2020 NEW LAWS

NUMEROUS CALIFORNIA LAWS TAKE EFFECT IN 2020

Below is a partial list of new laws passed by the California Legislature that may affect REALTORS® and consumers in 2020. Please click on the links below for full text of the laws. For a full list of the new laws, please go to https://www.car.org/en/riskmanagement/qa/New-Laws/2020-New-Laws or http://leginfo.legislature.ca.gov/ for details.

TOPIC	DESCRIPTION
Appraisers/Home Inspectors:	Home inspectors are prohibited from giving an opinion of valuation on a property - **AB 1018**
Common Interest Developments:	This law, with certain exceptions, prohibits property owners and common interest developments from enforcing or adopting restrictions that prohibit the display of religious items on entry doors or entry door frames of dwellings. - **SB 652**
Consumer Privacy:	Various changes to the Consumer Privacy Protection Act ("CCPA") and other privacy laws. - **AB 25**, **AB 874**, **AB 1130**, **AB 1202**, **AB 1355** & **AB 1564**
Disclosure:	Requires delivery of a statutory disclosure re home hardening for homes in designated high fire areas built before 2010, and that seller list specified retrofits - **AB 38**
Fire Insurance:	**AB 188** - This law provides that the measure of cash recovery, less depreciation, for a structure or its contents lost under an "open" policy is the cost to repair, replace, or rebuild the structure or contents. **AB 1816** - Requires insurers to provide at least a 75-day notice of a nonrenewal of a homeowner's policy (currently 45 days) and raises the limit on a homeowner insurance claim covered by the California Insurance Guarantee Association (CIGA) to $1 million. This law also allows insurer who voluntarily writes policies for property in high fire hazard severity zone in the state responsibility area and very high fire hazard severity zone in local responsibility areas to be proportionately relieved of their responsibility to participate in the Fair Access to Insurance Requirements (FAIR) plan.
CC&R:	Any provision in a CC&R that prohibits or unreasonably restricts the construction, use or rental of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use is void and unenforceable. - **AB 670**
Landlord/Tenant:	**SB 1188** - Creates a legal framework allowing a tenant, with the written approval of the owner/landlord, to take in a "person at risk of homelessness." It includes a number of protections for both a landlord and tenant, including the ability for the tenant to remove the person at risk of homelessness on short notice with the assistance of the police. **SB 644** - Landlord may only collect one month security for unfurnished unit, or two months for furnished units, from a service member who resides on the property. **SB 329** - "Discrimination" on the basis of "source of income" has been expanded to include a refusal to rent to a tenant based on the tenant's receipt of federal, state or local housing subsidies including "Section 8 **SB 222** - Discrimination in housing on the basis of veteran or military status is now unlawful under the Fair Employment and Housing Act. **AB 1399** - Makes changes to the Ellis Act to: 1) clarify that owners may not pay prior tenants liquidated damages in lieu of offering them the opportunity to re-rent their former unit; and, 2) clarify that the date on which the accommodations are deemed to have been withdrawn from the rental market is the date on which the final tenancy among all tenants is terminated.

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TOPIC	DESCRIPTION
Landlord/Tenant:	**AB 74** - The budget provides $20 million for legal services for renters facing eviction **AB 1110** - The notice period for increasing rent above 10% in any 12-month period is 90 days. Previously, it was 60 days. **AB 1482** - Imposes statewide rent caps of 5% plus inflation and just cause eviction requirements on rental properties. Various exemptions apply including single family homes and condos (not owned by a corporation or REIT) and properties where a certificate of occupancy has been issued within the past 15 years. **SB 652** - This law, with certain exceptions, prohibits a residential property owner and a common interest development from enforcing or adopting a restriction that prohibits the display of religious items on an entry door or entry door frame of a dwelling. **SB 18** - A law which provides various protections to tenants in foreclosed upon property has been extended indefinitely. Specifically, this new law extends indefinitely the requirement that a landlord of a foreclosed property provide a month to month tenant with a 90-day notice of termination and that existing leases must generally be honored. **SB 234** - Requires large family daycare homes with up to 14 children to be treated as a residential use for purposes of all local ordinances. Clarifies that apartments may be used as family daycare homes. **AB 206** - Grants immunity to landlords or agents who voluntarily abate lead paint hazards and provides that such efforts cannot be considered evidence of uninhabitability pursuant to certain lead paint abatement programs.
Real Estate Law Cleanup:	This law clarifies and confirms existing law that delivery of the TDS and NHD is generally not required for leases of any duration, but the Agency Disclosure form is required for residential leases of more than one year. Confirms that there is no cancellation right for a buyer based upon delivery of the visual inspection when purchasing from an unrepresented seller. - **AB 892**
Recording Fees	Counties are authorized to increase their recording fees by $1 to defray cost of document storage. - **AB 212**
Tax: 1031 exchanges	California tax law is now partially conformed to federal tax law limiting 1031 exchanges to exclude recognition of gain or loss for real property only.- **AB 91**
Tax: Exemptions from Reassessment	Creates a property tax change in ownership exclusion in the case of a parent to child transfer of stock in a qualified corporation following the last surviving parent's death limited in scope to the parents' residence and the parcel of land upon which the home is located provided that among other things: 1) the residence has continuously served as the child's home, and 2) the property's assessed value does not exceed $1 million.- **AB 872**
Appraisal Requirements:	Certain home sales of $400,000 no longer require an appraisal as federal regulators increase the threshold at which residential home sales require an appraisal from $250,000 to $400,000. The rule will not apply to loans sold to or guaranteed to the VA, FHA, HUD, Fannie Mae or Freddie Mac. The final rule has yet to be published. But law will become effective January 1, 2020.
FHA spot approvals:	FHA Allows approvals for Individual Condo Units even if the condominium project is not FHA approved.
IRS:	IRS finalizes 20% qualified business income deduction: 250 hour a year safe harbor for rental real estate owners. Individuals or entities who own rental real estate directly or through a disregarded entity may treat it as a "business" for purposes of the QBI deduction. "Management of the real estate" is considered a "rental activity."
VA loan limits eliminated:	VA to back loans that exceed conforming loan limits

Promotional Material. To download the complete 2020 New Laws Affecting Realtors®, please click here.

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