

CalRHA Legislative Updates



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State Budget Deal

Due to voter registration numbers, Democrat Xavier Becerra should be elected Governor in our November election against Republican Steve Hilton. Governor Newsom officially endorsed Becerra this week, as did the CA Chamber of Commerce.

The budget also included extension of sales tax to software and digital downloads, beginning January 1, 2027. Specifically, the law extends sales and use taxes on "tangible personal property" as defined in law to include digital products, except as provided, prewritten computer software transferred on tangible storage media, transferred electronically, or accessed remotely. The bill also appropriates \$750,000 from the General Fund to the California Department of Tax and Fee Administration for the purposes of administering the changes to the sales and use tax to include pre-written software and their first meeting of interested parties is on July 21st.

Legislative Update

The Legislature is now on summer recess until August 3rd. Prior to their recess, several bills stalled in policy committee, including **SB 880 (Wahab) Corporate Ownership**, which CalRHA was actively opposing.

SB 880 (Wahab). **SB 880** would have impacted commercial ownership and sales of rental properties and included a provision requiring sales to be offered to tenants first. Fortunately, that bill failed in the Assembly Judiciary Committee.

Another bill CalRHA was opposing was **AB 2062 (Patterson) Security Surveillance**, failed in the Senate Privacy committee. **AB 2062** would have prohibited consumer's security surveillance system from being utilized unless the company first obtains the consumer's express consent and the consent of all adult residents of a residential rental property, or is required to do so by a court or arbitrator order.

Finally, **AB 2350 (McKinnor) Consumer Loans**, failed in Senate Banking. CalRHA was opposing **AB 2350** because it would have barred consumer loans for a

residential rental agreement (including rent-split loans). Updates on other key bills are included below:

AB 649 (Lowenthal) Construction Related Relief. AB 649,

which was a two-year bill, passed the Senate Judiciary Committee in June and is set for a hearing in Senate Appropriations on August 3rd. The bill provides a process for a business to avoid liability for construction-related accessibility claims, as specified. The bill changes the statutes that allow for defendant businesses to obtain attorney's fees when a suit is brought against them for construction-related accessibility claims. [August Update: Held/Dead](#)



Josh Lowenthal

AB 748 (Harabedian) Streamlined Housing Plans.

CalRHA supports **AB 748**. The bill mandates that local agencies must establish preapproval programs for residential housing plans. **AB 748** is set for a hearing in Senate Appropriations on August 3rd. [August Update: Held/Dead](#)



John Harabedian

SB 439 (Becker) Price Gouging During War.

This bill was gutted and amended in June to expand California's emergency price-gouging law to include certain wartime conditions, allowing it to apply to essential consumer goods or services when the Attorney General finds a sufficient connection between the war and price increases. CalRHA is actively opposing **SB 439**, which is pending in the Assembly Appropriations Committee. [August Update: This bill has been amended to more clearly tie wars to an emergency declaration by](#)



Josh Becker

the President or Governor and limit it to 30 days, with the option for a 30 day extension, if needed.

SB 1117 (Cervantes) Lowering

ADU Costs. Currently, impact fees cannot be charged on ADUs with 750 square feet or less of livable space. For ADUs larger than 750 square feet, fees must be proportional to the main dwelling's size. The bill proposes that fees for ADUs only apply to the area beyond 750 square feet.



Sabrina Cervantes

CalRHA is supporting **SB 1117** which is pending in Assembly Appropriations. [August Update: Currently, impact fees cannot be charged on ADUs with 750 square feet or less of livable space. For ADUs larger than 750 square feet, fees must be proportional to the main dwelling's size. The bill proposes that fees for ADUs only apply to the area beyond 750 square feet. CalRHA is supporting SB 1117 which passed Appropriations and is pending on the Assembly Floor.](#)

SB 1160 (Durazo) Eviction Data Reporting.

SB 1160 was amended in June to now require the Judicial Council to assess county court readiness for reporting unlawful detainer case data and, beginning in 2028 and 2029, mandates statewide quarterly reporting through JBSIS by ZIP Code. By July 1, 2027, the Judicial Council must determine when each county court system can submit specified unlawful detainer data. [August Update: SB 1160 was amended coming off Suspense to delay implementation by five years and make the bill contingent upon an appropriation by the Legislature. It would first require the Judicial Council, by July 1, 2032, to determine when each county court system can submit the required data; counties able to do so would begin quarterly reporting on January 1, 2033, and all counties would be required to comply by January 1, 2034.](#)



Maria-Elena Durazo

SB 1296 (Durazo) Pet Mandates in Rental Property Advertisements and Applications.

CalRHA worked with the author's office on amendments to SB 1296. The bill would now require landlords who allow pets to keep a written pet policy, disclose it in specified online and application materials, and refund application fees in certain cases if the policy was not properly disclosed and take effect April 1, 2027.

The bill is pending on the Assembly Floor. [August Update: The bill will require landlords who allow pets to keep a written pet policy, disclose it in specified online and application materials, and refund application fees in certain cases if the policy was not properly disclosed and take effect April 1,](#)

SB 1371 (Durazo) Solid Waste Handling: Labor Disputes. CalRHA is opposing **SB 1371**, along with a large coalition, because it would make trash service disruptions during labor disputes harder to prevent and harder to manage. **SB 1371** is pending in the Assembly Appropriations Committee. [August Update: CalRHA is opposing SB 1371, along with a large coalition, because it would make trash service disruptions during labor disputes harder to prevent and harder to manage. SB 1371 is pending on the Assembly Floor.](#)

The Legislature will reconvene from Summer Recess on August 3, 2026 and work on bills in the fiscal/Appropriations Committees, where they need to pass before August 14th. Legislation will then need to pass the Floor and be sent to the Governor by August 31st. The Governor then has until September 30th to sign or veto legislation.

AUGUST UPDATE

Political Update

The Assembly and Senate Republicans voted to replace their leaders in the state. Alexandra (Ali) Macedo from Tulare has taken over for Assembly-member Heath Flora. Senator Roger Niello from Roseville has been voted in as the next Senate Republican Leader and will replace termed-out Brian Jones with the transition to occur in November. Democratic leadership is stable at this time and focused on the upcoming November election.

Legislative Update

The Legislature took up the Suspense files in the Appropriations Committees on August 13th, which determined the fate of hundreds of bills. Almost 1/3 of the bills on Suspense were held/died, which is typical compared to prior years.

The outcome of the bills is shown in blue text after July write-up.

The Legislature will now conduct Floor Sessions for the final two weeks of the legislative session and then the Governor then has until September 30th to sign or veto legislation.