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AMENDED IN ASSEMBLY MAY 27, 2008
AMENDED IN ASSEMBLY MAY 1, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2586

Introduced by Assembly Member Torrico

February 22, 2008

An act to amend Sections 789.3, 1950.5, and 1962 of, and to add Sections 1942.2 and 2924.9 to, the Civil Code, to amend Section 1161a of, and to add Section 1161b to, the Code of Civil Procedure, and to Section 1942.2 to, the Civil Code, and to amend Sections 777.1, 10009.1, 12822.1, and 16481.1 of, and to repeal Sections 777, 10009, 12822, and 16481 of, the Public Utilities Code, relating to residential tenancies.

LEGISLATIVE COUNSEL'S DIGEST

AB 2586, as amended, Torrico. Residential tenancies.

(1) Existing law prohibits a landlord from willfully causing the interruption or termination of any utility service furnished to a tenant, with the intent of terminating the occupancy, regardless of whether the utility service is under the control of the landlord. Existing law also prohibits a landlord from willfully preventing a tenant from gaining reasonable access to the property by changing the locks, removing doors or windows, or removing from the premises the tenant's personal property, as specified, with the intent of terminating the occupancy.

This bill would define a landlord and a tenant for purposes of the provisions governing tenancies. The bill would define a landlord for purposes of these provisions to specifically include an interest acquired pursuant to provisions governing mortgage defaults, as specified.

(2) Existing law governs the obligations of tenants and landlords under a lease or tenancy. Among other things, these provisions govern the collection and return of security deposits by the landlord or the landlord's successor in interest, including the transfer or return of any security remaining after termination of the tenancy.

Existing law also governs mortgages, including procedures in the case of mortgage default.

This bill would authorize a tenant or occupant who has made a payment to a public utility to deduct the amount of the payment from the rent when due, as specified. The bill would revise the provisions governing the transfer or return of any security remaining after termination of the tenancy to specifically apply, upon termination of the landlord's interest in the premises, in the case of a trustee sale and to apply whether the termination of the landlord's interest in the premises was voluntary or involuntary. The bill would define a "successor in interest" for purposes of these provisions to apply to an interest acquired pursuant to provisions governing mortgage defaults, as specified.

The bill would also require a mortgagee, trustee, servicer, or beneficiary to give notice of a possible foreclosure sale, as specified, to the tenants or occupants of each dwelling unit on any property that includes one to 4 dwelling units.

~~(3) Existing law provides for the removal of a person who holds over and continues in possession of a manufactured home, mobilehome, or floating home, as defined.~~

~~Existing law provides that a tenant or subtenant who is in possession of a rental housing unit which has been sold for specified reasons must be given notice to quit not exceeding 30 days before the tenant or subtenant may be removed.~~

~~This bill would delete the latter provision. The bill would instead provide that a tenant in possession of real property which includes a dwelling unit that has been sold, as specified, may be removed only upon 60 days' written notice. The bill would set forth a specified termination notice and would impose penalties of up to \$1,000 for the violation of this provision, as specified. The bill would also authorize local governments to require an alternative notice specifically relating to foreclosed properties.~~

(3) Existing law requires the owner, or a party signing a rental agreement or lease on behalf of the owner, of a residential property that is offered to the public for rent or lease to make specified

disclosures regarding the property to a tenant, as specified. These provisions are enforceable against any successor owner or manager, who must comply with these provisions within 15 days of succeeding the previous owner or manager.

This bill would define a “successor owner” for purposes of these provisions and would create an exception to that requirement if the owner serves a specified notice.

(4) The California Constitution establishes the Public Utilities Commission to fix rates and establish rules governing utilities. The California Constitution also provides that private corporations and persons who operate specified utilities are subject to control by the Legislature. Existing statutory law regulates public utilities. Among other things, a public utility must furnish and maintain adequate, efficient, just, and reasonable service as necessary to promote public health and safety, as specified. A public utility which violates or fails to comply with these provisions is guilty of a misdemeanor and subject to various penalties.

Existing law provides that whenever an electrical, gas, heat, or water corporation furnishes individually metered residential service to residential occupants in a multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined, where the owner, manager, or operator is listed by the corporation as the customer of record, the corporation is required to make every good faith effort to inform the residential occupants, by means of a specified notice, when the account is in arrears, that service will be terminated at least 10 days prior to termination. Existing law also provides for a procedure by which those residential occupants may become customers of the corporation. Similar provisions exist for a public utility or a district that furnishes individually metered residential light, heat, water, or power to residential occupants in a multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp where the owner, manager, or operator is listed by the public utility or district as the customer of record.

This bill would delete those provisions.

(5) Existing law provides that whenever an electrical, gas, heat, or water corporation furnishes residential service to residential occupants through a master meter in a multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined, where the owner, manager, or operator is listed by the corporation as the customer of record, the corporation is required to make every good

faith effort to inform the residential occupants, by means of a written notice posted on the door of each residential unit at least 15 days prior to termination, when the account is in arrears, that service will be terminated on a date specified in the notice. Similar provisions exist for a public utility or district that furnishes light, heat, water, or power to residential occupants through a master meter in a multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined, where the owner, manager, or operator is listed by the public utility or district as the customer of record.

This bill would require that whenever an electrical, gas, heat, or water corporation furnishes residential service to residential occupants in a residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined, where the owner, manager, or operator is listed by the corporation as the customer of record, the corporation would be required to inform the residential occupants, by means of a written notice posted on the door of each residential unit and a mailed notice to all affected service addresses known to the utility or available through reasonable and practical methods, as specified, at least 15 days prior to termination, when the account is in arrears, that service will be terminated on a date specified in the notice. The bill would similarly provide that whenever a public utility or district furnishes light, heat, water, or power to residential occupants in a residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined, where the owner, manager, or operator is listed by the public utility or district as the customer of record, the public utility or district is required to inform the residential occupants in the same method.

Because the bill would create new crimes, the bill would impose a state-mandated local program.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 789.3 of the Civil Code is amended to
2 read:

3 789.3. (a) A landlord shall not with intent to terminate the
4 occupancy of property used by a tenant as his residence willfully
5 cause, directly or indirectly, the interruption or termination of any
6 utility service furnished the tenant, including, but not limited to,
7 water, heat, light, electricity, gas, telephone, elevator, or
8 refrigeration, whether or not the utility service is under the control
9 of the landlord.

10 (b) In addition, a landlord shall not, with intent to terminate the
11 occupancy of property used by a tenant as his or her residence,
12 willfully do any of the following:

13 (1) Prevent the tenant from gaining reasonable access to the
14 property by changing the locks or using a bootlock or by any other
15 similar method or device.

16 (2) Remove outside doors or windows.

17 (3) Remove from the premises the tenant's personal property,
18 the furnishings, or any other items without the prior written consent
19 of the tenant, except when done pursuant to the procedure set forth
20 in Chapter 5 (commencing with Section 1980) of Title 5 of Part 4
21 of Division 3.

22 Nothing in this subdivision shall be construed to prevent the
23 lawful eviction of a tenant by appropriate legal authorities, nor
24 shall anything in this subdivision apply to occupancies defined by
25 subdivision (b) of Section 1940.

26 (c) Any landlord who violates this section shall be liable to the
27 tenant in a civil action for all of the following:

28 (1) Actual damages of the tenant.

29 (2) An amount not to exceed one hundred dollars (\$100) for
30 each day or part thereof the landlord remains in violation of this
31 section. In determining the amount of such award, the court shall
32 consider proof of such matters as justice may require; however,
33 in no event shall less than two hundred fifty dollars (\$250) be
34 awarded for each separate cause of action. Subsequent or repeated
35 violations, which are not committed contemporaneously with the
36 initial violation, shall be treated as separate causes of action and
37 shall be subject to a separate award of damages.

1 (d) In any action under subdivision (c) the court shall award
 2 reasonable attorney’s fees to the prevailing party. In any such
 3 action the tenant may seek appropriate injunctive relief to prevent
 4 continuing or further violation of the provisions of this section
 5 during the pendency of the action. The remedy provided by this
 6 section is not exclusive and shall not preclude the tenant from
 7 pursuing any other remedy which the tenant may have under any
 8 other provision of law.

9 (e) For purposes of this section:

10 (1) “Landlord” includes, but is not limited to, a fee simple owner
 11 or owners of the property, and any successor or successors in
 12 interest to the landlord’s interest in the property, including, but
 13 not limited to, interests acquired through the provisions of Chapter
 14 2 (commencing with Section 2920) of Title 14 of Part 4 of Division
 15 3.

16 (2) “Tenant” includes a tenant occupying the property pursuant
 17 to a fixed-term tenancy, a periodic tenancy, a tenancy at will, and
 18 a tenancy at sufferance, a subtenant, a lawful occupant, and any
 19 of the above persons who lawfully occupied the property
 20 immediately prior to the owner’s acquisition of the property.

21 SEC. 2. Section 1942.2 is added to the Civil Code, to read:

22 1942.2. A tenant who has made a payment to a utility pursuant
 23 to Section 777.1, 10009.1, 12822.1, or 16481.1 of the Public
 24 Utilities Code may deduct the payment from the rent as provided
 25 in that section.

26 SEC. 3. Section 1950.5 of the Civil Code is amended to read:

27 1950.5. (a) This section applies to security for a rental
 28 agreement for residential property that is used as the dwelling of
 29 the tenant.

30 (b) As used in this section, “security” means any payment, fee,
 31 deposit or charge, including, but not limited to, any payment, fee,
 32 deposit, or charge, except as provided in Section 1950.6, that is
 33 imposed at the beginning of the tenancy to be used to reimburse
 34 the landlord for costs associated with processing a new tenant or
 35 that is imposed as an advance payment of rent, used or to be used
 36 for any purpose, including, but not limited to, any of the following:

37 (1) The compensation of a landlord for a tenant’s default in the
 38 payment of rent.

1 (2) The repair of damages to the premises, exclusive of ordinary
2 wear and tear, caused by the tenant or by a guest or licensee of the
3 tenant.

4 (3) The cleaning of the premises upon termination of the tenancy
5 necessary to return the unit to the same level of cleanliness it was
6 in at the inception of the tenancy. The amendments to this
7 paragraph enacted by the act adding this sentence shall apply only
8 to tenancies for which the tenant's right to occupy begins after
9 January 1, 2003.

10 (4) To remedy future defaults by the tenant in any obligation
11 under the rental agreement to restore, replace, or return personal
12 property or appurtenances, exclusive of ordinary wear and tear, if
13 the security deposit is authorized to be applied thereto by the rental
14 agreement.

15 (c) A landlord may not demand or receive security, however
16 denominated, in an amount or value in excess of an amount equal
17 to two months' rent, in the case of unfurnished residential property,
18 and an amount equal to three months' rent, in the case of furnished
19 residential property, in addition to any rent for the first month paid
20 on or before initial occupancy.

21 This subdivision does not prohibit an advance payment of not
22 less than six months' rent if the term of the lease is six months or
23 longer.

24 This subdivision does not preclude a landlord and a tenant from
25 entering into a mutual agreement for the landlord, at the request
26 of the tenant and for a specified fee or charge, to make structural,
27 decorative, furnishing, or other similar alterations, if the alterations
28 are other than cleaning or repairing for which the landlord may
29 charge the previous tenant as provided by subdivision (e).

30 (d) Any security shall be held by the landlord for the tenant who
31 is party to the lease or agreement. The claim of a tenant to the
32 security shall be prior to the claim of any creditor of the landlord.

33 (e) The landlord may claim of the security only those amounts
34 as are reasonably necessary for the purposes specified in
35 subdivision (b). The landlord may not assert a claim against the
36 tenant or the security for damages to the premises or any defective
37 conditions that preexisted the tenancy, for ordinary wear and tear
38 or the effects thereof, whether the wear and tear preexisted the
39 tenancy or occurred during the tenancy, or for the cumulative

1 effects of ordinary wear and tear occurring during any one or more
2 tenancies.

3 (f) (1) Within a reasonable time after notification of either
4 party's intention to terminate the tenancy, or before the end of the
5 lease term, the landlord shall notify the tenant in writing of his or
6 her option to request an initial inspection and of his or her right to
7 be present at the inspection. The requirements of this subdivision
8 do not apply when the tenancy is terminated pursuant to subdivision
9 (2), (3), or (4) of Section 1161 of the Code of Civil Procedure. At
10 a reasonable time, but no earlier than two weeks before the
11 termination or the end of lease date, the landlord, or an agent of
12 the landlord, shall, upon the request of the tenant, make an initial
13 inspection of the premises prior to any final inspection the landlord
14 makes after the tenant has vacated the premises. The purpose of
15 the initial inspection shall be to allow the tenant an opportunity to
16 remedy identified deficiencies, in a manner consistent with the
17 rights and obligations of the parties under the rental agreement, in
18 order to avoid deductions from the security. If a tenant chooses
19 not to request an initial inspection, the duties of the landlord under
20 this subdivision are discharged. If an inspection is requested, the
21 parties shall attempt to schedule the inspection at a mutually
22 acceptable date and time. The landlord shall give at least 48 hours'
23 prior written notice of the date and time of the inspection if either
24 a mutual time is agreed upon, or if a mutually agreed time cannot
25 be scheduled but the tenant still wishes an inspection. The tenant
26 and landlord may agree to forgo the 48-hour prior written notice
27 by both signing a written waiver. The landlord shall proceed with
28 the inspection whether the tenant is present or not, unless the tenant
29 previously withdrew his or her request for the inspection.

30 (2) Based on the inspection, the landlord shall give the tenant
31 an itemized statement specifying repairs or cleaning that are
32 proposed to be the basis of any deductions from the security the
33 landlord intends to make pursuant to paragraphs (1) to (4), inclusive
34 of subdivision (b). This statement shall also include the texts of
35 paragraphs (1) to (4), inclusive, of subdivision (b). The statement
36 shall be given to the tenant, if the tenant is present for the
37 inspection, or shall be left inside the premises.

38 (3) The tenant shall have the opportunity during the period
39 following the initial inspection until termination of the tenancy to
40 remedy identified deficiencies, in a manner consistent with the

1 rights and obligations of the parties under the rental agreement, in
2 order to avoid deductions from the security.

3 (4) Nothing in this subdivision shall prevent a landlord from
4 using the security for deductions itemized in the statement provided
5 for in paragraph (2) that were not cured by the tenant so long as
6 the deductions are for damages authorized by this section.

7 (5) Nothing in this subdivision shall prevent a landlord from
8 using the security for any purpose specified in paragraphs (1) to
9 (4), inclusive, of subdivision (b) that occurs between completion
10 of the initial inspection and termination of the tenancy or was not
11 identified during the initial inspection due to the presence of a
12 tenant's possessions.

13 (g) (1) No later than 21 calendar days after the tenant has
14 vacated the premises, but not earlier than the time that either the
15 landlord or the tenant provides a notice to terminate the tenancy
16 under Section 1946 or 1946.1, Section 1161 of the Code of Civil
17 Procedure, or not earlier than 60 calendar days prior to the
18 expiration of a fixed-term lease, the landlord shall furnish the
19 tenant, by personal delivery or by first-class mail, postage prepaid,
20 a copy of an itemized statement indicating the basis for, and the
21 amount of, any security received and the disposition of the security
22 and shall return any remaining portion of the security to the tenant.

23 (2) Along with the itemized statement, the landlord shall also
24 include copies of documents showing charges incurred and
25 deducted by the landlord to repair or clean the premises, as follows:

26 (A) If the landlord or landlord's employee did the work, the
27 itemized statement shall reasonably describe the work performed.
28 The itemized statement shall include the time spent and the
29 reasonable hourly rate charged.

30 (B) If the landlord or landlord's employee did not do the work,
31 the landlord shall provide the tenant a copy of the bill, invoice, or
32 receipt supplied by the person or entity performing the work. The
33 itemized statement shall provide the tenant with the name, address,
34 and telephone number of the person or entity, if the bill, invoice,
35 or receipt does not include that information.

36 (C) If a deduction is made for materials or supplies, the landlord
37 shall provide a copy of the bill, invoice, or receipt. If a particular
38 material or supply item is purchased by the landlord on an ongoing
39 basis, the landlord may document the cost of the item by providing
40 a copy of a bill, invoice, receipt, vendor price list, or other vendor

1 document that reasonably documents the cost of the item used in
2 the repair or cleaning of the unit.

3 (3) If a repair to be done by the landlord or the landlord's
4 employee cannot reasonably be completed within 21 calendar days
5 after the tenant has vacated the premises, or if the documents from
6 a person or entity providing services, materials, or supplies are not
7 in the landlord's possession within 21 calendar days after the tenant
8 has vacated the premises, the landlord may deduct the amount of
9 a good faith estimate of the charges that will be incurred and
10 provide that estimate with the itemized statement. If the reason for
11 the estimate is because the documents from a person or entity
12 providing services, materials, or supplies are not in the landlord's
13 possession, the itemized statement shall include the name, address,
14 and telephone number of the person or entity. Within 14 calendar
15 days of completing the repair or receiving the documentation, the
16 landlord shall complete the requirements in paragraphs (1) and (2)
17 in the manner specified.

18 (4) The landlord need not comply with paragraph (2) or (3) if
19 either of the following apply:

20 (A) The deductions for repairs and cleaning together do not
21 exceed one hundred twenty-five dollars (\$125).

22 (B) The tenant waived the rights specified in paragraphs (2) and
23 (3). The waiver shall only be effective if it is signed by the tenant
24 at the same time or after a notice to terminate a tenancy under
25 Section 1946 or 1946.1 has been given, a notice under Section
26 1161 of the Code of Civil Procedure has been given, or no earlier
27 than 60 calendar days prior to the expiration of a fixed-term lease.
28 The waiver shall substantially include the text of paragraph (2).

29 (5) Notwithstanding paragraph (4), the landlord shall comply
30 with paragraphs (2) and (3) when a tenant makes a request for
31 documentation within 14 calendar days after receiving the itemized
32 statement specified in paragraph (1). The landlord shall comply
33 within 14 calendar days after receiving the request from the tenant.

34 (6) Any mailings to the tenant pursuant to this subdivision shall
35 be sent to the address provided by the tenant. If the tenant does
36 not provide an address, mailings pursuant to this subdivision shall
37 be sent to the unit that has been vacated.

38 (h) Upon termination of the landlord's interest in the premises,
39 whether voluntary or involuntary by sale, trustee sale, assignment,
40 death, appointment of receiver or otherwise, the landlord or the

1 landlord's agent shall, within a reasonable time, do one of the
2 following acts, either of which shall relieve the landlord of further
3 liability with respect to the security held:

4 (1) Transfer the portion of the security remaining after any
5 lawful deductions made under subdivision (e) to the landlord's
6 successor in interest. The landlord shall thereafter notify the tenant
7 by personal delivery or by first-class mail, postage prepaid, of the
8 transfer, of any claims made against the security, of the amount
9 of the security deposited, and of the names of the successor in
10 interest, their address, and their telephone number. If the notice to
11 the tenant is made by personal delivery, the tenant shall
12 acknowledge receipt of the notice and sign his or her name on the
13 landlord's copy of the notice.

14 (2) Return the portion of the security remaining after any lawful
15 deductions made under subdivision (e) to the tenant, together with
16 an accounting as provided in subdivision (g).

17 (i) Prior to the voluntary transfer of a landlord's interest in the
18 premises, the landlord shall deliver to the landlord's successor in
19 interest a written statement indicating the following:

20 (1) The security remaining after any lawful deductions are made.

21 (2) An itemization of any lawful deductions from any security
22 received.

23 (3) His or her election under paragraph (1) or (2) of subdivision
24 (h).

25 This subdivision does not affect the validity of title to the real
26 property transferred in violation of this subdivision.

27 (j) In the event of noncompliance with subdivision (h), the
28 landlord's successor in interest shall be jointly and severally liable
29 with the landlord for repayment of the security, or that portion
30 thereof to which the tenant is entitled, when and as provided in
31 subdivisions (e) and (g). A successor in interest of a landlord may
32 not require the tenant to post any security to replace that amount
33 not transferred to the tenant or successor in interest as provided in
34 subdivision (h), unless and until the successor in interest first makes
35 restitution of the initial security as provided in paragraph (2) of
36 subdivision (h) or provides the tenant with an accounting as
37 provided in subdivision (g).

38 This subdivision does not preclude a successor in interest from
39 recovering from the tenant compensatory damages that are in

1 excess of the security received from the landlord previously paid
2 by the tenant to the landlord.

3 Notwithstanding this subdivision, if, upon inquiry and reasonable
4 investigation, a landlord's successor in interest has a good faith
5 belief that the lawfully remaining security deposit is transferred
6 to him or her or returned to the tenant pursuant to subdivision (h),
7 he or she is not liable for damages as provided in subdivision (l),
8 or any security not transferred pursuant to subdivision (h).

9 (k) Upon receipt of any portion of the security under paragraph
10 (1) of subdivision (h), the landlord's successor in interest shall
11 have all of the rights and obligations of a landlord holding the
12 security with respect to the security.

13 (l) The bad faith claim or retention by a landlord or the
14 landlord's successor in interest of the security or any portion
15 thereof in violation of this section, or the bad faith demand of
16 replacement security in violation of subdivision (j), may subject
17 the landlord or the landlord's successor in interest to statutory
18 damages of up to twice the amount of the security, in addition to
19 actual damages. The court may award damages for bad faith
20 whenever the facts warrant that award, regardless of whether the
21 injured party has specifically requested relief. In any action under
22 this section, the landlord or the landlord's successor in interest
23 shall have the burden of proof as to the reasonableness of the
24 amounts claimed or the authority pursuant to this section to demand
25 additional security deposits.

26 (m) No lease or rental agreement may contain any provision
27 characterizing any security as "nonrefundable."

28 (n) Any action under this section may be maintained in small
29 claims court if the damages claimed, whether actual or statutory
30 or both, are within the jurisdictional amount allowed by Section
31 116.220 or 116.221 of the Code of Civil Procedure.

32 (o) Proof of the existence of and the amount of a security deposit
33 may be established by any credible evidence, including, but not
34 limited to, a canceled check, a receipt, a lease indicating the
35 requirement of a deposit as well as the amount, prior consistent
36 statements or actions of the landlord or tenant, or a statement under
37 penalty of perjury that satisfies the credibility requirements set
38 forth in Section 780 of the Evidence Code.

39 (p) For purposes of this section, "successor in interest" includes
40 all successors in interest, and includes, but is not limited to, a fee

1 simple owner or owners of the property, and any successor or
2 successors in interest to the landlord's interest in the property,
3 including, but not limited to, interests acquired through the
4 provisions of Chapter 2 (commencing with Section 2920) of Title
5 14.

6 (q) The amendments to this section made during the 1985
7 portion of the 1985–86 Regular Session of the Legislature that are
8 set forth in subdivision (e) are declaratory of existing law.

9 (r) The amendments to this section made during the 2003 portion
10 of the 2003–04 Regular Session of the Legislature that are set forth
11 in paragraph (1) of subdivision (f) are declaratory of existing law.

12 SEC. 4. Section 1962 of the Civil Code is amended to read:

13 1962. (a) Any owner of a dwelling structure specified in
14 Section 1961 or a party signing a rental agreement or lease on
15 behalf of the owner shall do all of the following:

16 (1) Disclose therein the name, telephone number, and usual
17 street address at which personal service may be effected of each
18 person who is:

19 (A) Authorized to manage the premises.

20 (B) An owner of the premises or a person who is authorized to
21 act for and on behalf of the owner for the purpose of service of
22 process and for the purpose of receiving and receipting for all
23 notices and demands.

24 (2) Disclose therein the name, telephone number, and address
25 of the person or entity to whom rent payments shall be made.

26 (A) If rent payments may be made personally, the usual days
27 and hours that the person will be available to receive the payments
28 shall also be disclosed.

29 (B) At the owner's option, the rental agreement or lease shall
30 instead disclose the number of either:

31 (i) The account in a financial institution into which rent
32 payments may be made, and the name and street address of the
33 institution; provided that the institution is located within five miles
34 of the rental property.

35 (ii) The information necessary to establish an electronic funds
36 transfer procedure for paying the rent.

37 (3) Disclose therein the form or forms in which rent payments
38 are to be made.

39 (4) Provide a copy of the rental agreement or lease to the tenant
40 within 15 days of its execution by the tenant. Once each calendar

1 year thereafter, upon request by the tenant, the owner or owner's
2 agent shall provide an additional copy to the tenant within 15 days.
3 If the owner or owner's agent does not possess the rental agreement
4 or lease or a copy of it, the owner or owner's agent shall instead
5 furnish the tenant with a written statement stating that fact and
6 containing the information required by paragraphs (1), (2), and (3)
7 of subdivision (a).

8 (b) In the case of an oral rental agreement, the owner, or a person
9 acting on behalf of the owner for the receipt of rent or otherwise,
10 shall furnish the tenant, within 15 days of the agreement, with a
11 written statement containing the information required by
12 paragraphs (1), (2), and (3) of subdivision (a). Once each calendar
13 year thereafter, upon request by the tenant, the owner or owner's
14 agent shall provide an additional copy of the statement to the tenant
15 within 15 days.

16 (c) The information required by this section shall be kept current
17 and this section shall extend to and be enforceable against any
18 successor owner or manager, who shall comply with this section
19 within 15 days of succeeding the previous owner or manager.

20 (d) A party who enters into a rental agreement on behalf of the
21 owner who fails to comply with this section is deemed an agent
22 of each person who is an owner:

23 (1) For the purpose of service of process and receiving and
24 receipting for notices and demands.

25 (2) For the purpose of performing the obligations of the owner
26 under law and under the rental agreement.

27 (3) For the purpose of receiving rental payments, which may
28 be made in cash, by check, by money order, or in any form
29 previously accepted by the owner or owner's agent, unless the
30 form of payment has been specified in the oral or written
31 agreement, or the tenant has been notified by the owner in writing
32 that a particular form of payment is unacceptable.

33 (e) Nothing in this section limits or excludes the liability of any
34 undisclosed owner.

35 (f) If the address provided by the owner does not allow for
36 personal delivery, then it shall be conclusively presumed that upon
37 the mailing of any rent or notice to the owner by the tenant to the
38 name and address provided, the notice or rent is deemed receivable
39 by the owner on the date posted, if the tenant can show proof of
40 mailing to the name and address provided by the owner.

1 (g) For purposes of this section, “successor owner” includes all
2 successor owners, and includes, but is not limited to, a fee simple
3 owner or owners of the property, and a successor owner whose
4 interest was acquired through the provisions of Chapter 2
5 (commencing with Section 2920) of Title 14. However, a successor
6 owner whose interest was acquired under that chapter need not
7 comply with this section if the owner serves a notice pursuant to
8 Section 1161b of the Code of Civil Procedure within 15 days after
9 acquiring the property.

10 *SEC. 4.5. Section 1962 of the Civil Code is amended to read:*

11 1962. (a) Any owner of a dwelling structure specified in
12 Section 1961 or a party signing a rental agreement or lease on
13 behalf of the owner shall do all of the following:

14 (1) Disclose therein the name, telephone number, and usual
15 street address at which personal service may be effected of each
16 person who is:

17 (A) Authorized to manage the premises.

18 (B) An owner of the premises or a person who is authorized to
19 act for and on behalf of the owner for the purpose of service of
20 process and for the purpose of receiving and receipting for all
21 notices and demands.

22 (2) Disclose therein the name, telephone number, and address
23 of the person or entity to whom rent payments shall be made.

24 (A) If rent payments may be made personally, the usual days
25 and hours that the person will be available to receive the payments
26 shall also be disclosed.

27 (B) At the owner’s option, the rental agreement or lease shall
28 instead disclose the number of either:

29 (i) The account in a financial institution into which rent
30 payments may be made, and the name and street address of the
31 institution; provided that the institution is located within five miles
32 of the rental property.

33 (ii) The information necessary to establish an electronic funds
34 transfer procedure for paying the rent.

35 (3) Disclose therein the form or forms in which rent payments
36 are to be made.

37 (4) Provide a copy of the rental agreement or lease to the tenant
38 within 15 days of its execution by the tenant. Once each calendar
39 year thereafter, upon request by the tenant, the owner or owner’s
40 agent shall provide an additional copy to the tenant within 15 days.

1 If the owner or owner's agent does not possess the rental agreement
2 or lease or a copy of it, the owner or owner's agent shall instead
3 furnish the tenant with a written statement stating that fact and
4 containing the information required by paragraphs (1), (2), and (3)
5 of subdivision (a).

6 (b) In the case of an oral rental agreement, the owner, or a person
7 acting on behalf of the owner for the receipt of rent or otherwise,
8 shall furnish the tenant, within 15 days of the agreement, with a
9 written statement containing the information required by
10 paragraphs (1), (2), and (3) of subdivision (a). Once each calendar
11 year thereafter, upon request by the tenant, the owner or owner's
12 agent shall provide an additional copy of the statement to the tenant
13 within 15 days.

14 (c) The information required by this section shall be kept current
15 and this section shall extend to and be enforceable against any
16 successor owner or manager, who shall comply with this section
17 within 15 days of succeeding the previous owner or manager.

18 (d) A party who enters into a rental agreement on behalf of the
19 owner who fails to comply with this section is deemed an agent
20 of each person who is an owner:

21 (1) For the purpose of service of process and receiving and
22 receipting for notices and demands.

23 (2) For the purpose of performing the obligations of the owner
24 under law and under the rental agreement.

25 (3) For the purpose of receiving rental payments, which may
26 be made in cash, by check, by money order, or in any form
27 previously accepted by the owner or owner's agent, unless the
28 form of payment has been specified in the oral or written
29 agreement, or the tenant has been notified by the owner in writing
30 that a particular form of payment is unacceptable.

31 (e) Nothing in this section limits or excludes the liability of any
32 undisclosed owner.

33 (f) If the address provided by the owner does not allow for
34 personal delivery, then it shall be conclusively presumed that upon
35 the mailing of any rent or notice to the owner by the tenant to the
36 name and address provided, the notice or rent is deemed receivable
37 by the owner on the date posted, if the tenant can show proof of
38 mailing to the name and address provided by the owner.

39 (g) *For purposes of this section, "successor owner" includes*
40 *all successor owners, and includes, but is not limited to, a fee*

1 *simple owner or owners of the property, and a successor owner*
 2 *whose interest was acquired through the provisions of Chapter 2*
 3 *(commencing with Section 2920) of Title 14. However, a successor*
 4 *owner whose interest was acquired under that chapter need not*
 5 *comply with this section if the owner serves a notice pursuant to*
 6 *Section 1161a of the Code of Civil Procedure within 15 days after*
 7 *acquiring the property.*

8 ~~SEC. 5.— Section 2924.9 is added to the Civil Code, to read:~~

9 ~~2924.9. (a) In addition to the other notices required by this~~
 10 ~~chapter, a mortgagee, trustee, servicer, or beneficiary shall also~~
 11 ~~give notice of the sale, as provided in this section, to the tenants~~
 12 ~~or occupants of each dwelling unit on any property that includes~~
 13 ~~one to four dwelling units.~~

14 ~~(b) The notice shall be:~~

15 ~~(1) Given whenever a notice of sale is required under Section~~
 16 ~~2924f. It shall be given at least 20 days prior to the sale and shall~~
 17 ~~include the date of the sale.~~

18 ~~(2) Given in at least 12-point type and in English and the~~
 19 ~~languages listed in Section 1632, except as provided in subdivision~~
 20 ~~(d):~~

21 ~~(3) Mailed postage prepaid by first-class mail and by either~~
 22 ~~registered or certified mail. The outside front of the envelope shall~~
 23 ~~include this notice: “If you are renting this property, you may have~~
 24 ~~to move soon,” in the manner prescribed in paragraph (2).~~

25 ~~(4) Posted on a door of each dwelling unit. If not possible or~~
 26 ~~restricted, then the notice shall be posted in a conspicuous place~~
 27 ~~on the property, however, if access is denied because a common~~
 28 ~~entrance to the property is restricted by a guard gate or similar~~
 29 ~~impediment, the notice may be posted at that guard gate or similar~~
 30 ~~impediment to any development community. A copy of the notice~~
 31 ~~of sale shall also be posted in a conspicuous place on the property,~~
 32 ~~where possible and where not restricted for any reason.~~

33 ~~(5) Addressed to the tenant of the dwelling unit, if known;~~
 34 ~~otherwise to “Tenant(s) or Resident(s) of Property Located at:”~~
 35 ~~followed by the address of the dwelling, including the unit number,~~
 36 ~~if any.~~

37 ~~(e) The notice shall be in substantially the following form:~~

38 ~~—~~

39 ~~NOTICE TO ANY RENTERS OF POSSIBLE FORECLOSURE~~
 40 ~~SALE~~

1
2 To: [as specified in subdivision (b), paragraph (5)]
3 From: [Name, address, and capacity of person giving notice]
4 —
5 The property where you live is scheduled to be sold by
6 foreclosure on [date]. However, it is possible that the sale may
7 be delayed, or the property might not be sold at all.
8 —
9 If you are renting, you and your landlord have the same rights
10 and responsibilities as you have always had, until the sale.
11 —
12 If the foreclosure sale happens, in most cases the buyer can
13 force you to move, but some exceptions apply. If the buyer
14 wants you to move, the buyer must give you at least 60 days'
15 written notice. You will no longer be required to pay rent after
16 a foreclosure sale.
17 —
18 However, the buyer may ask you if you wish to continue
19 renting. If you agree to continue renting, a new lease or rental
20 agreement would begin at that time, and you must pay rent at
21 that time.
22 —
23 These rules are complicated. You may want to discuss your
24 rights with a lawyer, your local free legal aid program, or a
25 local rent stabilization board. To find a legal aid program, go
26 to: www.lawhelpcalifornia.org/CA/index.cfm. You should
27 also contact your landlord or manager if you have questions.
28 —
29 (d) The person giving the notice required in subdivision (c) shall
30 include in the notice either:
31 (1) A translation of the notice into the languages listed in Section
32 1632.
33 (2) A translation of a summary of the notice into the languages
34 listed in Section 1632, including notification of the possible sale,
35 that any tenant's right to continue to live there may be affected,
36 and that a tenant may wish to discuss his or her rights with a
37 lawyer, a local free legal aid program, or a local rent stabilization
38 board.
39 SEC. 6. Section 1161a of the Code of Civil Procedure is
40 amended to read:

1 1161a. (a) As used in this section:

2 (1) “Manufactured home” has the same meaning as provided
3 in Section 18007 of the Health and Safety Code.

4 (2) “Mobilehome” has the same meaning as provided in Section
5 18008 of the Health and Safety Code.

6 (3) “Floating home” has the same meaning as provided in
7 subdivision (d) of Section 18075.55 of the Health and Safety Code.

8 (b) Except as provided in Section 1161b, in any of the following
9 cases, a person who holds over and continues in possession of a
10 manufactured home, mobilehome, floating home, or real property
11 after a three-day written notice to quit the property has been served
12 upon the person, or if there is a subtenant in actual occupation of
13 the premises, also upon the subtenant, as prescribed in Section
14 1162, may be removed therefrom as prescribed in this chapter:

15 (1) Where the property has been sold pursuant to a writ of
16 execution against the person, or a person under whom the person
17 claims, and the title under the sale has been duly perfected.

18 (2) Where the property has been sold pursuant to a writ of sale,
19 upon the foreclosure by proceedings taken as prescribed in this
20 code of a mortgage, or under an express power of sale contained
21 therein, executed by the person, or a person under whom the person
22 claims, and the title under the foreclosure has been duly perfected.

23 (3) Where the property has been sold in accordance with Section
24 2924 of the Civil Code, under a power of sale contained in a deed
25 of trust executed by the person, or a person under whom the person
26 claims, and the title under the sale has been duly perfected.

27 (4) Where the property has been sold by the person, or a person
28 under whom the person claims, and the title under the sale has
29 been duly perfected.

30 (5) Where the property has been sold in accordance with Section
31 18037.5 of the Health and Safety Code under the default provisions
32 of a conditional sale contract or security agreement executed by
33 the person, or a person under whom the person claims, and the
34 title under the sale has been duly perfected.

35 SEC. 7. Section 1161b is added to the Code of Civil Procedure,
36 to read:

37 1161b. (a) As used in this section:

38 (1) “Manufactured home” has the same meaning as provided
39 in Section 18007 of the Health and Safety Code.

1 (2) “Mobilehome” has the same meaning as provided in Section
2 18008 of the Health and Safety Code.

3 (3) “Floating home” has the same meaning as provided in
4 subdivision (d) of Section 18075.55 of the Health and Safety Code.

5 (b) Notwithstanding Section 1161a, a tenant in possession of
6 real property that includes a dwelling unit that has been sold or
7 otherwise transferred by reason of any of the causes enumerated
8 in paragraph 2, 3, or 5 of subdivision (b) of Section 1161a may
9 only be removed from the property under the provisions of this
10 section.

11 (c) The tenant shall be given 60 days’ written notice to quit
12 before the tenant may be removed from the property, as prescribed
13 in the procedures of this chapter. The notice shall be served as
14 provided in Section 1162.

15 (d) For any dwelling units on the property, the notice shall be
16 in substantially the following form, in English and the languages
17 described in Section 1632 of the Civil Code, in at least 12-point
18 type:

19 —

20 **TERMINATION NOTICE**

21 —

22 The property you live at, [street address including unit number
23 if any], has been sold due to a foreclosure.

24 —

25 You must move on or before [specify date at least 60 days
26 after service]. You may move out at any time before [date
27 specified above].

28 —

29 You may wish to contact a lawyer or your local free legal
30 services program to discuss any other rights you may have,
31 including your possible right to stay. If you are going to
32 challenge this eviction, you should generally continue to pay
33 rent to the person listed below.

34 —

35 If you decide you are going to move, you are not required to
36 pay any more rent.

37 —

38 You will be responsible for any damages to the property, under
39 the same terms as you had with your former landlord.

40 —

1 ~~If you paid a security deposit, your former landlord and the~~
2 ~~new owner are both responsible for returning the original~~
3 ~~amount to you, less any lawful deductions.~~

4 —
5 ~~The new owner is [name]. [If applicable:] The agent of the~~
6 ~~new owner is [name and address of agent]. You may contact~~
7 ~~them at: [address].~~

8 —
9 ~~(e) The notice shall be signed by the owner or the owner's agent.~~
10 ~~If an owner's agent signs, the notice shall so specify.~~

11 ~~(f) A city, county, or city and county may require an alternative~~
12 ~~notice specifically relating to foreclosed properties.~~

13 ~~(g) Any person who knowingly or recklessly serves a notice to~~
14 ~~a tenant specified in subdivision (a) to terminate possession, which~~
15 ~~does not comply with this section and any local law that regulates~~
16 ~~the basis for eviction, shall be subject to civil fines and penalties~~
17 ~~of up to one thousand dollars (\$1,000).~~

18 ~~(h) For purposes of this section:~~

19 ~~(1) "Owner" includes all successor owners, and includes, but~~
20 ~~is not limited to, a fee simple owner or owners of the property,~~
21 ~~and a successor owner whose interest was acquired through the~~
22 ~~provisions of Chapter 2 (commencing with Section 2920) of Title~~
23 ~~14 of Part 4 of Division 3.~~

24 ~~(2) "Tenant" includes a tenant occupying property pursuant to~~
25 ~~a fixed term tenancy, a periodic tenancy, a tenancy at will, and a~~
26 ~~tenancy at sufferance, a subtenant, a lawful occupant, and any of~~
27 ~~the above persons who lawfully occupied the property immediately~~
28 ~~prior to the owner's acquisition of the property.~~

29 ~~SEC. 8.~~

30 ~~SEC. 5.~~ Section 777 of the Public Utilities Code is repealed.

31 ~~SEC. 9.~~

32 ~~SEC. 6.~~ Section 777.1 of the Public Utilities Code is amended
33 to read:

34 777.1. (a) Whenever an electrical, gas, heat, or water
35 corporation furnishes residential service to residential occupants
36 in a residential structure, mobilehome park, or permanent
37 residential structures in a labor camp, as defined in Section 17008
38 of the Health and Safety Code, where the owner, manager, or
39 operator is listed by the corporation as the customer of record, the
40 corporation shall inform the residential occupants, by means of a

1 written notice posted on the door of each residential unit and a
2 mailed notice to all affected service addresses known to the utility
3 or available through reasonable and practical methods at least 15
4 days prior to termination, when the account is in arrears, that
5 service will be terminated on a date specified in the notice. If it is
6 not reasonable or practicable to post the notice on the door of each
7 residential unit, the corporation shall post two copies of the notice
8 in each accessible common area and at each point of access to the
9 structure or structures. The mailed notice shall be addressed to
10 “Any Person Renting Property At:” followed by the address of the
11 dwelling unit. The outside of the envelope shall state, in English
12 and in the languages listed in Section 1632 of the Civil Code, in
13 at least 12-point type: “Utility service to this address may be cut
14 off soon.” The notice shall further inform the residential occupants
15 that they have the right to become customers, to whom the service
16 will then be billed, without being required to pay any amount which
17 may be due on the delinquent account. The notice also shall
18 specify, in plain language, what the residential occupants are
19 required to do in order to prevent the termination or reestablish
20 service; the estimated monthly cost of service; the title, address,
21 and telephone number of a representative of the corporation who
22 can assist the residential occupants in continuing service; and the
23 address and telephone number of a legal services project, as defined
24 in Section 6213 of the Business and Professions Code, which has
25 been recommended by the local county bar association. The notice
26 shall be in English and in the languages listed in Section 1632 of
27 the Civil Code.

28 (b) The corporation is not required to make service available to
29 the residential occupants unless a residential occupant or a
30 representative of the residential occupants agrees to the terms and
31 conditions of service and meets the requirements of law and the
32 corporation’s rules and tariffs. However, if one or more of the
33 residential occupants or the representative of the residential
34 occupants are willing and able to assume responsibility for
35 subsequent charges to the account to the satisfaction of the
36 corporation, or if there is a physical means, legally available to
37 the corporation, of selectively terminating service to those
38 residential occupants who have not met the requirements of the
39 corporation’s rules and tariffs or for whom the representative of
40 the residential occupants is not responsible, the corporation shall

1 make service available to those residential occupants who have
2 met those requirements or on whose behalf those requirements
3 have been met.

4 (c) Where prior service for a period of time or other
5 demonstration of credit worthiness is a condition for establishing
6 credit with the corporation, residence and proof of prompt payment
7 of rent or other credit obligation during that period of time
8 acceptable to the corporation is a satisfactory equivalent.

9 (d) Any residential occupant who becomes a customer of the
10 corporation pursuant to this section whose periodic payments, such
11 as rental payments, include charges for residential electrical, gas,
12 heat, or water service, where those charges are not separately
13 stated, may deduct from the periodic payment each payment period
14 all reasonable charges paid to the corporation for those services
15 during the preceding payment period.

16 (e) Whenever a corporation furnishes residential service subject
17 to subdivision (a), the corporation may not terminate that service
18 in any of the following situations:

19 (1) During the pendency of an investigation by the corporation
20 of a customer dispute or complaint.

21 (2) When the customer has been granted an extension of the
22 period for payment of a bill.

23 (3) For an indebtedness owed by the customer to any other
24 person or corporation or when the obligation represented by the
25 delinquent account or other indebtedness was incurred with a
26 person or corporation other than the electrical, gas, heat, or water
27 corporation demanding payment therefor.

28 (4) When a delinquent account relates to another property
29 owned, managed, or operated by the customer.

30 (5) When a public health or building officer certifies that
31 termination would result in a significant threat to the health or
32 safety of the residential occupants or the public.

33 (f) Notwithstanding any other provision of law, and in addition
34 to any other remedy provided by law, if the owner, manager, or
35 operator, by any act or omission, directs, permits, or fails to prevent
36 a termination of service while any residential unit receiving that
37 service is occupied, the residential occupant or the representative
38 of the residential occupants may commence an action for the
39 recovery of all of the following:

1 (1) Reasonable costs and expenses incurred by the residential
2 occupant or the representative of the residential occupants related
3 to restoration of service.

4 (2) Actual damages related to the termination of service.

5 (3) Reasonable attorney’s fees of the residential occupants, the
6 representative of the residential occupants, or each of them,
7 incurred in the enforcement of this section, including, but not
8 limited to, enforcement of a lien.

9 (g) Notwithstanding any other provision of law, and in addition
10 to any other remedy provided by law, if the owner, manager, or
11 operator, by any act or omission, directs, permits, or fails to prevent
12 a termination of service while any residential unit receiving that
13 service is occupied, the corporation may commence an action for
14 the recovery of all of the following:

15 (1) Delinquent charges accruing prior to the expiration of the
16 notice prescribed by subdivision (a).

17 (2) Reasonable costs incurred by the corporation related to the
18 restoration of service.

19 (3) Reasonable attorney’s fees of the corporation incurred in
20 the enforcement of this section or in the collection of delinquent
21 charges, including, but not limited to, enforcement of a lien.

22 If the court finds that the owner, manager, or operator has paid
23 the amount in arrears prior to termination, the court shall allow no
24 recovery of any charges, costs, damages, expenses, or fees under
25 this subdivision from the owner, manager, or operator.

26 An abstract of any money judgment entered pursuant to
27 subdivision (f) or (g) shall be recorded pursuant to Section 697.310
28 of the Code of Civil Procedure.

29 (h) No termination of service subject to this section may be
30 effected without compliance with this section, and any service
31 wrongfully terminated shall be restored without charge to the
32 residential occupants or customer for the restoration of the service.
33 In the event of a wrongful termination by the corporation, the
34 corporation shall, in addition, be liable to the residential occupants
35 or customer for actual damages resulting from the termination and
36 for the costs of enforcement of this section, including, but not
37 limited to, reasonable attorney’s fees, if the residential occupants
38 or the representative of the residential occupants made a good faith
39 effort to have the service continued without interruption.

1 (i) The commission shall adopt rules and orders necessary to
2 implement this section and shall liberally construe this section to
3 accomplish its purpose of ensuring that service to residential
4 occupants is not terminated due to nonpayment by the customer
5 unless the corporation has made every reasonable effort to continue
6 service to the residential occupants. The rules and orders shall
7 include, but are not limited to, reasonable penalties for a violation
8 of this section, guidelines for assistance to residents in the
9 enforcement of this section, and requirements for the notice
10 prescribed by subdivision (a), including, but not limited to, clear
11 wording, large and boldface type, and comprehensive instructions
12 to ensure full notice to the resident.

13 (j) Nothing in this section broadens or restricts any authority of
14 a local agency that existed prior to January 1, 1989, to adopt an
15 ordinance protecting a residential occupant from the involuntary
16 termination of residential public utility service.

17 (k) This section preempts any statute or ordinance permitting
18 punitive damages against any owner, manager, or operator on
19 account of an involuntary termination of residential public utility
20 service or permitting the recovery of costs associated with the
21 formation, maintenance, and termination of a tenant's association.

22 ~~SEC. 10.~~

23 *SEC. 7.* Section 10009 of the Public Utilities Code is repealed.

24 ~~SEC. 11.~~

25 *SEC. 8.* Section 10009.1 of the Public Utilities Code is amended
26 to read:

27 10009.1. (a) Whenever a public utility furnishes light, heat,
28 water, or power to residential occupants in a residential structure,
29 mobilehome park, or permanent residential structures in a labor
30 camp, as defined in Section 17008 of the Health and Safety Code,
31 where the owner, manager, or operator is listed by the public utility
32 as the customer of record, the public utility shall inform the
33 residential occupants, by means of a written notice posted on the
34 door of each residential unit and a mailed notice to all affected
35 service addresses known to the utility or available through
36 reasonable and practical methods at least 15 days prior to
37 termination, when the account is in arrears, that service will be
38 terminated on a date specified in the notice. If it is not reasonable
39 or practicable to post the notice on the door of each residential
40 unit, the public utility shall post two copies of the notice in each

1 accessible common area and at each point of access to the structure
2 or structures. The mailed notice shall be addressed to “Any Person
3 Renting Property At:” followed by the address of the dwelling
4 unit. The outside of the envelope shall state, in English and in the
5 languages listed in Section 1632 of the Civil Code, in at least
6 12-point type: “Utility service to this address may be cut off soon.”
7 The notice shall further inform the residential occupants that they
8 have the right to become utility customers, to whom the service
9 will then be billed, without being required to pay the amount due
10 on the delinquent account. The notice also shall specify, in plain
11 language, what the residential occupants are required to do in order
12 to prevent the termination or reestablish service; the estimated
13 monthly cost of service; the title, address, and telephone number
14 of a representative of the public utility who can assist the residential
15 occupants in continuing service; and the address and telephone
16 number of a legal services project, as defined in Section 6213 of
17 the Business and Professions Code, which has been recommended
18 by the local county bar association. The notice shall be in English
19 and in the languages listed in Section 1632 of the Civil Code.

20 (b) The public utility is not required to make service available
21 to the residential occupants unless a residential occupant or a
22 representative of the residential occupants agrees to the terms and
23 conditions of service, and meets the requirements of law and the
24 public utility’s rules. However, if one or more of the residential
25 occupants or the representative of the residential occupants are
26 willing and able to assume responsibility for subsequent charges
27 to the account to the satisfaction of the public utility, or if there is
28 a physical means, legally available to the public utility, of
29 selectively terminating service to those residential occupants who
30 have not met the requirements of the public utility’s rules or for
31 whom the representative of the residential occupants is not
32 responsible, the public utility shall make service available to the
33 residential occupants who have met those requirements or on whose
34 behalf those requirements have been met.

35 (c) Where prior service for a period of time or other
36 demonstration of credit worthiness is a condition for establishing
37 credit with the public utility, residence and proof of prompt
38 payment of rent or other credit obligation during that period of
39 time acceptable to the public utility is a satisfactory equivalent.

1 (d) Any residential occupant who becomes a customer of the
2 public utility pursuant to this section whose periodic payments,
3 such as rental payments, include charges for residential light, heat,
4 water, or power, where these charges are not separately stated,
5 may deduct from the periodic payment each payment period all
6 reasonable charges paid to the public utility for those services
7 during the preceding payment period.

8 (e) Whenever a public utility furnishes residential service subject
9 to subdivision (a), the public utility may not terminate that service
10 in any of the following situations:

11 (1) During the pendency of an investigation by the public utility
12 of a customer dispute or complaint.

13 (2) When the customer has been granted an extension of the
14 period for payment of a bill.

15 (3) For an indebtedness owed by the customer to any other
16 public agency or when the obligation represented by the delinquent
17 account or other indebtedness was incurred with any public agency
18 other than the public utility.

19 (4) When a delinquent account relates to another property
20 owned, managed, or operated by the customer.

21 (5) When a public health or building officer certifies that
22 termination would result in a significant threat to the health or
23 safety of the residential occupants or the public.

24 (f) Notwithstanding any other provision of law, and in addition
25 to any other remedy provided by law, if the owner, manager, or
26 operator, by any act or omission, directs, permits, or fails to prevent
27 a termination of service while any residential unit is occupied, the
28 residential occupant or the representative of the residential
29 occupants may commence an action for the recovery of all of the
30 following:

31 (1) Reasonable costs and expenses incurred by the residential
32 occupant or the representative of the residential occupants related
33 to restoration of service.

34 (2) Actual damages related to the termination of service.

35 (3) Reasonable attorney's fees of the residential occupants, the
36 representative of the residential occupants, or each of them,
37 incurred in the enforcement of this section, including, but not
38 limited to, enforcement of a lien.

39 (g) Notwithstanding any other provision of law, and in addition
40 to any other remedy provided by law, if the owner, manager, or

1 operator, by any act or omission, directs, permits, or fails to prevent
2 a termination of service while any residential unit receiving that
3 service is occupied, the corporation may commence an action for
4 the recovery of all of the following:

5 (1) Delinquent charges accruing prior to the expiration of the
6 notice prescribed by subdivision (a).

7 (2) Reasonable costs incurred by the corporation related to the
8 restoration of service.

9 (3) Reasonable attorney's fees of the corporation incurred in
10 the enforcement of this section or in the collection of delinquent
11 charges, including, but not limited to, enforcement of a lien.

12 If the court finds that the owner, manager, or operator has paid
13 the amount in arrears prior to termination, the court shall allow no
14 recovery of any charges, costs, damages, expenses, or fees under
15 this subdivision from the owner, manager, or operator.

16 An abstract of any money judgment entered pursuant to
17 subdivision (f) or (g) shall be recorded pursuant to Section 697.310
18 of the Code of Civil Procedure.

19 (h) No termination of service subject to this section may be
20 effected without compliance with this section, and any service
21 wrongfully terminated shall be restored without charge to the
22 residential occupants or customer for the restoration of the service.
23 In the event of a wrongful termination by the public utility, the
24 public utility shall, in addition, be liable to the residential occupants
25 or customer for actual damages resulting from the termination and
26 for the costs of enforcement of this section, including, but not
27 limited to, reasonable attorney's fees, if the residential occupants
28 or the representative of the residential occupants make a good faith
29 effort to have the service continued without interruption.

30 (i) The public utility shall adopt rules and regulations necessary
31 to implement this section and shall liberally construe this section
32 to accomplish its purpose of ensuring that service to residential
33 occupants is not terminated due to nonpayment by the customer
34 unless the public utility has made every reasonable effort to
35 continue service to the residential occupants. The rules and
36 regulations shall include, but are not limited to, guidelines for
37 assistance to actual users in the enforcement of this section and
38 requirements for the notice prescribed by subdivision (a), including,
39 but not limited to, clear wording, large and boldface type, and
40 comprehensive instructions to ensure full notice to the actual user.

1 (j) Nothing in this section broadens or restricts any authority of
2 a local agency that existed prior to January 1, 1989, to adopt an
3 ordinance protecting a residential occupant from the involuntary
4 termination of residential public utility service.

5 (k) This section preempts any statute or ordinance permitting
6 punitive damages against any owner, manager, or operator on
7 account of an involuntary termination of residential public utility
8 service or permitting the recovery of costs associated with the
9 formation, maintenance, and termination of a tenant’s association.

10 ~~SEC. 12.~~

11 *SEC. 9.* Section 12822 of the Public Utilities Code is repealed.

12 ~~SEC. 13.~~

13 *SEC. 10.* Section 12822.1 of the Public Utilities Code is
14 amended to read:

15 12822.1. (a) Whenever a district furnishes residential light,
16 heat, water, or power to residential occupants in a residential
17 structure, mobilehome park, or permanent residential structures
18 in a labor camp, as defined in Section 17008 of the Health and
19 Safety Code, where the owner, manager, or operator is listed by
20 the district as the customer of record of the service, the district
21 shall inform the residential occupants, by means of a written notice
22 posted on the door of each residential unit and a mailed notice to
23 all affected service addresses known to the utility or available
24 through reasonable and practical methods at least 15 days prior to
25 termination, when the account is in arrears, that service will be
26 terminated on a date specified in the notice. If it is not reasonable
27 or practicable to post the notice on the door of each residential
28 unit, the district shall post two copies of the notice in each
29 accessible common area and at each point of access to the structure
30 or structures. The mailed notice shall be addressed to “Any Person
31 Renting Property At:” followed by the address of the dwelling
32 unit. The outside of the envelope shall state, in English and in the
33 languages listed in Section 1632 of the Civil Code, in at least
34 12-point type: “Utility service to this address may be cut off soon.”
35 The notice shall further inform the residential occupants that they
36 have the right to become customers, to whom the service will then
37 be billed, of the district without being required to pay the amount
38 due on the delinquent account. The notice also shall specify, in
39 plain language, what the residential occupants are required to do
40 in order to prevent the termination or reestablish service; the

1 estimated monthly cost of service; the title, address, and telephone
2 number of a representative of the district who can assist the
3 residential occupants in continuing service; and the address and
4 telephone number of a legal services project, as defined in Section
5 6213 of the Business and Professions Code, which has been
6 recommended by the local county bar association. The notice shall
7 be in English and in the languages listed in Section 1632 of the
8 Civil Code.

9 (b) The district is not required to make service available to the
10 residential occupants unless a residential occupant or a
11 representative of the residential occupants agrees to the terms and
12 conditions of service, and meets the requirement of law and the
13 district's rules. However, if one or more of the residential occupants
14 or the representative of the residential occupants are willing and
15 able to assume responsibility for subsequent charges to the account
16 to the satisfaction of the district, or if there is a physical means,
17 legally available to the district, of selectively terminating service
18 to those residential occupants who have not met the requirements
19 of the district's rules or for whom the representative of the
20 residential occupants is not responsible, the district shall make
21 service available to the residential occupants who have met those
22 requirements or on whose behalf those requirements have been
23 met.

24 (c) Where prior service for a period of time, or other
25 demonstration of credit worthiness is a condition for establishing
26 credit with the district, residence and proof of prompt payment of
27 rent or other credit obligation during that period of time acceptable
28 to the district is a satisfactory equivalent.

29 (d) Any residential occupant who becomes a customer of the
30 district pursuant to this section whose periodic payments, such as
31 rental payments, include charges for residential light, heat, water,
32 or power, where these charges are not separately stated, may deduct
33 from the periodic payment each payment period all reasonable
34 charges paid to the district for those services during the preceding
35 payment period.

36 (e) Whenever a district furnishes residential service subject to
37 subdivision (a), the district may not terminate that service in any
38 of the following situations:

39 (1) During the pendency of an investigation by the district of a
40 customer dispute or complaint.

1 (2) When the customer has been granted an extension of the
2 period for payment of a bill.

3 (3) For an indebtedness owed by the customer to any other
4 public agency or when the obligation represented by the delinquent
5 account or other indebtedness was incurred with any public agency
6 other than the district.

7 (4) When a delinquent account relates to another property
8 owned, managed, or operated by the customer.

9 (5) When a public health or building officer certifies that
10 termination would result in a significant threat to the health or
11 safety of the residential occupants or the public.

12 (f) Notwithstanding any other provision of law, and in addition
13 to any other remedy provided by law, if the owner, operator, or
14 manager, by any act or omission, directs, permits, or fails to prevent
15 a termination of service while any residential unit is occupied, the
16 residential occupant or the representative of the residential
17 occupants may commence an action for the recovery of all of the
18 following:

19 (1) Reasonable costs and expenses incurred by the residential
20 occupant or the representative of the residential occupants related
21 to restoration of service.

22 (2) Actual damages related to the termination of service.

23 (3) Reasonable attorney's fees of the residential occupants, the
24 representative of the residential occupants, or each of them,
25 incurred in the enforcement of this section, including, but not
26 limited to, enforcement of a lien.

27 (g) Notwithstanding any other provision of law, and in addition
28 to any other remedy provided by law, if the owner, manager, or
29 operator, by any act or omission, directs, permits, or fails to prevent
30 a termination of service while any residential unit receiving that
31 service is occupied, the corporation may commence an action for
32 the recovery of all of the following:

33 (1) Delinquent charges accruing prior to the expiration of the
34 notice prescribed by subdivision (a).

35 (2) Reasonable costs incurred by the corporation related to the
36 restoration of service.

37 (3) Reasonable attorney's fees of the corporation incurred in
38 the enforcement of this section or in the collection of delinquent
39 charges, including, but not limited to, enforcement of a lien.

1 If the court finds that the owner, manager, or operator has paid
 2 the amount in arrears prior to termination, the court shall allow no
 3 recovery of any charges, costs, damages, expenses, or fees under
 4 this subdivision from the owner, manager, or operator.

5 An abstract of any money judgment entered pursuant to
 6 subdivision (f) or (g) shall be recorded pursuant to Section 697.310
 7 of the Code of Civil Procedure.

8 (h) No termination of service subject to this section may be
 9 effected without compliance with this section, and any service
 10 wrongfully terminated shall be restored without charge to the
 11 residential occupants or customer for the restoration of the service.
 12 In the event of a wrongful termination by the district, the district
 13 shall, in addition, be liable to the residential occupants or customer
 14 for actual damages resulting from the termination and for the costs
 15 of enforcement of this section, including, but not limited to,
 16 reasonable attorney’s fees, if the residential occupants or the
 17 representative of the residential occupants make a good faith effort
 18 to have the service continued without interruption.

19 (i) The district shall adopt rules and regulations necessary to
 20 implement this section and shall liberally construe this section to
 21 accomplish its purpose of ensuring that service to the residential
 22 occupants is not terminated due to nonpayment by the customer
 23 unless the district has made every reasonable effort to continue
 24 service to the residential occupants. The rules and regulations shall
 25 include, but are not limited to, guidelines for assistance to actual
 26 users in the enforcement of this section and requirements for the
 27 notice prescribed by subdivision (a), including, but not limited to,
 28 clear wording, large and boldface type, and comprehensive
 29 instructions to ensure full notice to the actual user.

30 (j) Nothing in this section broadens or restricts any authority of
 31 a local agency that existed prior to January 1, 1989, to adopt an
 32 ordinance protecting a residential occupant from the involuntary
 33 termination of residential public utility service.

34 (k) This section preempts any statute or ordinance permitting
 35 punitive damages against any owner, manager, or operator on
 36 account of an involuntary termination of residential public utility
 37 service or permitting the recovery of costs associated with the
 38 formation, maintenance, and termination of a tenant’s association.

39 ~~SEC. 14.~~

40 *SEC. 11.* Section 16481 of the Public Utilities Code is repealed.

1 ~~SEC. 15.~~

2 *SEC. 12.* Section 16481.1 of the Public Utilities Code is
3 amended to read:

4 16481.1. (a) Whenever a district furnishes residential light,
5 heat, water, or power to residential occupants in a residential
6 structure, mobilehome park, or permanent residential structures
7 in a labor camp, as defined in Section 17008 of the Health and
8 Safety Code, where the owner, manager, or operator is listed by
9 the district as the customer of record, the district shall inform the
10 residential occupants, by means of a written notice posted on the
11 door of each residential unit and a mailed notice to all affected
12 service addresses known to the utility or available through
13 reasonable and practical methods at least 15 days prior to
14 termination, when the account is in arrears, that service will be
15 terminated on a date specified in the notice. If it is not reasonable
16 or practicable to post the notice on the door of each residential
17 unit, the district shall post two copies of the notice in each common
18 area and at each point of access to the structure or structures. The
19 mailed notice shall be addressed to “Any Person Renting Property
20 At:” followed by the address of the dwelling unit. The outside of
21 the envelope shall state, in English and in the languages listed in
22 Section 1632 of the Civil Code, in at least 12-point type: “Utility
23 service to this address may be cut off soon.” The notice shall
24 further inform the residential occupants that they have the right to
25 become customers, to whom the service will be billed, of the
26 district without being required to pay the amount due on the
27 delinquent account. The notice also shall specify, in plain language,
28 what the residential occupants are required to do in order to prevent
29 the termination or reestablish service; the estimated monthly cost
30 of service; the title, address, and telephone number of a
31 representative of the district who can assist the residential
32 occupants in continuing service; and the address and telephone
33 number of a legal services project, as defined in Section 6213 of
34 the Business and Professions Code, which has been recommended
35 by the local county bar association. The notice shall be in English
36 and in the languages listed in Section 1632 of the Civil Code.

37 (b) The district is not required to make service available to the
38 residential occupants unless a residential occupant or a
39 representative of the residential occupants agrees to the terms and
40 conditions of service, and meets the requirements of law and the

1 district's rules. However, if one or more of the residential occupants
2 or the representative of the residential occupants are willing and
3 able to assume responsibility for subsequent charges to the account
4 to the satisfaction of the district, or if there is a physical means,
5 legally available to the district, of selectively terminating service
6 to those residential occupants who have not met the requirements
7 of the district's rules or for whom the representative of the
8 residential occupants is not responsible, the district shall make
9 service available to the residential occupants who have met those
10 requirements or on whose behalf those requirements have been
11 met.

12 (c) Where prior service for a period of time or other
13 demonstration of credit worthiness is a condition for establishing
14 credit with the district, residence and proof of prompt payment of
15 rent or other credit obligation during that period of time acceptable
16 to the district is a satisfactory equivalent.

17 (d) Any residential occupant who becomes a customer of the
18 district pursuant to this section whose periodic payments, such as
19 rental payments, include charges for residential light, heat, water,
20 or power, where these charges are not separately stated, may deduct
21 from the periodic payment each payment period all reasonable
22 charges paid to the district for those services during the preceding
23 payment period.

24 (e) Whenever a district furnishes residential service subject to
25 subdivision (a), the district may not terminate that service in any
26 of the following situations:

27 (1) During the pendency of an investigation by the district of a
28 customer dispute or complaint.

29 (2) When the customer has been granted an extension of the
30 period for payment of a bill.

31 (3) For an indebtedness owed by the customer to any other
32 public agency or when the obligation represented by the delinquent
33 account or other indebtedness was incurred with any public agency
34 other than the district.

35 (4) When a delinquent account relates to another property
36 owned, managed, or operated by the customer.

37 (5) When a public health or building officer certifies that
38 termination would result in a significant threat to the health or
39 safety of the residential occupants or the public.

1 (f) Notwithstanding any other provision of law, and in addition
2 to any other remedy provided by law, if the owner, operator, or
3 manager, by any act or omission, directs, permits, or fails to prevent
4 a termination of service while any residential unit is occupied, the
5 residential occupant or the representative of the residential
6 occupants may commence an action for the recovery of all of the
7 following:

8 (1) Reasonable costs and expenses incurred by the residential
9 occupant or the representative of the residential occupants related
10 to restoration of service.

11 (2) Actual damages related to the termination of service.

12 (3) Reasonable attorney's fees of the residential occupants, the
13 representative of the residential occupants, or each of them,
14 incurred in the enforcement of this section, including, but not
15 limited to, enforcement of a lien.

16 (g) Notwithstanding any other provision of law, and in addition
17 to any other remedy provided by law, if the owner, manager, or
18 operator, by any act or omission, directs, permits, or fails to prevent
19 a termination of service while any residential unit receiving that
20 service is occupied, the corporation may commence an action for
21 the recovery of all of the following:

22 (1) Delinquent charges accruing prior to the expiration of the
23 notice prescribed by subdivision (a).

24 (2) Reasonable costs incurred by the corporation related to the
25 restoration of service.

26 (3) Reasonable attorney's fees of the corporation incurred in
27 the enforcement of this section or in the collection of delinquent
28 charges, including, but not limited to, enforcement of a lien.

29 If the court finds that the owner, manager, or operator has paid
30 the amount in arrears prior to termination, the court shall allow no
31 recovery of any charges, costs, damages, expenses, or fees under
32 this subdivision from the owner, manager, or operator.

33 An abstract of any money judgment entered pursuant to
34 subdivision (f) or (g) shall be recorded pursuant to Section 697.310
35 of the Code of Civil Procedure.

36 (h) No termination of service subject to this section may be
37 effected without compliance with this section, and any service
38 wrongfully terminated shall be restored without charge to the
39 residential occupants or customer for the restoration of the service.
40 In the event of a wrongful termination by the district, the district

1 shall, in addition, be liable to the residential occupants or customer
2 for actual damages resulting from the termination and for the costs
3 of enforcement of this section, including, but not limited to,
4 reasonable attorney's fees, if the residential occupants or the
5 representative of the residential occupants make a good faith effort
6 to have the service continued without interruption.

7 (i) The district shall adopt rules and regulations necessary to
8 implement this section and shall liberally construe this section to
9 accomplish its purpose of ensuring that service to the residential
10 occupants is not terminated due to nonpayment by the customer
11 unless the district has made every reasonable effort to continue
12 service to the residential occupants. The rules and regulations shall
13 include, but are not limited to, guidelines for assistance to actual
14 users in the enforcement of this section and requirements for the
15 notice prescribed by subdivision (a), including, but not limited to,
16 clear wording, large and boldface type, and comprehensive
17 instructions to ensure full notice to the actual users.

18 (j) Nothing in this section broadens or restricts any authority of
19 a local agency that existed prior to January 1, 1989, to adopt an
20 ordinance protecting a residential occupant from the involuntary
21 termination of residential public utility service.

22 (k) This section preempts any statute or ordinance permitting
23 punitive damages against any owner, manager, or operator on
24 account of an involuntary termination of public utility service or
25 permitting the recovery of costs associated with the formation,
26 maintenance, and termination of a tenant's association.

27 ~~SEC. 16. (a) This act does not, and shall not be construed to,~~
28 ~~affect the authority of a public entity that otherwise exists to~~
29 ~~regulate or monitor the basis for eviction.~~

30 ~~(b) It is the intent of the Legislature to clarify that a person who~~
31 ~~acquires property under the circumstances described in paragraphs~~
32 ~~(1) and (4) of Section 1161a of the Code of Civil Procedure does~~
33 ~~so subject to any existing lease, of fixed term, periodic, or~~
34 ~~otherwise, for the property.~~

35 ~~SEC. 17.~~

36 *SEC. 13.* No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of
2 the Government Code, or changes the definition of a crime within
3 the meaning of Section 6 of Article XIII B of the California
4 Constitution.

5 *SEC. 14. Section 4 of this act shall only take effect if Senate*
6 *Bill 1137 of the 2007–08 Regular Session is enacted and adds*
7 *Section 1161b to the Code of Civil Procedure, in which case*
8 *Section 4.5 of this act shall not take effect. Section 4.5 of this act*
9 *shall only take effect if Senate Bill 1137 of the 2007–08 Regular*
10 *Session is not enacted or does not add Section 1161b to the Code*
11 *of Civil Procedure, in which case Section 4 of this act shall not*
12 *take effect.*

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