

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MAY 1, 2007

AMENDED IN ASSEMBLY APRIL 16, 2007

AMENDED IN ASSEMBLY MARCH 27, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 864**

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**Introduced by Assembly Member Davis**

February 22, 2007

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An act to amend Section 17980 of, and to add Section 17994 to, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 864, as amended, Davis. Substandard buildings: new ownership interest: registration.

(1) The State Housing Law regulates buildings used for human habitation and requires specified local agencies to enforce building standards.

Under existing law, if any sale or other transfer of property to a 3rd party occurs during the period between the issuance of a notice of violation relating to substandard buildings and the abatement of the violation, or any administrative or judicial actions related thereto, the transferor is required to record a Notice of Conveyance of Substandard Property with the county recorder where the property is located, within 5 days after the sale or transfer occurs, identifying the name and address of the buyer or transferee. The notice is required to be executed with a signature that the information is true and correct, under penalty of perjury.

Under existing law, any person who obtains an ownership interest in any property after a notice of pendency of an action or proceeding relating to substandard buildings was recorded with respect to the property is subject to any order to correct the violation, including time limitations, specified in the citation or other notice of violation.

This bill would require a person or entity that acquires an ownership interest in a property for which an enforcement agency has recorded with the county recorder any of specified documents relating to substandard building violations, to ~~register with~~ *provide* that enforcement agency ~~by submitting with~~ specified information and documents ~~to the agency~~, signed under penalty of perjury, concurrently with the completion of an agreement of sale, an exchange of property, or closure of escrow. The bill would impose a state-mandated local program by imposing additional duties upon enforcement agencies.

The bill would make failure to comply with the reporting requirements a misdemeanor, punishable by specified fines and terms of imprisonment in the county jail. By creating a new crime, and by expanding the scope of the existing crime of perjury, the bill would impose a state-mandated local program.

The bill would also delete a notice requirement specific to Los Angeles County.

(2) 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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 17980 of the Health and Safety Code is
- 2 amended to read:
- 3 17980. (a) If any building is constructed, altered, converted,
- 4 or maintained in violation of any provision of, or in violation of,
- 5 any order or notice that gives a reasonable time to correct that

1 violation issued by an enforcement agency pursuant to this part,  
2 the building standards published in the California Building  
3 Standards Code, or other rules and regulations adopted pursuant  
4 to this part, or if a nuisance exists in any building or upon the lot  
5 on which it is situated, the enforcement agency shall, after 30 days'  
6 notice to abate the nuisance or violation, or a notice to abate with  
7 a shorter period of time if deemed necessary by the enforcement  
8 agency to prevent or remedy an immediate threat to the health and  
9 safety of the public or occupants of the structure, institute any  
10 appropriate action or proceeding to prevent, restrain, correct, or  
11 abate the violation or nuisance.

12 (b) (1) Whenever the enforcement agency has inspected or  
13 caused to be inspected any building and has determined that the  
14 building is a substandard building or a building described in Section  
15 17920.10, the enforcement agency shall commence proceedings  
16 to abate the violation by repair, rehabilitation, vacation, or  
17 demolition of the building. The enforcement agency shall not  
18 require the vacating of a residential building unless it concurrently  
19 requires expeditious demolition or repair to comply with this part,  
20 the building standards published in the California Building  
21 Standards Code, or other rules and regulations adopted pursuant  
22 to this part. The owner shall have the choice of repairing or  
23 demolishing. However, if the owner chooses to repair, the  
24 enforcement agency shall require that the building be brought into  
25 compliance according to a reasonable and feasible schedule for  
26 expeditious repair. The enforcement agency may require vacation  
27 and demolition or may itself vacate the building, repair, demolish,  
28 or institute any other appropriate action or proceeding, if any of  
29 the following occurs:

30 (A) The repair work is not done within the period required by  
31 the notice.

32 (B) The owner does not make a timely choice of repair or  
33 demolition.

34 (C) The owner selects an option which cannot be completed  
35 within a reasonable period of time, as determined by the  
36 enforcement agency, for any reason, including, but not limited to,  
37 an outstanding judicial or administrative order.

38 (2) In deciding whether to require vacation of the building or  
39 to repair as necessary, the enforcement agency shall give preference  
40 to the repair of the building whenever it is economically feasible

1 to do so without having to repair more than 75 percent of the  
2 dwelling, as determined by the enforcement agency, and shall give  
3 full consideration to the needs for housing as expressed in the local  
4 jurisdiction’s housing element.

5 (c) (1) Notwithstanding subdivision (b) and notwithstanding  
6 local ordinances, tenants in a residential building shall be provided  
7 copies of any of the following:

8 (A) The notice of any violation described in subdivision (a) that  
9 affects the health and safety of the occupants and that causes the  
10 building to be substandard pursuant to Section 17920.3 or in  
11 violation of Section 17920.10.

12 (B) An order of the code enforcement agency issued after  
13 inspection of the premises declaring the dwelling to be in violation  
14 of any provision described in subdivision (a).

15 (C) The enforcement agency’s decision to repair or demolish.

16 (D) The issuance of a building or demolition permit following  
17 the abatement order of an enforcement agency.

18 (2) Each document provided pursuant to paragraph (1) shall be  
19 provided to each affected residential unit by the enforcement  
20 agency that issued the order or notice, in the manner prescribed  
21 by subdivision (a) of Section 17980.6.

22 (d) All notices issued by the enforcement agency to correct  
23 violations or to abate nuisances shall contain a provision notifying  
24 the owner that, in accordance with Sections 17274 and 24436.5  
25 of the Revenue and Taxation Code, a tax deduction may not be  
26 allowed for interest, taxes, depreciation, or amortization paid or  
27 incurred in the taxable year.

28 (e) The enforcement agency may charge the owner of the  
29 building for its postage or mileage cost for sending or posting the  
30 notices required to be given by this section.

31 ~~SEC. 2. Section 17994 is added to the Health and Safety Code,~~  
32 ~~to read:~~

33 ~~17994. (a) This section applies to a property for which an~~  
34 ~~enforcement agency has recorded with the county recorder any of~~  
35 ~~the following documents:~~

36 ~~(1) A notice of pending action pursuant to Section 17985.~~

37 ~~(2) A notice of substandard conditions or a notice of substandard~~  
38 ~~building pursuant to a local ordinance.~~

39 ~~(3) A document stating that a building is uninhabitable.~~

1 ~~(b) Concurrent with the completion of an agreement of sale,~~  
2 ~~exchange of property, or closure of escrow, a person who acquires~~  
3 ~~an ownership interest in a property that is subject to this section~~  
4 ~~shall register with the enforcement agency by doing all of the~~  
5 ~~following:~~  
6 ~~(1) Filing with the enforcement agency a notarized document~~  
7 ~~containing the following information:~~  
8 ~~(A) The person's name.~~  
9 ~~(B) The names of any coowners.~~  
10 ~~(C) The address of any person identified under subparagraph~~  
11 ~~(A) or (B). The address shall not be a post office box or other~~  
12 ~~mailbox number. If the property is vacant, the address provided~~  
13 ~~under this paragraph shall not be the address of the property.~~  
14 ~~(D) The telephone number, fax number, and e-mail address of~~  
15 ~~any person identified under subparagraph (A) or (B).~~  
16 ~~(E) The address of the subject property.~~  
17 ~~(F) The date of the transfer.~~  
18 ~~(G) A plan of correction for the substandard conditions that~~  
19 ~~includes a timeline, costs of repair, and available financial~~  
20 ~~resources. Proof of liability insurance, if any, shall also be~~  
21 ~~provided.~~  
22 ~~(2) Providing the enforcement agency with an identification~~  
23 ~~document, and the expiration date of that document. The~~  
24 ~~identification document shall contain the name, date of birth,~~  
25 ~~description, and picture of the person, and shall be issued by the~~  
26 ~~federal government, the State of California, another state, a county,~~  
27 ~~or a municipal government. The identification document may be,~~  
28 ~~but is not limited to, a driver's license, an identification card, an~~  
29 ~~identification card issued to a member of the United States Armed~~  
30 ~~Forces, or a passport issued by a foreign government.~~  
31 ~~(3) Verifying under penalty of perjury that the information~~  
32 ~~provided in the documents submitted under this subdivision is true~~  
33 ~~and correct.~~  
34 ~~(4) If the property owner has more than 16 units, and any portion~~  
35 ~~of the property is occupied, the person who acquires an ownership~~  
36 ~~interest shall post the information required under subparagraphs~~  
37 ~~(A) to (F), inclusive, of paragraph (1), on a notice that is typed in~~  
38 ~~not less than a 20-point font, and is placed in a locked bulletin~~  
39 ~~board that is located on the property, affixed in a visible and~~

1 conspicuous location, and is not more than five feet above the  
2 ground.

3 (e) ~~If the entity that acquires an ownership interest in the~~  
4 ~~property is a corporation, limited liability company, partnership,~~  
5 ~~limited partnership, trust, or real estate investment trust, the~~  
6 ~~information required under subdivision (b) shall be supplied for~~  
7 ~~the following person:~~

8 (1) ~~For a corporation, a corporate officer.~~

9 (2) ~~For a limited liability company, the managing or~~  
10 ~~administrative member.~~

11 (3) ~~For a partnership or a limited partnership, limited or general~~  
12 ~~partners.~~

13 (4) ~~For a trust, a trustee.~~

14 (5) ~~For a real estate investment trust, a general partner or an~~  
15 ~~officer.~~

16 (d) ~~If the person or entity that acquires an ownership interest in~~  
17 ~~the property resides or is domiciled outside this state, the person~~  
18 ~~or entity shall designate for the purposes of this section a natural~~  
19 ~~person who resides in this state and who manages the property.~~  
20 ~~This designation shall be accompanied by a notarized statement~~  
21 ~~by the designated person that he or she accepts the designation.~~

22 (e) ~~The enforcement agency, upon request, may disclose to the~~  
23 ~~subject property's tenants, or tenants association or organization,~~  
24 ~~the name and address of the person or entity that acquires an~~  
25 ~~ownership interest in the property.~~

26 (f) ~~Nothing in this section prevents local government from~~  
27 ~~adopting and enforcing laws consistent with this section. Where~~  
28 ~~local laws duplicate or supplement this section, this section shall~~  
29 ~~be construed as providing alternative remedies and not preempting~~  
30 ~~the field of the subject matter.~~

31 (g) ~~Notwithstanding Chapter 6 (commencing with Section~~  
32 ~~17995), a person or entity that fails to comply with this section or~~  
33 ~~provides false information to an enforcement agency is guilty of~~  
34 ~~a misdemeanor and shall be punished by a term of imprisonment~~  
35 ~~in the county jail for a period of not more than one year, or by a~~  
36 ~~fine of not more than ten thousand dollars (\$10,000), or by both~~  
37 ~~the term of imprisonment and the fine.~~

38 (h) ~~A person or entity that is not in compliance with this section~~  
39 ~~shall not demand rent, collect rent, issue a notice of rent increase,~~

1 ~~or issue a three-day notice to pay rent or quit pursuant to~~  
2 ~~subdivision (2) of Section 1161 of the Code of Civil Procedure.~~

3 ~~(i) This section does not apply to real property owned by a~~  
4 ~~governmental entity.~~

5 *SEC. 2. Section 17994 is added to the Health and Safety Code,*  
6 *to read:*

7 *17994. (a) This section applies to a property for which an*  
8 *enforcement agency has recorded with the county recorder any of*  
9 *the following documents:*

10 *(1) A notice of pending action pursuant to Section 17985.*

11 *(2) A notice of substandard conditions or a notice of substandard*  
12 *building pursuant to a local ordinance.*

13 *(3) A document stating that a building is uninhabitable.*

14 *(b) Concurrent with the completion of an agreement of sale,*  
15 *exchange of property, or closure of escrow, a person who acquires*  
16 *an ownership interest in a property that is subject to this section*  
17 *shall provide the enforcement agency with all of the following:*

18 *(1) A notarized document containing the following information:*

19 *(A) The person's name.*

20 *(B) The names of any coowners.*

21 *(C) The address of any person identified under subparagraph*  
22 *(A) or (B). The address shall not be a post office box or other*  
23 *mailbox number. If the property is vacant, the address provided*  
24 *under this paragraph shall not be the address of the property.*

25 *(D) The telephone number, fax number, and e-mail address of*  
26 *any person identified under subparagraph (A) or (B).*

27 *(E) The address of the subject property.*

28 *(F) The date of the transfer.*

29 *(G) A plan of correction for the substandard conditions that*  
30 *includes estimates of a timeline, costs of repair, and available*  
31 *financial resources, or a demolition plan that is in compliance*  
32 *with local law, and includes estimates of a timeline and, if*  
33 *applicable, relocation of tenants. Proof of liability insurance, if*  
34 *any, shall also be provided.*

35 *(2) An identification document, and the expiration date of that*  
36 *document. The identification document shall contain the name,*  
37 *date of birth, description, and picture of the person, and shall be*  
38 *issued by the federal government, the State of California, another*  
39 *state, a county, a municipal government, or another country as*  
40 *provided in this paragraph. The identification document may be,*

1 *but is not limited to, a driver's license, an identification card, or*  
2 *an identification card issued to a member of the United States*  
3 *Armed Forces. The identification document may also be a consulate*  
4 *identification card issued by another country to its citizens and*  
5 *nationals, if that identification card has been approved as valid*  
6 *identification by the city or county where the property is located,*  
7 *or a passport issued by a foreign government.*

8 (3) *Verification under penalty of perjury that the information*  
9 *provided in the documents submitted under this subdivision is true*  
10 *and correct.*

11 (c) *If the entity that acquires an ownership interest in the*  
12 *property is a corporation, limited liability company, partnership,*  
13 *limited partnership, trust, or real estate investment trust, the*  
14 *information required under subdivision (b) shall be supplied for*  
15 *the following persons:*

16 (1) *For a corporation, a corporate officer.*

17 (2) *For a limited liability company, the managing or*  
18 *administrative member.*

19 (3) *For a partnership or a limited partnership, limited and*  
20 *general partners.*

21 (4) *For a trust, a trustee.*

22 (5) *For a real estate investment trust, a general partner or an*  
23 *officer.*

24 (d) *If the person or entity that acquires an ownership interest*  
25 *in the property resides or is domiciled outside this state, the person*  
26 *or entity shall designate for the purposes of this section a natural*  
27 *person who resides in this state and who manages the property.*  
28 *This designation shall be accompanied by a notarized statement*  
29 *by the designated person that he or she accepts the designation.*

30 (e) (1) *The enforcement agency, upon request, may disclose to*  
31 *the subject property's tenants, or any tenant's association or*  
32 *organization, the name and address of the person or entity that*  
33 *acquires an ownership interest in the property.*

34 (2) *The enforcement agency shall not disclose to a member of*  
35 *the public the information furnished under subparagraph (D) of*  
36 *paragraph (1) of, or paragraph (2) of, subdivision (b), unless so*  
37 *ordered by a court of competent jurisdiction.*

38 (f) *If the property has 16 units or more, and any portion of the*  
39 *property is occupied, the person who acquires an ownership*  
40 *interest shall post the information required under subparagraphs*

1 (A) to (F), inclusive, of paragraph (1) of subdivision (b), within  
2 15 days after the date of sale or other transfer of the property, on  
3 a notice that is typed in not less than a 20-point font, and is placed  
4 in a locked bulletin board that is located on the property, affixed  
5 in a visible and conspicuous location, and is not more than five  
6 feet above the ground.

7 (g) Nothing in this section shall prevent local government from  
8 adopting and enforcing laws consistent with this section. When  
9 local laws duplicate or supplement this section, this section shall  
10 be construed as providing alternative remedies and not as  
11 preempting the field of the subject matter.

12 (h) Notwithstanding Chapter 6 (commencing with Section  
13 17995), a person or entity that fails to comply with this section or  
14 provides false information to an enforcement agency is guilty of  
15 a misdemeanor and shall be punished by a term of imprisonment  
16 in the county jail for a period of not more than one year, or by a  
17 fine of not more than ten thousand dollars (\$10,000), or by both  
18 the term of imprisonment and the fine.

19 (i) A person or entity that is not in compliance with this section  
20 shall not demand rent, collect rent, issue a notice of rent increase,  
21 or issue a three-day notice to pay rent or quit pursuant to  
22 subdivision (2) of Section 1161 of the Code of Civil Procedure.

23 (j) This section does not apply to real property owned by a  
24 governmental entity, or to a bank, bank holding company, savings  
25 and loan association, or credit union, or to a residential mortgage  
26 lender licensed under Division 20 (commencing with Section  
27 50000) of the Financial Code.

28 SEC. 3. No reimbursement is required by this act pursuant to  
29 Section 6 of Article XIII B of the California Constitution for certain  
30 costs that may be incurred by a local agency or school district  
31 because, in that regard, this act creates a new crime or infraction,  
32 eliminates a crime or infraction, or changes the penalty for a crime  
33 or infraction, within the meaning of Section 17556 of the  
34 Government Code, or changes the definition of a crime within the  
35 meaning of Section 6 of Article XIII B of the California  
36 Constitution.

37 However, if the Commission on State Mandates determines that  
38 this act contains other costs mandated by the state, reimbursement  
39 to local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O