

AMENDED IN ASSEMBLY APRIL 18, 2022

AMENDED IN ASSEMBLY MARCH 28, 2022

AMENDED IN ASSEMBLY MARCH 17, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2050

Introduced by Assembly Members Lee and Carrillo
(Principal coauthor: Assembly Member Kalra)
(Coauthors: Assembly Members Bloom, Mia Bonta, Nazarian, and
Ting)
(Coauthors: Senators Allen and Stern)

February 14, 2022

An act to add Section 7060.8 to the Government Code, relating to residential real property.

LEGISLATIVE COUNSEL'S DIGEST

AB 2050, as amended, Lee. Residential real property: withdrawal of accommodations.

Existing law, commonly known as the Ellis Act, 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.

Existing law authorizes any public entity that has in effect any control or system of control on the price at which accommodations are offered for rent or lease to require by statute or ordinance, or by regulation, that the owner notify the entity of an intention to withdraw those accommodations from rent or lease, and to require that the notice contain specified statements.

This bill would, when a public entity has a price control system in effect, prohibit an owner of accommodations from filing a notice with a public entity of an intention to withdraw accommodations or prosecuting an action to recover possession of accommodations, or threatening to do so, if not all the owners of the accommodations have been owners of record for at least 5 continuous years, with specified exceptions, or with respect to property that the owner acquired within 10 years after providing notice of an intent to withdraw accommodations at a different ~~property~~ *property for a period of 10 years from the date the new property is acquired*,

This bill would require an owner of accommodations notifying the public entity of an intent to withdraw accommodations from rent or lease, as provided, to identify each person or entity with an ownership interest in the accommodations, as provided. That information would be available for public inspection. The bill would prohibit an owner or any person or entity with an ownership interest from acting in concert with a coowner, successor owner, prospective owner, agent, employee, or assignee to circumvent these provisions. The bill would provide specified, nonexclusive remedies for a violation.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

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 7060.8 is added to the Government Code,
 2 to read:
 3 7060.8. (a) When a public entity that, by a valid exercise of
 4 its police power, has in effect any control or system of control on
 5 the price at which accommodations are offered for rent or lease,
 6 all of the following shall apply:
 7 (1) An owner of accommodations shall not file a notice with a
 8 public entity to withdraw accommodations pursuant to this chapter,
 9 prosecute an action to recover possession of accommodations
 10 pursuant to this chapter, or threaten to do either of these things,
 11 unless all the owners of the accommodations have been owners
 12 of record for at least five continuous years. If an owner of record
 13 is not a natural person, then all persons or entities with an

1 ownership interest in that entity shall have held that interest for at
2 least five continuous years. The five-year ownership requirements
3 in this paragraph shall not apply to an owner of accommodations
4 that meets all of the following requirements:

5 (A) The owner of record is a natural person, a limited liability
6 company in which there are no more than four members and all
7 of the members are natural persons, or a natural person who holds
8 title to the property as trustee in a trust in which the settlor and all
9 beneficiaries are natural persons.

10 (B) All natural persons referenced in subparagraph (A) are the
11 sole beneficial owners of the accommodations, with the exception
12 of a person who holds title to the property as trustee.

13 (C) The owner of record and all natural persons referenced in
14 subparagraph (A) each directly or indirectly own four or fewer
15 residential units in the aggregate, not including the owner's
16 principal residence.

17 (2) If an owner of accommodations, including a person or entity
18 with an ownership interest in *an entity that owns* the
19 accommodations, files a notice of intent with the public entity to
20 withdraw accommodations under this chapter, and the owner
21 subsequently acquires a new property containing accommodations
22 within 10 years of that filing, the owner shall not withdraw
23 accommodations pursuant to this chapter, prosecute an action to
24 recover possession of accommodations pursuant to this chapter,
25 nor threaten to do either of these things, with respect to the later
26 acquired ~~property.~~ *property for a period of 10 years from the date*
27 *the new property is acquired.*

28 (3) An owner of accommodations, or any person or entity with
29 an ownership interest in an entity that owns the accommodations,
30 shall not act in concert with a coowner, successor owner,
31 prospective owner, agent, employee, or assignee, to circumvent
32 the limitations of paragraph (1) or (2).

33 (4) An owner of accommodations notifying the public entity of
34 an intention to withdraw accommodations from rent or lease shall
35 identify each person or entity with an ownership interest in the
36 accommodations, and if any entity is not a natural person, identify
37 all persons or entities with an ownership interest in that entity.
38 This information shall not be confidential and shall be available
39 for public inspection.

1 (b) A person or entity that violates the provisions described in
2 paragraph ~~(1) or (2)~~ (1), (2), or (3) of subdivision (a) is liable to
3 the tenant or lessee for actual damages, special damages of not
4 less than two thousand dollars (\$2,000) for each violation, and
5 reasonable attorney's fees and costs in an amount fixed by the
6 court. The remedy provided by this section is not exclusive and
7 shall not preclude either the tenant or lessee from pursuing any
8 other remedy provided by law.

9 SEC. 2. The Legislature finds and declares that housing,
10 including maintenance of accommodations, is a matter of statewide
11 concern and is not a municipal affair as that term is used in Section
12 5 of Article XI of the California Constitution. Therefore, Section
13 1 of this act adding Section 7060.8 to the Government Code applies
14 to all cities, including charter cities.