



# 2026 California Legislation Impacting Real Estate

This includes the new FinCEN reporting requirements, HOA regulations, disclosure mandates, the influence of AI in property marketing, and a variety of other topics.

Let's take a closer look at the recent laws that have come into effect.

## **AB-325: Cartwright Act - Pricing Algorithms**

- Prohibits use of common pricing algorithms to restrain trade or coerce pricing
  - Complaints need only show plausible contract/conspiracy to restrain trade.
- [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB325](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB325)

## **AB-723: Digitally Altered Images - Disclosure Required**

- Real estate ads with AI/digitally altered images must disclose alteration adjacent to the image
  - Must provide link/QR code to original unaltered image
- [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB723](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB723)

## **AB-130: Housing - Balcony Inspections & HOA Fines**

- Balconies with asbestos: 9-month extension for abatement, then 3 months to inspect
  - HOA fines are capped at \$100 per violation\*\* (unless related to health or safety concerns) \*Effective Date: June 30, 2025
- [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB130](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB130)

## **AB-851: Fire-Affected Properties - Unsolicited Offers Prohibited**

- No unsolicited offers on residential property in LA/Ventura fire zip code until Jan 1, 2027
  - Attestation must be recorded • Operative: Nov 9, 2025
- [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB851](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB851)

## **AB-1455: Defensible Space - Ember-Resistant Zone**

- Requires Zone 0 (ember-resistant zone within 5 feet of structure) regulations
  - New structures: effective immediately; existing: 3 years after • Regs due Dec 31, 2025
- [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB1455](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB1455)

## **SB-410: HOA Balcony Inspection Disclosures**

- Adds most recent balcony inspection report to standard HOA disclosure package
  - Report must include summary page indicating immediate safety threats
- [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260SB410](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB410)

## **AB-455: Thirdhand Smoke Disclosure**

- Sellers must disclose knowledge of tobacco/nicotine residue or smoking history on property
  - Includes vaping and e-cigarettes; applies when TDS required
- [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB455](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB455)

## **FinCEN Reporting: Anti-Money Laundering Rule**

- Title/escrow must report to FinCEN for: 1-4 unit residential, all-cash, buyer is legal entity/trust
  - Must obtain legal names, DOB, addresses, citizenship, TINs • Eff: March 1, 2026
- [https://www.fincen.gov/rre-fags#E\\_1](https://www.fincen.gov/rre-fags#E_1)

## **AB-253: Private Permitting Review**

- Allows privately hired reviewers for plan checking if city/county >30 days
- Streamlines residential building permit review Effective: Oct 11, 2025  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB253](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB253)

## **SB-79: Transit-Oriented Development**

- Streamlines housing development near major transit hubs as allowable use
- Will not affect most suburban neighborhoods  
[https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill\\_id=202520260SB79](https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=202520260SB79)

## **AB-493: Insurance Proceeds - Interest Required**

- Lenders must pay 2% interest on insurance proceeds held after property damage
- Applies to 1-4 family residence loans Effective: Aug 29, 2025  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB493](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB493)

## **AB-226: FAIR Plan Stabilization**

- Authorizes IBank to issue bonds to finance FAIR Plan claims and increase liquidity
- Enhances claims-paying capacity Effective: Oct 9, 2025  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB226](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB226)

## **AB-414: Security Deposit Returns - Electronic Default**

- Electronic return is default when deposit paid electronically(unless agreed otherwise)
- Multiple tenants: check made to all unless written agreement  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB414](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB414)

## **SB-610: Disaster Remediation - Landlord Duty**

- Landlords must remediate disaster-related dilapidations (debris, smoke residue, ash)
- Applies to properties affected by declared disasters  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260SB610](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB610)

## **AB-1414: Internet Service Provider Choice**

- Prohibits landlords from requiring tenants to use specific internet provider
- Tenants may deduct cost from rent if violated; bulk billing allowed with opt-out  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB1414](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1414)

## **SB-655: Indoor Temperature Policy**

- Rental units must maintain safe maximum indoor temperature (state policy)
- State agencies must 'consider' this policy when revising regulations (starts Jan 1, 2027)  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260SB655](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB655)

## **AB-299: Disaster Lodging - Tenancy Rights**

- Clarifies unlawful detainer for tenants in motels/hotels during disasters
- Tenants occupying 30+ days entitled to formal court procedure Effective: Oct 10, 2025  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB299](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB299)

## **AB-628: Habitability - Stoves & Refrigerators Required**

- Landlords must provide stove and refrigerator in good working order
- Tenant may provide own refrigerator by mutual written agreement at signing  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB628](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB628)

## **AB-246: Social Security Tenant Protection**

- Tenants may assert defense to unlawful detainer if non-payment due to SS interruption
- Provides protection during federal benefit payment delays  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB246](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB246)

## **SB-774: Licensee Email Privacy**

- Real estate licensee emails no longer public records under Public Records Act
- Email to valid provided address presumed delivered  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260SB774](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB774)

## **SB-525: FAIR Plan - Manufactured Homes**

- FAIR Plan must insure manufactured/mobile homes same as other residential dwellings
- Ensures equal access to basic property insurance  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260SB525](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB525)

## **AB-238: Wildfire Mortgage Forbearance**

- Servicers must provide up to 12 months forbearance for January 2025 LA wildfire victims
- Applies to borrowers with financial hardship Effective: Sept 22, 2025  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB238](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB238)

## **AB-747: Service of Process Reform (SPARE Act)**

- Increases procedural requirements for substituted service with photo documentation
- Reduces requirements for vacating default judgments • Most provisions: Jan 1, 2027  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260AB747](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB747)