

2014 New Laws Affecting REALTORS®

The following summarizes new laws passed by the California Legislature during the first half of the 2013-14 legislative session and the U.S. Congress that may affect, or otherwise be interesting to REALTORS®. Although this webpage is entitled “2014 Laws”, some of the laws contained in this list may have already come into effect in 2013 or not be effective until after 2014. For the full text of any law, click onto the legislative number as indicated, or go to <http://leginfo.legislature.ca.gov/> for California laws or <http://www.gpo.gov/fdsys/> for federal laws. A legislative bill may be referenced in more than one section.

Smoke Detectors Specifications Changed

Starting July 1, 2014, the State Fire Marshall will not approve a battery-operated smoke alarm unless it contains a non-replaceable, non-removable battery capable of powering the smoke alarm for at least 10 years. This rule was originally slated to take effect on January 1, 2014. Until July 1, 2015, an exception to this rule applies to smoke alarms ordered by, or in the inventory of, an owner, managing agent, contractor, wholesaler, or retailer on or before July 1, 2014.

Furthermore, starting January 1, 2015, the State Fire Marshal will not approve a smoke alarm unless it does all of the following: (1) displays the date of manufacture on the device; (2) provides a place on the device to insert the date of installation; and (3) incorporate a hush feature. A previous requirement for the smoke alarm to incorporate an end-of-life feature that provides notice that the device needs to be replaced has been eliminated. The requirements taking effect on January 1, 2015 was originally slated to take effect on January 1, 2014. The State Fire Marshal has the authority to create exceptions to these requirements.

Senate Bill 745 (codified as Cal. Health & Safety Code § 13114) (effective January 1, 2014).

Tenancy Termination by Victims of Human Trafficking and Other Crimes

Existing law allowing a residential tenant to terminate a tenancy within 30 days by notifying the landlord that the tenant was a victim of domestic violence, sexual assault, or elder or dependent adult abuse, has been broadened to include victims of human trafficking as defined. The notice to terminate tenancy must include a copy of a police report or a temporary restraining order or other court order protecting the tenant or household member from further domestic violence, sexual assault, stalking, human trafficking, or elder or dependent adult abuse. The notice to terminate must generally be given within 180 days from the date of the police report or court order. Instead of a police report or court order, a tenant may, from January 1, 2014 until January 1, 2016, provide documentation from a qualified third party professional indicating that the tenant or household member is seeking assistance for physical or mental injuries resulting from domestic violence, sexual assault, stalking, human trafficking, or elder or dependent adult abuse. The law

provides a sample Qualified Third Party Statement for this purpose. A landlord is prohibited from disclosing to a third party any information provided by the tenant seeking to terminate tenancy under this law, except if the tenant consents in writing or if disclosure is required by law or court order.

Senate Bill 612 (codified as Cal. Civil Code § 1946.7) (effective January 1, 2014).

Protection from Eviction for Victims of Human Trafficking

The existing prohibition against a landlord from terminating a tenancy or failing to renew a tenancy based on acts against a tenant or tenant's household member that constitute domestic violence, sexual assault, or elder or dependent adult abuse, has been expanded to include human trafficking. This prohibition applies if the acts of domestic violence, sexual assault, stalking, human trafficking, or elder or dependent adult abuse is documented by police report or protective court order and the wrongdoer is not a tenant of the same dwelling unit. The landlord, however, may terminate or refuse to renew a tenancy if, after invoking protection under this law, the tenant allows the wrongdoer named in the police report or protective order to visit the property, or the landlord reasonably believes that the wrongdoer poses a physical threat to other tenants or guests or to the tenant's right to quiet possession. On or before July 1, 2014, the Judicial Council must develop a new form or revise an existing form that a tenant can use to assert this law as an affirmative defense in an unlawful detainer action.

Senate Bill 612 (codified as Cal. Code of Civil Procedure § 1161.3) (effective January 1, 2014).

Telephone Jack for Tenant Must Satisfy California Standards

Existing law requires a residential landlord to install at least one usable telephone jack on leased premises and to ensure that the inside telephone wiring is in good working condition and meets the most recent statutory standards. The new law replaces the applicable standards of the National Electrical Code as adopted by the Electronic Industry Association with that of the California Electrical Code.

Senate Bill 745 (codified as Cal. Civil Code § 1941.4) (effective January 1, 2014).

FTB Information Return for Out-of-State Acquisition in 1031 Exchange

For any 1031 exchange that occurs on or after January 1, 2014, a taxpayer acquiring a "like-kind" property located outside of California must file an information return with the Franchise Tax Board (FTB) for that taxable year and every year thereafter in which the gain or loss from the exchange has not been recognized. If a taxpayer fails to file such information return and tax returns, the FTB may propose to assess the amount of tax, interest, and penalties due by estimating net income from any available information, including the amount of gain.

Assembly Bill 92 (codified as Cal. Rev. & Tax Code § 24953) (law took effect June 27, 2013).