

President's Message

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One Legislative session has ended and another begun.

The most exciting news is that for the first time, Santa Barbara's Senator Monique Limon will be the Pro Tem. She was supposed to replace Pro Tem Mike GcGuire in January but that timetable has been moved up to November 17th. She is approachable and we need to make use of this valuable, local connection with the Legislature. She will have a lot of influence in Sacramento; so, please make your opinions and voices known to her.

SBRPA has been successful working in conjunction with CalRHA (California Rental Housing Association) in opposing and stopping a number of Bills in the first house at the Legislature. I have been your primary representative with CalRHA for the past 4 years and also serve on their Legislative Committee. This gives us the opportunity to see Bills before they become law and to either oppose and defeat or significantly alter the language of some of these Bills.

Significantly, this past Legislative session, we opposed and stopped:

1. Assembly Bill 1157 (Kalra) - Just Cause and Rent Caps which would have significantly altered the existing just cause and rent cap provisions established under AB 1482, the Tenant Protection Act of 2019.
2. AB 1240 (Lee) - Corporate Ownership has become a two-year Bill which takes it away from becoming law at least this year. We will no doubt have to fight it again next session.
3. AB 1248 (Haney) - Rental Fees failed in the Assembly on the Floor, where it was sent to "inactive." It would have limited the fees that an owner could charge in addition to rent and have required those fees to be included in the rent and not charged as a separate fee.
4. Senate Bill 436 (Wahab) - Right to Redeem Tenancy, which would have changed the 3-day pay or quit statute to a 14-day pay or quit, died in the Assembly Judiciary Committee. Although it was granted reconsideration, it was not set for a second hearing.

On that note, however, please be on the lookout for a robust discussion by Jim Cole and me in our New Laws Course on October 16, 2025 about the new rules for a 3-Day Pay or Quit Notice in light of the June 26, 2025, California Court of Appeals Case Eshagian vs. Cepeda in which the Appellate Court ruled that the notice failed to meet statutory standards under CCP1161(2) and therefor was insufficient for an unlawful detainer action. Specifically, the Court ruled that it lacked a clear eviction warning and that it omitted key dates such as the date that the 3 day period would expire. Since, then, Jim Cole has been working on revising our on-line form and it should be uploaded in a matter of days of me writing this message. Please look for it and discard any former form notices that you may have.

1. SB 436 (Wahab) - Housing, the Senate's housing reform proposal, which included provisions that would have limited the fees owners could charge tenants. This Senate Bill failed to get a hearing in the Assembly Housing Committee and is now a two-year Bill. Look for this one again next year as well.
2. Finally, SB 789 (Menjivar) - Vacancy Tax - This Bill would have required a commercial property owner to register with the California Department of Tax and Fee Administration (CDTFA) and annually file an information return to report specified vacancy information, and would subject any late or unfiled returns to a \$100 penalty per commercial property.

In addition, there were many price-related Bills that we opposed that subsequently failed or were fixed in the Appropriations Committees to remove or amend the offending language. They include:



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1. AB 380 (Gonzalez) Price Gouging – DEAD
2. AB 878 (Kalra) – Reasonable Accommodations for Victims of Domestic Violence – DEAD. Remember, this would have extended provisions to relatives of victims of domestic violence who did not even reside at the property.
3. SB 36 (Umburg) – Price Gouging: State of Emergency – this we successfully narrowed to remove geographic expansion from the actual area of the emergency.
4. SB 52 (Perez) – Rental Rate Algorithms – DEAD
5. SB 384 (Wahab) – Preventing Algorithmic Price Fixing Act – DEAD

We will no doubt see many more bills in this upcoming Legislative session that will attempt to reduce the amount of money that can be charged for rental properties in California despite the ever-increasing costs to the owners of these rental properties. We have all seen our insurance rates rise astronomically. The cost of repairs and replacement to maintain the rental properties keep increasing as does the cost of labor and materials. The cost to fight legitimate and necessary evictions keep increasing. And yet, the local governments seem intent on shifting more and more of the economic burden on the owners who are not all rich. Many own one unit which they rent out and which they managed to purchase to supplement their social security income in their later years. As a consequence, owners are selling; and, it should come as no surprise that properties are easier to sell without any tenants in place. It used to be a selling point that all units were full with long-term tenants, but local governments have exactly reversed that to be just the opposite. It is harder to sell properties that are full with long-term, low rent tenants. Thanks to onerous local government codes, tenants have become a liability and not an asset.

The good news is that AB1157 which would have limited rent increases to the lesser of 2% plus CPI or 5% and would have eliminated all exemptions (except mobile homes) such as single family homes and condominiums is now a two-year Bill. This means that it will not become law this legislative session but it will return next year. So, stay vigilant and write to your legislators.

SBRPA has been offering courses this Spring to make you aware of the 2025 laws that went into effect or will be going into effect this year. Here are just a few reminders of those laws.

Credit reporting requirements for tenants: For existing Leases housing providers must offer the option of reporting good payment history to tenants by April 1, 2025. For new Leases, this must be offered at the time the Lease is signed and once annually thereafter.

Housing providers cannot charge extra fees for rent payments made by personal check or extra fees for poor rental history. These so-called “junk fees” are no longer allowed. Further, if a service member tenant has paid additional fees for poor rental history but then maintains six (6) months of on-time payments, then those fees must be refunded.

Lock change protections for domestic violence victims. Tenants can request a lock change for their safety and the housing provider must pay for it if the tenant provides documentation of abuse. The lock change must be made within 24 hours of the request or the tenant can have the lock changed and send the bill to the housing provider.

If you file an Unlawful Detainer action, the response time for the tenant has increased from five (5) business days to ten (10) business days. One hidden item in this Bill is actually good for housing providers. Until now, a tenant could file a Demurrer and/or Motion to Strike and add approximately six (6) WEEKS to the response time because that is the court calendaring for those types of motions. Now, those must be heard no earlier than 5 days but no later than 7 days from filing and those are calendar days.

Photo requirements for security deposit evaluations and deductions per AB2801 are as follows:

Move-In Photos (Effective July 1, 2025):

- For tenancies **starting on or after July 1, 2025**, landlords **must take photographs before or at the inception of the tenancy** to document the unit’s condition.

Move-Out Photos (Effective April 1, 2025):

- Photos must be taken **within a reasonable time** after the tenant has returned possession of the unit.

Post-Repair/Post-Cleaning Photos (Effective April 1, 2025):

- If a **repair or cleaning** results in a **security deposit deduction**, landlords **must take photos before and after** the work is completed.

Here is a Legislative Update on some of the Assembly Bills being considered right now in the Legislature:

AB 246 called the Social Security Tenant Protection Act of 2025. This Bill would prohibit a court, during a declared social security benefit payment interruption from issuing a Summons on a Complaint for Unlawful Detainer in any action that seeks possession of residential real property based in whole or in part on non-payment of rent or other charges if the defendant experiences a loss of income due

to the social security benefit payment interruption.

AB 311 would permit a tenant, with written approval from the owner or housing provider to temporarily permit the occupancy of their dwelling unit by a person who is at risk of homelessness and one or more common household pets owned or otherwise maintained by that person.

AB 380 on price gouging would change the current punishment for charging more than 10% for goods and services during a declared state of emergency from a misdemeanor punishable by up to one year in County jail or a fine of \$10,000 or both to an increased fine of \$25,000.

SB 436 Unlawful detainer: notice to terminate tenancy. This Senate Bill would increase the notice time for a default in payment of rent from a 3-day pay or quit to a 14-day pay or quit EXCLUDING weekends and judicial holidays. This Bill is in its third reading.

SB 522 This Senate Bill exclude from exemption for just cause and rent cap under the Tenant Protection Act of 2019 housing built to replace a previous housing unit that was substantially damaged or destroyed by a disaster.

We will be providing you with more information on the progress of these Bills and others as the year

progresses. Please write to your legislators if any of these Bills would significantly and negatively impact you or your family's economy and well-being. The legislators need to know what is happening in the rental world. Housing providers are being impacted from all sides by rising insurance costs, older housing stock that now costs a fortune to repair due to the new laws concerning reporting, payments to tenants and payments to second contractors, etc. If sold, property taxes increase as well and those buildings may no longer be affordable to local owners.

Thank you for your membership. Each of you is a valued member of our organization.

Sincerely,

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President

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