

2020 LEGISLATIVE UPDATE

What You Need To Know

ASSEMBLY BILLS

AB 5

EMPLOYMENT: AGENTS REMAIN INDEPENDENT CONTRACTORS

This new law follows the *Dynamex* ruling and puts the ABC test that came out of that case into state law by classifying several types of independent contractors as employees. AB 5 allows real estate agents to be treated as independent contractors under Business & Professions Code 10032 as long as they meet three conditions, 1) hold a real estate license; 2) substantially all of their remuneration is directly related to sales or other output rather than to the number of hours worked; and 3) the parties have a written contract stating that the individual will not be treated as an employee with respect to those services.

What AB 5 means for REALTORS®

This new law contains an explicit and comprehensive reconfirmation of the right of real estate agents to be treated as independent contractors and are governed by Business & Professionals Code 10032.

AB 1482

LANDLORD/TENANT: STATEWIDE RENT CAPS & JUST CAUSE EVICTION

This bill creates a statewide rental cap of 5% plus CPI and “just cause” eviction standards. This bill sunsets in 2030. Single family residences and condos that are not REIT or corporate owned are exempt under AB 1482.

What AB 1482 means for REALTORS®

After 12 months of residence, a tenant receives just cause protection, meaning landlords may only evict under “just cause.” Evictions fall into two categories, “At fault” and “No fault.” Landlords need to be aware of what qualifies, as they need to give a reason listed under the law. Additionally, “No fault” evictions require paying the tenant one month of rent as a relocation assistance. Landlords may only increase the rent 5% plus CPI annually with a 10% hard cap.

AB 1188

LANDLORD/TENANT: TENANTS ALLOWING OCCUPANCY OF PROPERTY FOR THOSE AT RISK OF HOMELESSNESS

This law allows a tenant to temporarily permit the occupancy of their dwelling unit by a person who is at risk of homelessness as long as there is written approval of the owner or landlord of the property. The goal is aimed at contributing a short-term solution to the housing crisis and allows several protections for both the landlord and tenant. The landlord can increase rent as part of the agreement.

What AB 1188 means for REALTORS®

A tenant may ask for written approval to allow someone who is at risk of homelessness to move into their dwelling. This person would not receive the same tenant protections as the original tenant and could be evicted if deemed necessary. The bill does not specify how much the rent can be raised but does state that it must be consistent with any rent stabilization law or regulation.

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SENATE BILLS

SB 329

LANDLORD/TENANT: ANTI-DISCRIMINATION BASED ON THE SOURCE OF INCOME

SB 329 expands the definition of “source of income” in regard to housing discrimination to mean “income” paid to a residential housing owner or landlord on behalf of the tenant, including federal, state, or local public assistance and subsidies, including but not limited to, federal housing assistance vouchers issued under Section 8 of the US Housing Act. The goal of the new law was to end discrimination against using Section 8 vouchers, however it does not make more units available to Section 8 tenants.

What SB 329 means for REALTORS®

Landlords are prohibited from discriminating against tenants who use housing vouchers to pay their rent. If you are a residential rental property owner, you must consider all forms of payment when taking applications or you risk legal discrimination claims and potential litigation against you.

SB 330

HOUSING: HOUSING CRISIS ACT OF 2019

SB 330 streamlines housing development by creating certainty for developers constructing new housing units, by permitting no more than five public hearings to approve a proposed housing development if the development is consistent with local planning, zoning and design requirements. It also prohibits local governments from increasing local permitting fees throughout the project’s development.

What SB 330 means for REALTORS®

This will positively contribute to housing supply in the region and throughout California by hindering some previous obstacles such as onerous fees, to housing development.

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