



2023/2024 CALIFORNIA LEGISLATION SUMMARY

We have identified and summarized some key Legislation significant to our industry as compiled from CLTA and Measures passed into law.

ASSEMBLY BILL 1345 - PREDATORY LISTING AGREEMENTS

This Bill enacts the Residential Exclusive Listing Agreements Act, which went into effect on January 1, 2024. The Bill will prohibit the practice of entering into exclusive residential listing agreements lasting longer than 24 months that could be used to trap unwary consumers into encumbering their homes. The legislation also prohibits the recording of exclusive listing agreements of any duration for the sale of residential real estate, including agreements to enter into any such agreement or arrangement. The bill also prohibits exclusive listing agreements from renewing automatically and requires the renewal of an exclusive listing agreement to be in writing and be dated and signed by all parties to the agreement.

For more information visit:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1345

ASSEMBLY BILL 1033 - SEPARATE SALE OR CONVEYANCE OF ADUs

Under AB 1033, which was signed into law October 11th, 2023, by Governor Newsom, property owners in participating cities will be able to construct an ADU on their land and sell them as accessory dwelling units or as condominiums. Under the new law, local governments need to opt in to the ADU/condominium approach for it to be an option in their cities and designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted.

For more Information visit:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1033

This Bill potentially creates issues related to Title Insurance and will be monitored closely for any adverse effects to clear title and the insurability of such transactions.

ASSEMBLY BILL 696 - RON - REMOTE ONLINE NOTARIZATION LEGISLATION SIGNED INTO LAW WITH DELAYED IMPLEMENTATION

SB 696 - was introduced in February of 2023 and has an effective date of January 1, 2024. The law represents a comprehensive online notarization proposal that will:

- Allow California's notaries to deliver services online, with modern technologies designed to prevent fraud.
- Ensure consistency of notary standards across in-person notarizations and RON.
- Provide a clear standard so counties and other officials can more effectively verify documents.
- Enhance consumer choice by improving access and affordability for notary services.
- Enact specific privacy protections over the sensitive data created during the notarization process and maintain the state's existing privacy laws.
- Create first-of-its-kind consumer protections to help ensure a responsible vendor ecosystem.

For more information visit:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB696
Source: <https://www.clta.org>

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BIDEN ADMINISTRATION TAKES ACTION TO CREATE MORE AFFORDABLE HOUSING - CONVERTING COMMERCIAL PROPERTIES TO RESIDENTIAL USE.

On October 27, 2023, the Biden-Harris Administration announced new actions to support the conversion of high-vacancy commercial buildings to residential use, including through new financing, technical assistance, and sale of federal properties. These announcements will create much-needed housing that is affordable, energy efficient, near transit and good jobs, and reduce greenhouse gas emissions

For source and complete explanation please visit:

<https://tinyurl.com/3st5dnm5>

White House Housing Supply Action Plan:

<https://tinyurl.com/247echcz>

Commercial to Residential Guidebook:

<https://tinyurl.com/mryzcmkp>

ASSEMBLY BILL 976 - PROHIBITION ON ADU OWNER-OCCUPANCY REQUIREMENTS.

Existing law authorizes a local agency to require an accessory dwelling unit to be used for rentals of terms longer than 30 days.

This act, instead, authorizes a local agency to require terms that are 30 days or longer.

Existing law, beginning January 1, 2025, authorizes a local agency to impose an owner-occupancy requirement on an accessory dwelling unit, provided that the accessory dwelling unit was not permitted between January 1, 2020, and January 1, 2025.

This act instead prohibits a local agency from imposing an owner-occupancy requirement on any accessory dwelling unit.

For more Information visit:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB976

ASSEMBLY BILL 1332 - PREAPPROVED ADU PLANS.

This act requires each local agency, by January 1, 2025, to develop a program for the preapproval of accessory dwelling unit plans, whereby the local agency accepts accessory dwelling unit plan submissions for preapproval and approves or denies the preapproval applications. The act authorizes a local agency to charge a fee to an applicant for the preapproval of an accessory dwelling unit plan. The act requires a local agency to post preapproved accessory dwelling unit plans and the contact information of the applicant on the local agency's internet website. The act requires a local agency to either approve or deny an application for a detached accessory dwelling unit within 30 days.

For more Information visit:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1332

ASSEMBLY BILL 288 - REVOCABLE TRANSFER ON DEATH DEEDS.

This act authorizes the transfer of real property by RTODD even if ownership is not typically evidenced or transferred by use of a deed, and would authorize the transfer of an interest in a stock cooperative by RTODD subject to any limitation on the transferor's interest. If a stock cooperative exercises an option to purchase property transferred by RTODD on the transferor's death, the act specifies that the property is transferred to the stock cooperative and the purchase price is paid to the beneficiary. The act also makes conforming changes.

For more Information visit:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB288

Information provided herein is sourced by California Land Title Association. The full interactive document can be viewed here:

<https://www.cta.org/news/661119/CLTA-Publishes-2023-Summary-of-Legislation.htm>

For full Legislation information please visit: <https://leginfo.legislature.ca.gov/>



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