

AMENDED IN SENATE APRIL 10, 2007

**SENATE BILL**

**No. 464**

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**Introduced by Senator Kuehl**

February 21, 2007

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An act to amend Sections 7060 and 7060.4 of the Government Code, relating to rental property.

LEGISLATIVE COUNSEL'S DIGEST

SB 464, as amended, Kuehl. Rental property: public entity restrictions.

Existing law generally prohibits public entities from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations, as defined, in the property for rent or lease.

This bill would specify that this prohibition against local action only applies with respect to owners of residential real property who have owned the property for 5 years *and who acquired ownership of the property on or after March 27, 2007*.

Existing law authorizes, subject to specified provisions, any public entity that has in effect any system of rent control to require the owner to notify the entity of an intention to withdraw those accommodations from rent or lease. This authorization provides that the rent control system may establish the date on which the accommodations are withdrawn from rent or lease 120 days from the delivery in person or by first-class mail of that notice to the public entity, unless the tenant or lessee is at least 62 years of age or disabled and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw, in which case the date of withdrawal of the accommodations of that tenant or lessee

is required to be extended to one year after the date of delivery of that notice to the public entity. Existing law specifies that this one-year extension occurs only if the tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of delivery to the public entity of the notice of intent to withdraw.

This bill would instead specify that the rent control system of a public entity may require that the one-year extension applies to all tenancies in the applicable accommodations if a tenant or lessee who is at least 62 years of age or disabled has lived in the accommodations for at least one year prior to the delivery of notice to a public entity and gives the required 60-day notice to the owner. This bill would require an owner, *as applicable* in these circumstances, to notify all tenants of the one-year extension. This bill would make conforming changes to related provisions.

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

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

- 1 SECTION 1. Section 7060 of the Government Code is amended
- 2 to read:
- 3 7060. (a) A public entity, as defined in Section 811.2, shall
- 4 not, by statute, ordinance, or regulation, or by administrative action
- 5 implementing any statute, ordinance, or regulation, compel the
- 6 owner of any residential real property who has owned the property
- 7 for *at least* five years to offer, or to continue to offer,
- 8 accommodations in the property for rent or lease, except for
- 9 guestrooms or efficiency units within a residential hotel, as defined
- 10 in Section 50519 of the Health and Safety Code, if the residential
- 11 hotel meets all of the following conditions:
- 12 (1) The residential hotel is located in a city and county, or in a
- 13 city with a population of over 1,000,000.
- 14 (2) The residential hotel has a permit of occupancy issued prior
- 15 to January 1, 1990.
- 16 (3) The residential hotel did not send a notice of intent to
- 17 withdraw the accommodations from rent or lease pursuant to
- 18 subdivision (a) of Section 7060.4 that was delivered to the public
- 19 entity prior to January 1, 2004.
- 20 (b) For the purposes of this chapter, the following definitions
- 21 apply:

1 (1) “Accommodations” means either of the following:  
2 (A) The residential rental units in any detached physical  
3 structure containing four or more residential rental units.

4 (B) With respect to a detached physical structure containing  
5 three or fewer residential rental units, the residential rental units  
6 in that structure and in any other structure located on the same  
7 parcel of land, including any detached physical structure specified  
8 in subparagraph (A).

9 (2) “Disabled” means a person with a disability, as defined in  
10 Section 12955.3 of the Government Code.

11 (c) *The amendment to subdivision (a) of this section, enacted*  
12 *during the 2007–08 Regular Session, shall apply only to owners*  
13 *who acquired ownership of property pursuant to a purchase*  
14 *agreement or contract for exchange entered into on or after March*  
15 *27, 2007.*

16 SEC. 2. Section 7060.4 of the Government Code is amended  
17 to read:

18 7060.4. (a) (1) Any public entity which, by a valid exercise  
19 of its police power, has in effect any control or system of control  
20 on the price at which accommodations are offered for rent or lease,  
21 may require by statute or ordinance, or by regulation as specified  
22 in Section 7060.5, that the owner notify the entity of an intention  
23 to withdraw those accommodations from rent or lease and may  
24 require that the notice contain statements, under penalty of perjury,  
25 providing information on the number of accommodations, the  
26 address or location of those accommodations, the name or names  
27 of the tenants or lessees of the accommodations, and the rent  
28 applicable to each residential rental unit.

29 (2) Information respecting the name or names of the tenants,  
30 the rent applicable to any residential rental unit, or the total number  
31 of accommodations, is confidential information and for purposes  
32 of this chapter shall be treated as confidential information by any  
33 public entity for purposes of the Information Practices Act of 1977  
34 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part  
35 4 of Division 3 of the Civil Code). A public entity shall, to the  
36 extent required by the preceding sentence, be considered an  
37 “agency,” as defined by subdivision (d) of Section 1798.3 of the  
38 Civil Code.

39 (b) The statute, ordinance, or regulation of the public entity may  
40 require that the owner record with the county recorder a

1 memorandum summarizing the provisions, other than the  
2 confidential provisions, of the notice in a form which shall be  
3 prescribed by the statute, ordinance, or regulation, and require a  
4 certification with that notice that actions have been initiated as  
5 required by law to terminate any existing tenancies. In that  
6 situation, the date on which the accommodations are withdrawn  
7 from rent or lease for purposes of this chapter is 120 days from  
8 the delivery in person or by first-class mail of that notice to the  
9 public entity. However, if any tenant or lessee is at least 62 years  
10 of age or disabled, and has lived in his or her accommodations for  
11 at least one year prior to the date of delivery to the public entity  
12 of the notice of intent to withdraw pursuant to subdivision (a), then  
13 the date of withdrawal of the accommodations shall be extended  
14 to one year after the date of delivery of that notice to the public  
15 entity, provided that a tenant or lessee gives written notice of his  
16 or her entitlement to an extension to the owner within 60 days of  
17 the date of delivery to the public entity of the notice of intent to  
18 withdraw. In that situation, the following provisions shall apply:

19 (1) The tenancies shall be continued on the same terms and  
20 conditions as existed on the date of delivery to the public entity  
21 of the notice of intent to withdraw, subject to any adjustments  
22 otherwise available under the system of control.

23 (2) No party shall be relieved of the duty to perform any  
24 obligation under the lease or rental agreement.

25 (3) Within 30 days of the notification by a tenant or lessee to  
26 the owner of his or her entitlement to an extension, the owner shall  
27 give written notice to the public entity and all other tenants of a  
28 claim that the tenant or lessee is entitled to stay in their  
29 accommodations for one year after date of delivery to the public  
30 entity of the notice of intent to withdraw.

31 (4) Within 90 days of date of delivery to the public entity of the  
32 notice of intent to withdraw, the owner shall give written notice  
33 to the public entity and the affected tenants that the date of  
34 withdrawal has been extended ~~for~~ to one year.

35 (c) The statute, ordinance, or regulation of the public entity  
36 adopted pursuant to subdivision (a) may also require the owner to  
37 notify any tenant or lessee to be displaced pursuant to this chapter  
38 of the following:

39 (1) That the public entity has been notified pursuant to  
40 subdivision (a).

1 (2) That the notice to the public entity specified the name and  
2 the amount of rent paid by the tenant or lessee as an occupant of  
3 the accommodations.

4 (3) The date of withdrawal has been extended to one year  
5 pursuant to subdivision (b).

6 (4) The amount of rent the owner specified in the notice to the  
7 public entity.

8 (5) Notice to the tenant or lessee of his or her rights under  
9 paragraph (3) of subdivision (b) of Section 7060.2.

10 (d) The statute, ordinance, or regulation of the public entity  
11 adopted pursuant to subdivision (a) may also require the owner to  
12 notify the public entity in writing of an intention to again offer the  
13 accommodations for rent or lease.

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