

Members of the California Legislature introduced 72 bills this year affecting residential landlord and tenant issues. We fought off bills proposing to:

- authorize local governments to set rent control mandates on newly constructed rental housing and price controls on newly constructed ownership housing;
- prohibit landlords from evicting a tenant that would not pay his or her water meter charges;
- shift criminal liability and create new civil liability to landlords should a water sub meter fail for any reason;
- delayed unlawful detainer actions and—in the same bill—authorize tenants to reoccupy their rental unit if the "former tenant" simply paid back due rent and nominal attorney fees and costs of a landlord;
- permit local governments to impose transaction taxes, including taxing rent or lease payments.

On the flip side of the equation, our members may want to prepare to adjust rental contracts or business practices as a result of bills that were signed into law by the Governor during the past couple of months.

The focus of this, and next months' articles, will discuss those measures that become effective on January 1, 2012.

Displaying Political Signs in Residential Rental Properties

When Senator Kehoe reintroduced this measure from a previous legislative session, she was aware that owners in homeowner associations and residents in mobilehome parks were able to display political signs in their homes and state law did not specify what tenants could do to display signs on their rented property. Further, the Senator was aware that there was no example where tenants were complaining that they could not display these signs.

As introduced, the bill would have authorized tenants to display any type or size of non-commercial or political sign. Our unrelenting opposition, joined by a couple of other apartment associations, resulted in the bill being amended to delete any reference that would

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have authorized tenants an ability to: 1) display non-commercial signs on the rented property (all of the examples of non-commercial signs we found were being shown to taunt others) and 2) seek a reduction in rent in rent control areas if we amended our rental contracts to address limiting the placement, method of affixing or size of signs.

As signed into law, tenants will be able to display political signs if those signs relate to an election, legislative vote, initiative, and referendum or recall election.

The signs may be posted on the window or on the door of the property (tenants in multi-family properties cannot display the signs on the "outside face" of an exterior door because tenants do not rent that part of the property).

Political signs may be displayed in the yard, window, door, and balcony or outside wall of the premises in a single-family property. Undoubtedly, limitations concerning placement that is rented will be a mandate for landlords to satisfactorily address in new and existing rental contracts.

Landlords will be authorized to prohibit tenants from posting or displaying political signs where:

- the sign is more than six square feet in size;
- the sign violates local, state or federal law;
- they are located in a homeowner association.

In every case, tenants will be required to remove the signs in compliance with a local ordinance. If the locality does not have a political sign ordinance or where the ordinance does not include time limits for posting and removing signs, we are authorized, subject to our contracts with the tenant, to establish reasonable time limits for the posting and removing of those signs.

Reasonable time periods begin at least 90 days prior to the date of the election or vote and ends at least 15 days following the date of the election or vote.

Another amendment that we obtained in the bill was to assure that we can change our existing rental agreements, subject to state law governing notice in change in tenancy requirements, to regulate the posting or displaying political signs that is consistent with the new law and the

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tenant will NOT be able to seek a rent reduction in rent control communities.

The final amendment we obtained in the measure was to assure that tenants will be solely responsible for violations of law

Single-family and multi-family rental agreements should be closely scrutinized for compliance with the law and the business practice of landlords and managers.

One final bit of advice, when amending an agreement or executing a new contract, do not forget to address the manner of how the sign will be temporarily affixed to the rented property.

Non-Smoking Requirements in Rental Units

Another bill signed into law was SB 332 (Padilla). It comes as no surprise that landlords can prohibit the smoking of any tobacco product, in any dwelling unit—interior or exterior area.

It has been argued by few, that state law was needed to memorialize this contractual right. We have consistently maintained this was not necessary.

Sen. Padilla's legislation will require every lease or rental agreement that is entered into on or after January 1, 2012 for a residential rental unit that prohibits smoking of tobacco products in any portion of the property shall include a provision that identifies the areas on the property where smoking is banned.

For leases or rental agreements entered into before January 1, 2012 a prohibition against the smoking of tobacco products in any portion of the property was previously permitted shall constitute a change in terms of tenancy and will require specific notice to the tenant(s).

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Landlords will be bound to follow federal, state or local requirements governing changes to the terms of the agreements for tenants with leases or rental contracts that were in existence at the time the smoking policy is adopted.

One critical amendment we obtained in the bill is a provision that states that if a landlord limits or prohibits the use of tobacco products, it will not adversely affect any other term or condition of tenancy NOR shall this new law be construed to require us to seek a new law to establish or enforce any other lawful term or condition of tenancy. Thus, tenants will not be able to seek rent reductions because we lawfully amend rental contracts to limit or prohibit smoking nor will be required to go to the Legislature each and every time we seek permission to do something that we can do today.

Next month we will focus on new laws relating to:

- recycling.
- credit reports.
- financing seismic safety retrofits in "soft story residential properties.
- small claims court monetary jurisdiction.
- medical marijuana.