

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1092**

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**Introduced by Senator Monning**

February 17, 2016

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An act to amend ~~Section~~ *Sections 22592 and 22594* ~~of of, and to add Section 22593 to,~~ the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

SB 1092, as amended, Monning. Advertising: Internet private residence rental listings: notice.

Existing law requires a hosting platform, as defined, to provide a specific notice to an occupant listing a residence for short-term rental on a hosting platform that states, among other things, that, if the occupant is a tenant, listing the room, home, condominium, or apartment may violate the lease or contract and could result in legal action by the landlord, including possible eviction. Existing law requires the notice to be in a particular font size and be provided immediately before the occupant lists each real property on the hosting platform's Internet Web site in a manner that requires the occupant to interact with the hosting platform's Internet Web site to affirmatively acknowledge he or she has read the notice.

This bill would ~~additionally require the typeface of that notice to be clear, legible, and one of the typefaces used elsewhere on the hosting platform's Internet Web site.~~ *modify that font size requirement and would discontinue the requirement that the notice be provided immediately before the listing of each real property. The bill would require the hosting platform to additionally provide to an offeror, prior to the offeror's listing of a residential unit for short-term rental on the*

hosting platform’s Internet Web site, a notice disclosing specified information regarding the availability or unavailability of insurance coverage provided by the hosting platform. The bill would require the new notice to comply with the above-described affirmative acknowledgment and modified font size requirements and would make technical and conforming changes.

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

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

1 SECTION 1. Section 22592 of the Business and Professions  
2 Code is amended to read:

3 22592. A hosting platform shall provide the following notice  
4 to occupants an offeror listing a residence for short-term rental on  
5 a the hosting platform:

6  
7 If you are a tenant who is listing a room, home, condominium,  
8 or apartment, please refer to your rental contract or lease, or contact  
9 your landlord, prior to listing the property to determine whether  
10 your lease or contract contains restrictions that would limit your  
11 ability to list your room, home, condominium, or apartment. Listing  
12 your room, home, condominium, or apartment may be a violation  
13 of your lease or contract, and could result in legal action against  
14 you by your landlord, including possible eviction.

15  
16 SEC. 2. Section 22593 is added to the Business and Professions  
17 Code, to read:

18 22593. A hosting platform shall provide to an offeror, prior to  
19 the offeror’s listing of a residential unit for short-term rental on  
20 the hosting platform’s Internet Web site, a notice disclosing  
21 information regarding the availability or unavailability of  
22 insurance coverage provided by the hosting platform, as follows:

23 (a) If the hosting platform provides primary insurance coverage  
24 for the offeror for any liabilities or property losses the offeror  
25 incurs as a result of activity related to the short-term rental, the  
26 hosting platform shall disclose the coverage limits for death,  
27 personal injury, and property damage, and shall explicitly explain  
28 to the offeror all of the following:

1 (1) That primary insurance means that the hosting platform's  
2 insurance coverage shall be primary to all other insurance and  
3 first in line to cover liabilities or property losses.

4 (2) That the policy is not contingent on the offeror's  
5 homeowners' or renters' insurance policy first denying a claim  
6 before the hosting platform's primary insurance provides coverage.

7 (3) That the offeror should review any restrictions on coverage  
8 under the offeror's own homeowners' or renters' insurance policy  
9 related to short-term rental activities.

10 (b) If the hosting platform provides only secondary or excess  
11 insurance or does not provide insurance, the hosting platform  
12 shall comply with all of the following:

13 (1) Disclose that the offeror's homeowners' or renters'  
14 insurance policy may be primary and first in line to cover liabilities  
15 or property losses.

16 (2) Explicitly request that the offeror review the offeror's  
17 homeowners' or renters' insurance policy to ensure that there is  
18 appropriate insurance coverage in the event that a person sustains  
19 an injury or loss for which the offeror is responsible, a person  
20 damages or causes loss to the offeror's personal or real property,  
21 or a claim or lawsuit is made against the offeror or otherwise  
22 arises out of activities related to the hosting platform.

23 (3) Disclose that the offeror's homeowners' or renters'  
24 insurance may exclude coverage arising out of activities related  
25 to the hosting platform.

26 **SECTION 1.**

27 **SEC. 3.** Section 22594 of the Business and Professions Code  
28 is amended to read:

29 22594. (a) ~~The notice required by Section 22592. The notices~~  
30 ~~required by Sections 22592 and 22593 shall be in a font size that~~  
31 ~~is equal to or greater than 100 percent of the standard font size of~~  
32 ~~the other paragraphs on the hosting platform's Internet Web site~~  
33 ~~or equal to the default font size on the hosting platform's Internet~~  
34 ~~Web site. The typeface of the notice shall be clear, legible, and~~  
35 ~~one of the typefaces used elsewhere on the hosting platform's~~  
36 ~~Internet Web site.~~

37 (b) ~~The notice shall be provided immediately before the~~  
38 ~~occupant lists each real property on the hosting platform's Internet~~  
39 ~~Web site, and shall require the occupant offeror to interact with~~  
40 ~~the hosting platform's Internet Web site to affirmatively~~

1 acknowledge he or she has read the notice. This affirmative  
2 acknowledgment may be accomplished by the inclusion of a  
3 statement in the ~~notice notices~~ described in ~~Section Sections~~ *Sections 22592*  
4 *and 22593* that the ~~occupant~~ *offeror* acknowledges reading ~~this~~  
5 ~~notice these notices~~ before proceeding to list a real property with  
6 the hosting platform's Internet Web site.