



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.

2026 California Laws Affecting Real Estate

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

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

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

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

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

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

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

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-faqs#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

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

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

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

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

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

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

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

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

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

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

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

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

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

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