCROW	**REOs cannot dictate title and escrow company. This law is known as "The Buyer's Choice Act," and is now made permanent** The Buyer's Choice Act presently prohibits a lender that gained title through foreclosure from requiring upon resale, directly or indirectly, as a condition of selling the property, that the buyer purchase title insurance or escrow services from a particular title insurer or escrow agent. This law applies to residential real property of four dwelling units or fewer. A seller who violates these provisions is liable to the buyer for an amount equal to three times all the charges made for the title insurance or escrow services. This existing law was due to sunset in 2015. Now however, the law will continue indefinitely. Senate Bill 1051 codified as Civil Code §1103.23. Effective January 1, 2015.

TITLE - Forged and False Deeds	**Forged and false deeds may be voided by a criminal court whenever a defendant is convicted of filing, registering, or recording such a deed** **Chaptered** Forged and false deeds can create chaos in the personal and financial affairs of the victims. Yet, only a forged deed is completely void and ineffective to transfer any title. Thus criminal prosecution of a perpetrator of a forged deed will effectively void it. On the other hand, to remove a false deed from the record, a quiet title action is sometimes the only option -- a lengthy and costly legal procedure. (A false deed is a deed where the perpetrator has claimed or transferred ownership falsely but has not in fact forged any one's name). This law creates a procedure whereby a criminal court, upon motion of the prosecutor, may void false deeds in addition to forged deeds whenever a defendant is convicted of filing, registering, or recording such an instrument. Assembly Bill 1698, codified as Civil Code §4735. Effective January 1, 2015.

UNDERGROUND STORAGE TANKS	**Single-walled Underground storage tanks used to store hazardous substances installed prior to 1984 and those used to store motor vehicle fuels installed prior to 1997 must be permanently closed prior to 2026.** Existing law provides for the regulation of underground storage tanks by the State Water Resources Control Board. Existing law requires underground storage tanks that are used to store hazardous substances and that are installed after January 1, 1984, to meet certain requirements, including that the primary containment be product tight and that the tank's secondary containment meet specified standards. However, in lieu of these generally applied requirements, existing law authorizes underground storage tanks for motor vehicle fuels installed before January 1, 1997, to be designed and constructed in accordance with alternative requirements. Existing law imposes various monitoring, inspection, replacement, and upgrading requirements on underground storage tanks installed on or before January 1, 1984, and used for the storage of hazardous substances. Where these USTs are singled walled (or lack other attributes) the new law requires the owners or operators of these two types of underground storage tanks to permanently close them by December 31, 2025, and would authorize the Board to adopt regulations to require the owner or operator to permanently close such an underground storage tank before December 31, 2025, if the underground storage tank poses a high threat to water quality or public health. The law requires, as of the first day of the first calendar quarter commencing more than 90 days after the effective date of the bill, payment of an additional $0.006 per gallon of petroleum stored in an underground storage tank until January 1, 2026. Existing law requires an owner or operator of an underground storage tank to furnish, under penalty of perjury, any information on fees, financial responsibility, unauthorized releases, or corrective action as a local agency, regional board, or the state board may require. The law subjects to a civil penalty a person who fails or refuses to furnish that information or furnishes false information. It further authorizes the executive director of the board to permanently disqualify a person convicted of making a false statement to the board, or found civilly liable for specified conduct relating to any claim, from receiving any moneys from the fund, if the executive director makes one of a specified set of findings with regard to claimants, contractors, or consultants. Additionally, this law imposes a civil penalty upon a person that makes a misrepresentation in a claim submitted to the fund. Senate Bill 445 codified as Health and Safety Code §§25299.32 et seq. to take effect immediately.

WILLIAMSON ACT	**The right of a county to reduce Williamson Act contract terms extended indefinitely** Background: Existing law, the Williamson Act, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. The Act sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts and sets forth the term of these contracts at 10 or 20 years. Except that until January 1, 2016, a county may, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, revise the term for newly renewed and new contracts to either 9 or 18 years. Thus, the Act provides for an addition to the assessed value of properties subject to contracts with a reduced term. This law deletes the January 1, 2016, date and thereby authorizes a county to utilize the process for revising or entering into contracts so as to specify 9-year or 18-year terms indefinitely. It additionally authorizes a county to utilize that process for revising or entering into contracts for land subject to a farmland security zone contract. The law also makes conforming changes. Senate Bill 1353 codified as Government Code §5124.3. Government Code §§16142, 16142.1, 51244 and 51244.4 are repealed. Effective date is January 1, 2015.