



CALIFORNIA LAND TITLE ASSOCIATION'S

2025 Summary of Legislation



1215 K Street, Suite 950, Sacramento, CA 95814
Office: (916) 444-2647 | Email: mail@clta.org
www.clta.org

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Editor’s Note

Of the 2,350 bills introduced during the 2025 Legislative Session, 794 were signed into law by the Governor. Of those, 20 have been summarized here as significant for the title industry.

As a Summary of chaptered legislation, this publication focuses on those measures that proceeded through the legislative process and were signed into law. However, in addition to the measures included in this publication, the California Land Title Association (CLTA) actively monitored, analyzed, and engaged on many other bills throughout the session. In numerous cases, that work resulted in amendments removing provisions of concern to the title industry, or in the defeat or withdrawal of measures that could have negatively impacted CLTA members or the consumers they serve.

The CLTA therefore extends its sincere gratitude to the Legislative Committee for its thoughtful analysis and feedback offered throughout the legislative session, in addition to its thorough review of new laws and bill summaries, which is an invaluable contribution to the development and release of this publication.

The summaries provided herein are designed solely as quick-reference highlights of selected legislation relevant to the title industry. They are not a substitute for the enacted, chaptered statutes. Readers should always consult the official, chaptered versions for complete details.

Official bill text, legislative histories, committee analyses, vote totals, and veto messages can be accessed through the California Legislature’s public database at leginfo.legislature.ca.gov within the “Bill Information, 2025-26 Session” section.

All legislation summarized in this publication takes effect January 1, 2026, except where a different effective date is specifically indicated.

PLEASE NOTE: This publication includes embedded links to chaptered bill text and case materials. Bill links appear at the conclusion of each legislative summary. Case files may be viewed by selecting the linked case name at the top of each case synopsis.

Accessory Dwelling Units

- **Junior Accessory Dwelling Units**
- **Application of Owner Occupancy Requirements**

The Planning and Zoning Law, among other things, provides for the creation of junior accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law requires an ordinance that provides for the creation of a junior accessory dwelling unit to, among other things, require owner-occupancy in the single-family residence in which the junior accessory dwelling unit is permitted.

This act provides that the owner-occupancy requirement only applies if the junior accessory dwelling unit has shared sanitation facilities with the existing structure. The act requires an ordinance that provides for the creation of a junior accessory dwelling unit to require that a rental of a junior accessory dwelling unit be for a term longer than 30 days.

Chapter 507 (AB 1154 - Carrillo); amending Section 66333 of the Government Code.

- **Junior Accessory Dwelling Units**
- **Local Ordinances**
- **Standards**
- **Review of Permit Application**

1. Existing law, the Planning and Zoning Law, among other things, provides for the creation by ordinance, or by ministerial approval if the local agency has not adopted an ordinance, of an accessory dwelling unit (ADU) or a junior accessory dwelling unit (JADU) in accordance with specified standards and conditions. Existing law defines the term “junior accessory dwelling unit” for these purposes to mean a unit that is no more than 500 square feet in size and contained entirely within a single-family structure.

This act revises the definition of a “junior accessory dwelling unit” to require the size of a JADU to be no more than 500 square feet of interior livable space.

2. Existing law makes certain declarations of the Legislature’s intent regarding the effect of an ADU ordinance. Existing law authorizes the Department of Housing and Community Development to review, adopt, amend, or repeal guidelines to implement

uniform standards or criteria that supplement or clarify the terms, references, and standards for an ADU.

This act revises the above-described declaration of legislative intent to additionally apply with respect to a JADU ordinance. It also expands the department’s authority to review, adopt, amend, or repeal guidelines to additionally grant that authority with respect to terms, references, and standards for JADUs.

3. Existing law requires a local agency to submit an ADU ordinance to the Department of Housing and Community Development within 60 days after the adoption for department review, as specified. Under existing law, the standards applicable to an ADU under these provisions supersede a conflicting local ordinance, except as specified.

This act similarly requires a local agency to submit a JADU ordinance to the department within 60 days after adoption for department review and requires the department to notify the local agency if the ordinance is noncompliant with JADU ordinance requirements, as specified. The act nullifies and voids that ordinance if the local agency fails to submit a copy of that ordinance or respond to the department’s findings that the ordinance is noncompliant, as specified. The act also specifies that the standards applicable to a JADU supersede any conflicting local ordinance, except as specified.

4. Existing law requires a local agency to consider ministerially a permit application for an ADU or a JADU within 60 days, as specified. If a local agency has not adopted an ADU ordinance, existing law requires a permit application for an ADU to be considered pursuant to this ministerial approval provision. Existing law prohibits a local ordinance, policy, or regulation, other than an ADU ordinance consistent with the laws governing approvals of ADUs, from being the basis for the delay or denial of a building permit or a use permit under this ministerial approval provision.

If a local agency has not adopted a JADU ordinance, this act additionally requires a permit application for a JADU to be considered pursuant to this ministerial approval provision, and prohibits a local ordinance, policy, or regulation, other than a JADU ordinance consistent with the laws governing approvals of JADUs, from being the basis for the delay or denial of a building permit or a use permit under this ministerial approval provision. A permitting agency is also required to determine whether an application for ADU or JADU is complete and provide written ...

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...notice of the determination not later than 15 business days after the permitting agency received the application. If the permitting agency determines that an application is incomplete, the act requires the permitting agency to provide the applicant with a list of incomplete items and a description of how the application can be made complete in the written notice and authorize the applicant to cure and address the application, as specified. If the permitting agency determines that a permit application incomplete or is denied, the permitting agency must provide a process for the applicant to appeal that decision, as provided, and the permitting agency must provide a final written determination by not later than 60 business days after receipt of the written appeal.

5. Existing law imposes limits on construction, connection, and impact fees and capacity charges imposed on an ADU, including prohibiting impact fees upon the development of an ADU based on if the ADU is 750 square feet and requiring that any impact fee on an ADU of 750 square feet or more be charged proportionately in relation to the square footage of the primary dwelling unit. Existing law prohibits a local agency, special district, or water corporation from requiring the applicant to install a new or separate utility connection between an ADU and the utility or imposing a related connection fee or capacity charge for specified ADUs, except as specified.

This act revises these provisions to additionally apply to construction, connection, and impact fees and capacity charges imposed on a JADU. The bill revises the above-described limitation on impact fees to, instead, prohibit impact fees upon the development of an ADU that has 750 square feet of interior livable space or less or JADU that has 500 square feet of interior livable space or less, and requires that any impact fee on an ADU that has more than 750 square feet of interior livable space be charged proportionately in relation to the square footage of the primary dwelling unit.

6. Existing law authorizes the governing board of a school district to levy a fee, charge, dedication, or other requirement against construction within the boundaries of the school district for the purpose of funding the construction or reconstruction of a school facility, subject to specified limitations. Under existing law, the fee, charge, dedication, or other requirement may only apply to specified constructions, including residential construction if the resulting assessable space exceeds 500 square feet.

This act specifies that an ADU or a JADU that contains less than 500 square feet of interior livable space does not increase assessable space by 500 square feet under these provisions.

7. Existing law prohibits a local agency from establishing by ordinance a maximum square footage for an attached or detached ADU that is either less than 850 square feet or 1,000 square feet for an ADU that provides more than one bedroom. Existing law also prohibits a local agency from establishing by ordinance any requirement for a zoning clearance or separate zoning review or any other minimum or maximum size for an ADU, size based upon a percentage of the proposed or existing primary dwelling, or limits on lot coverage, floor area ratio, open space, front setbacks, and minimum lot size, for attached or detached dwellings that does not permit at least an 800-square foot ADU with four-foot side and rear yard setbacks.

This act revises these size limitations to be based on the square feet of interior living space of the ADU.

8. Existing law requires a local agency to ministerially approve a building permit application within a residential or mixed-use zone for specified ADUs or JADUs, including one detached, new construction, ADU that does not exceed 4-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. For these ADUs and JADUs, existing law authorizes a local agency to impose specified height limitations and total floor area limitations of no more than 800 square feet. Existing law prohibits a local agency from imposing a requirement that an ADU install a fire sprinkler if a sprinkler is not required for the primary residence.

This act requires a local agency to ministerially approve a building permit application for a combination of the specified ADUs or JADUs and revise the total area limitation to be based on the square feet of interior livable space. The act revises the prohibition on requiring fire sprinkler installation, as described above, to additionally apply to a JADU.

9. This act also makes other technical and conforming changes to the provisions governing the review and approval of ADUs and JADUs.

Chapter 520 (SB 543 – McNerney); amending Sections 66311, 66313, 66317, 66320, 66321, 66323, and 66335 of, amending and renumbering Sections 66324, 66327, and 66332 of, and adding Sections 66333.5, 66335.5, and 66339.5 to, the Government Code.

California Coastal Act of 1976

▪ Coastal development permits: infill area categorical exclusion

Existing law, the California Coastal Act of 1976, among other things, requires anyone wishing to perform or undertake any development in the coastal zone, except as specified, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit from the California Coastal Commission or a local government. The Coastal Act of 1976 further provides that a coastal development permit is not required for specified types of development in specified areas.

Existing law also provides that a coastal development permit is not required for any category of development, or any category of development within a specified geographic area, if the commission, after a public hearing, and by a two-thirds vote of its appointed members, finds that there is no potential for any significant adverse effect on coastal resources or on public access to, or along, the coast and, where the exclusion precedes certification of the applicable local coastal program, that the exclusion will not impair the ability of local government to prepare a local coastal program.

Existing regulation, before a categorical exclusion becomes effective, requires specified things to occur, including that the public agency issuing the permit accepts and agrees to the terms and conditions to which the categorical exclusion has been made subject.

This act requires the commission, in consultation with the Department of Housing and Community Development, by July 1, 2027, to identify, based on specified considerations, infill areas within at least three local jurisdictions that do not have a certified local coastal program for a categorical exclusion from the coastal development permitting requirement. Specifically, until June 30, 2037, if a development in one of those identified infill areas is a residential housing project comprised only of units that are deed restricted for persons of very low, low, or moderate income this bill categorically excludes the development from that requirement. The bill exempts the categorically excluded infill areas from the above-described regulation. The bill requires, before commencing development, a proponent of the development to request from the commission, and for the commission to issue, a notice of exclusion.

This act requires the commission, on or before August 1, 2027, to post on its internet website clearly defined maps of the categorical exclusion areas. The bill also requires the commission, on or before January 1, 2035, to report to the Legislature the number of projects that were constructed or are currently under construction pursuant to this categorical exclusion.

Chapter 416 (SB 484 - Laird); adding Section 30610.05 to the Public Resources Code.

CC&Rs

▪ Mobilehome Cooling Systems ▪ Void and Unenforceable Restrictions

Existing law, the Mobilehome Residency Law, governs tenancies in mobilehome parks and includes provisions that are applicable to those who have an ownership interest in a subdivision, cooperative, or condominium for mobilehomes, or a resident-owned mobilehome park, as specified. Among other things, these provisions set forth the rights of residents and homeowners regarding the use of the property.

This act makes void and unenforceable any covenant, restriction, or condition contained in any rental agreement or other instrument affecting the tenancy of a homeowner or resident in a mobilehome park, in a subdivision, cooperative, or condominium for mobilehomes, or in a resident-owned mobilehome park that effectively prohibits or restricts the installation, upgrade, replacement, or use of a cooling system, as defined, in a mobilehome.

The act also makes it unlawful for the management or the ownership of a mobilehome park to prohibit or restrict a homeowner or resident from installing, upgrading, replacing, or using a cooling system in their mobilehome or to take other specified actions in connection with the installation, upgrade, replacement, or use of a cooling system, subject to specified exceptions.

This act prohibits the termination of tenancy for the installation, upgrade, replacement, or use of a cooling system and creates a liability for a willful violation for actual damages and for a civil penalty not to exceed \$2,000.

Chapter 343 (AB 806 - Connolly); adding Sections 798.44.2 and 799.13 to the Civil Code.

CC&Rs (Cont.)

- **Housing Developments**
- **Reciprocal Easement Agreements**
- **Unlawfully Restrictive Covenants**

Existing law provides that recorded covenants, conditions, restrictions, or private limits on the use of land contained in instruments affecting the transfer or sale of any interest in real property that, among other things, restrict the number, size, or location of the residences that may be built on the property, are not enforceable against the owner of an affordable housing development, as defined, if an approved restrictive covenant affordable housing modification document has been recorded in the public record.

As part of this process, existing law also requires the owner to submit to the county recorder a copy of the original restrictive covenant and any documents the owner believes necessary to establish that the property qualifies as an affordable housing development and requires the county counsel to determine, among other things, if the property qualifies as an affordable housing development and if a modification document may be recorded. Existing law provides that these provisions do not authorize any development that is not otherwise consistent with local general plans, zoning ordinances, and any applicable specific plan.

This act extends the above provisions to a housing development that is owned or controlled by an entity or individual that has submitted a development project application to redevelop an existing commercial property, and the development project includes residential uses permitted by state housing laws or local land use and zoning regulations and would make various conforming changes.

The act additionally makes these provisions applicable to covenants, conditions, restrictions, or private limits contained in a reciprocal easement agreement and includes instruments affecting the transfer or sale of any interest in real property that prohibits the number, size, or location of residences that may be built on the property or restricts or prohibits the residential uses of the property. The act further provides that it does not authorize any development that is not otherwise consistent with state housing laws.

Chapter 504 (AB 1050 - Schultz); amending Section 714.6 of the Civil Code.

- **Reconstruction of Destroyed or Damaged Structures**
- **Void and Unenforceable CC&Rs**

Existing law makes any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a planned development, and any provision of a governing document, that either effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use void and unenforceable. If the governing documents require association approval before a member may make a physical change to the member's separate interest or to the common area, existing law requires an association to satisfy specified requirements, including to provide a fair, reasonable, and expeditious procedure for making its decision in reviewing and approving or disapproving a proposed physical change.

This act makes any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument, and any provision of a governing document, void and unenforceable to the extent that it prohibits, or includes conditions that have the effect of prohibiting, a substantially similar reconstruction of a residential structure that was destroyed or damaged in a disaster, as defined. The act requires a court to award reasonable attorney's fees to the owner of a separate interest in a common interest development who prevails in an action to enforce the above-described provisions.

The act also requires any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument, and any provision of a governing document that subjects a substantially similar reconstruction of a residential structure that was destroyed or damaged in a disaster to review by a body to be processed and approved. The act defines various terms for these purposes.

The act requires the body with processing and approval authority described above to, among other things, determine whether an application is complete or incomplete and to provide written notice of this determination to the applicant no later than 30 calendar days after the body receives the application. Once an application is deemed complete, the act requires the body to conduct any review of the proposed modification to the separate interest within 45 calendar days. If a body finds that a complete application is noncompliant, the act requires the body to provide the applicant with a list of items that are noncompliant and a description of how the application can be remedied by the applicant.

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The act further provides that if an application is determined to be incomplete or noncompliant, the act requires the body to provide a process for the applicant to appeal that decision. A court is required to award reasonable attorney’s fees to the applicant who prevails in an action to enforce the act’s provisions.

NOTE: This act contains other changes to the streamlined, ministerial approval process by local government of a housing development proposal that are not summarized herein.

Chapter 548 (SB 625 - Wahab); adding Sections 4752 and 4766 to the Civil Code, and adding Chapter 4.2.2 (commencing with Section 65914.200) to Division 1 of Title 7 of the Government Code.

Housing

- Accessory Dwelling Units
- CC&Rs
- Foreclosure of Subordinate Mortgages
- Subdivision Map Approval

Chapter 22 enacts a number of changes to existing law relating to the 2025 Budget Act. Among those, this act contains 28 substantive changes to existing laws relating to housing. The two changes of primary interest to the title insurance industry are summarized herein.

Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust.

This act makes certain conduct by a mortgage servicer an unlawful practice in connection with a subordinate mortgage, including the following actions:

- (1) The mortgage servicer did not provide the borrower with any written communication regarding the loan secured by the mortgage for at least three years.
- (2) The mortgage servicer failed to provide a transfer of loan servicing notice to the borrower when required to provide that notice by law, including, but not limited to, the federal Real Estate Settlement Procedures Act, as amended (12 U.S.C. Sec. 2601 et seq.), and investor or guarantor requirements.
- (3) The mortgage servicer failed to provide a transfer of loan ownership notice to the borrower when required to provide that notice by law, including, but not limited to, the federal Truth in Lending Act, as amended (15 U.S.C. 1601, et seq.), and investor or guarantor requirements.

(4) The mortgage servicer conducted or threatened to conduct a foreclosure sale after providing a form to the borrower indicating that the debt had been written off or discharged, including, but not limited to, an Internal Revenue Service Form 1099.

(5) The mortgage servicer conducted or threatened to conduct a foreclosure sale after the applicable statute of limitations expired.

(6) The mortgage servicer failed to provide a periodic account statement to the borrower when required to provide that statement by law, including, but not limited to, the federal Truth in Lending Act, as amended (15 U.S.C. 1601, et seq.), and investor or guarantor requirements.

The act prohibits a mortgage servicer from conducting or threatening to conduct a nonjudicial foreclosure until the mortgage servicer: (a) simultaneously with the recording of a notice of default, records or causes to be recorded a certification, under penalty of perjury that either the mortgage servicer did not engage in an unlawful practice or the mortgage servicer lists all instances when it committed an unlawful practice, and; (b) simultaneously with the service of a recorded notice of default, the mortgage servicer sends the recorded certification and a notice providing that if the borrower believes the mortgage servicer engaged in an unlawful practice or misrepresented its compliance history, the borrower may petition the court for relief before the foreclosure sale.

The act provides that any failure to comply with these provisions does not affect the validity of a trustee’s sale or a sale in favor of a bona fide purchaser.

Existing law, known as the Starter Home Revitalization Act of 2021, among other things, requires a local agency to ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets certain requirements, including that the housing development project on the lot proposed to be subdivided will contain 10 or fewer residential units, except as provided.

This act authorizes the proposed subdivision to designate a remainder parcel, as described, that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. The remainder parcel does not count against the 10-parcel maximum. The act also excludes the area of any designated remainder parcel from specified residential density calculations under the Starter Home Revitalization Act of 2021.

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Existing law authorizes a local agency to condition the approval and recordation of a subdivision map upon the completion of a residential structure in compliance with all applicable provisions of the California Building Standards Code that contains at least one dwelling unit on each resulting parcel that does not already contain an existing legally permitted residential structure or is reserved for internal circulation, open space, or common area.

This act, instead, generally prohibits a person from selling, leasing, or financing any parcel or parcels of real property resulting from a subdivision under this section, as specified, separately from any other such parcel or parcels, unless each parcel that is sold, leased, or financed meets one of four specified alternative criteria, including that the parcel contains a residential structure completed in compliance with all applicable provisions of the California Building Standards Code that includes at least one dwelling unit. Under the act, a violation of this prohibition constitutes the sale of real property that has been divided in violation of the Subdivision Map Act, subject to the penalties and remedies set forth in specified provisions of the Subdivision Map Act. However, the act authorizes a local agency, by ordinance or map condition, to authorize the sale, lease, or finance of any parcel or parcels of real property resulting from a subdivision, as specified, without compliance with the above-described prohibition on the sale, lease, or finance of the parcel or parcels.

NOTE: This Act took immediate effect on June 30, 2025, as a bill providing for appropriations related to the Budget Bill.

Chapter 22 (AB 130 - Committee on Budget); amending Sections 714.3, 5850, and 5855 of, and adding Section 2924.13 to, the Civil Code, amending Sections 12531, 54221, 65400, 65584.01, 65584.04, 65589.5, 65905.5, 65913.10, 65913.16, 65928, 65941.1, 65952, 65953, 65956, 66323, and 66499.41 of, amending and repealing Sections 65940, 65943, and 65950 of, adding Section 8590.15.5 to, and repealing Section 66301 of, the Government Code, amending Sections 17958, 17958.5, 17958.7, 17973, 17974.1, 17974.3, 17974.5, 18916, 18929.1, 18930, 18938.5, 18941.5, 18942, 37001, 50222, 50223, 50253, 50515.10, 50560, 50561, 50562, 53560, and 53562 of, and adding Sections 17974.1.5, 50058.8, 50406.4, 50410, and 53568 to, the Health and Safety Code, amending Sections 21180, 21183, and 30603 of, and adding Sections 21080.43, 21080.44, 21080.66, 30114.5, and 30405 to, the Public Resources Code, amending Section 17053.5 of the Revenue and Taxation Code, and amending Section 5849.2 of the Welfare and Institutions Code.

Judgments

▪ Reinstatement of a Released Lien

Existing law authorizes a judgment creditor to enforce a money judgment by creating a judgment lien on the real or personal property of a judgment debtor. These judgment liens continue in existence for a specified time or until the money judgment is satisfied or the judgment creditor releases the lien. Existing law also authorizes a judgment creditor to enforce a money judgment by a writ of execution, pursuant to which a levying officer takes possession of the judgment debtor's property to satisfy the judgment. Existing law authorizes a judgment debtor to exempt certain property, and, if the judgment is for personal debt, as defined, requires a court to order the judgment creditor to return to the judgment debtor any exempt property of the judgment debtor that was levied upon.

This act authorizes a judgment creditor to apply to the court for reinstatement of a released lien and its priority at the time of cancellation. The act requires a court to enter in the court's records that the judgment is no longer satisfied to the extent of the returned funds or property, and to issue to the judgment creditor a certificate and notice of reinstatement of judgment lien. The act requires the application for reinstatement of a lien to be filed with a declaration by the judgment creditor that certifies specified information, including, among other things, that the judgment creditor released a lien with the reasonable belief that the money judgment was satisfied and the date and amount of the original judgment and any renewals thereof.

The act imposes a civil penalty of not more than \$1,500 for knowingly certifying false information in the judgment creditor's declaration. The act also gives the judgment debtor an opportunity to object and, if an objection is filed, requires the judgment creditor to proceed with a noticed motion for reinstatement of the lien. These provisions of the act become operative on July 1, 2026.

NOTE: This act contains other provisions governing pleadings, address verification, ex parte applications, claims of exemption, and wage garnishments that are not summarized herein.

Chapter 708 (AB 774 - Bauer-Kahan); amending Sections 684.130, 703.520, 703.570, 706.021, 706.022, 706.105, and 706.126 of, and adding Sections 697.420 and 697.680 to, the Code of Civil Procedure.

Local Government

- **Historical Resources**
- **Subdivision Approval**
- **Subdivision Map Act**
- **Urban Lot Splits**

Under the Subdivision Map Act the authority to regulate and control the design and improvement of subdivisions is vested in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps. Existing law requires a local agency to consider ministerially a specified proposed housing development or to ministerially approve a parcel map for an urban lot split if the development or parcel meets specified requirements, including, that the development or parcel is not located within a historic district or property included on the State Historical Resources Inventory or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to city or county ordinance. Existing law authorizes a local agency to impose specified objective standards on the development or parcel created by an urban lot split, except as specified.

With respect to ministerial review of a proposed housing development under the above-described provisions, this act, if the other specified requirements are met, instead requires a local agency to consider ministerially the development that is not located in either a contributing structure within a historic district included on the State Historical Resources Inventory or within a historic property or district pursuant to city or county ordinance or in a parcel individually listed as a historical resource included in the State Historical Resources Inventory or within a property individually designated or listed as a city or county landmark under a city or county ordinance. The act authorizes a local agency to adopt objective standards for the purposes of maintaining the historical value of a historic district listed in the California Register of Historical Resources.

With respect to an urban lot split under the above-described provisions, this act, if the other specified requirements are met, instead requires a local agency to ministerially approve the urban lot split if the parcel is not located within a historic landmark property included on the State Historical Resources Inventory or within a site that is designated or listed as a city or county landmark pursuant to a city or county ordinance. The act additionally requires that the proposed urban lot split not require demolition or alteration of specified structures.

Chapter 505 (AB 1061 - Quirk-Silva); amending Sections 65852.21 and 66411.7 of the Government Code.

Mortgages and Deeds of Trust

- **Mortgage Forbearance Related to Wildfires**

Existing law requires a mortgage servicer to comply with applicable federal guidance regarding borrower options following a forbearance relating to the COVID-19 emergency.

This act authorizes a borrower who is experiencing financial hardship that prevents the borrower from making timely payments on a specified residential mortgage loan due directly to the wildfire disaster described in the proclamation of a state of emergency issued by Governor Gavin Newsom on January 7, 2025, or the federally declared disaster, declared on January 8, 2025, related to the Eaton Wildfire, the Palisades Fire, and the Straight-line Winds, to request forbearance on their residential mortgage loan. The act limits eligibility for that forbearance to loans that are secured by residential real property improved by four or fewer residential units. The borrower must affirm that they are experiencing a financial hardship due to the wildfire disaster. While the borrower may be behind in payments when making their request, they are not eligible if a notice of default has already been recorded.

This act, except as specified, requires a mortgage servicer to offer mortgage payment forbearance of a period of up to an initial 90 days, which must be extended at the request of the borrower in 90-day increments, up to a maximum forbearance period of 12 months. The act also prohibits a mortgage servicer from assessing any late fees to the borrower's account or charging a default rate of interest during the forbearance period. The forbearance period includes any period of forbearance related to the wildfire disaster that a mortgage servicer has provided to a borrower before the effective date of the act. The act requires a mortgage servicer to report the credit obligations of borrowers under a disaster-related forbearance plan in compliance with the federal Fair Credit Reporting Act.

For accounts granted disaster-related mortgage payment relief, the act prohibits mortgage servicers from furnishing information during the forbearance period indicating that the payments are in forbearance and would require them to report the credit obligation or account as current or delinquent.

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Of particular interest to title companies, this act also prohibits a mortgage servicer from initiating any judicial or nonjudicial foreclosure process, moving for a foreclosure judgment or order of sale, or executing a foreclosure-related eviction or foreclosure during the period of forbearance for any property subject to specified qualifying criteria. However, the failure to comply with this statute shall not affect the validity of a sale to a bona fide purchaser for value.

The Department of Financial Protection and Innovation is required by the act to post specified information on its website including links to the provisions of servicing guidelines pertaining to disaster-related forbearance relief for federally backed loans and a dedicated telephone number for borrowers seeking assistance.

NOTE: This Act took effect as an urgency statute on September 22, 2025.

Chapter 128 (AB 238 - Harabedian); adding Title 19.1 (commencing with Section 3273.20) to Part 4 of Division 3 of the Civil Code.

▪ Assisted Housing Developments ▪ Mailing of Notice of Default and Notice of Sale

Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust and prescribes a procedure for the exercise of that power, including, among other things, the mailing of notices to specified individuals.

This act additionally requires the mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale to mail the notice to the office of the Director of Housing and Community Development, Sacramento, California, and the office of the Executive Director of the California Tax Credit Allocation Committee, Sacramento, California, where, as of the recording date of the notice of default, a use restriction, as defined, has been recorded against the real property to which the notice of default applies. The act provides that a failure to comply with the above-described provisions does not affect the validity of a trustee's sale or a sale in favor of a bona fide purchaser.

NOTE: This act contains several provisions relating to rental housing developments that are not summarized herein.

Chapter 203 (AB 1529 - Committee on Housing and Community Development); amending Sections 1946.2 and 2924b of the Civil Code, amending Sections 65863.10 and 65863.11 of the Government Code, and amending Sections 50053 and 50710.7 of the Health and Safety Code.

Property Taxation

▪ Sale of Tax Defaulted Property

Existing law generally authorizes a taxing agency to sell tax-defaulted property 5 or more years after the real property has become tax defaulted. Existing law authorizes the board of supervisors of the county in which the property is situated, or the state, county, any revenue district the taxes of which on the property are collected by county officers, or a redevelopment agency, to purchase the property if certain conditions are met. Existing law also authorizes a nonprofit organization to purchase residential or vacant property, with the approval of the board of supervisors of the county in which it is located, if the property is used for low-income housing or public use. Existing law requires any sale under these provisions to be approved by the board of supervisors and to meet specified requirements, including notice requirements of an agreement under these provisions.

This act prohibits a county board of supervisors from approving the sale of tax-defaulted property unless it conducts a hearing, with notice, and makes a specified finding that either the sale price is greater than or equal to the tax sale value of the property, or the tax sale value of the property is less than the amount necessary to redeem the property. The act requires the notice of the hearing to be mailed at least 45 days prior to the hearing to the last assessee of each portion of the property and to parties of interest, and to contain, among other things, a description of the property, the proposed sale price, and the date, time, and location of the hearing.

The act requires any costs incurred in conducting the hearing and making the findings to be paid by the taxing agency or nonprofit organization by which the property is to be or may be purchased. The bill would also authorize the challenge of a board of supervisors' determination by the filing of a petition for judicial review in the superior court of the county within 45 days following the issuance of the board's decision. The board must provide a written notice of the right to judicial review and the applicable deadlines to all parties who appeared at the hearing or submitted written evidence. The superior court is authorized to vacate the board's decision and remand the matter to the board of supervisors if the court determines that the decision was not supported by substantial evidence or that the board otherwise failed to follow certain requirements.

Chapter 149 (AB 418 - Wilson); amending Section 3794.3 of the Revenue and Taxation Code.

Property Taxation (Cont.)

▪ Sale of Tax Defaulted Property

Existing property tax law authorizes a tax collector to sell property that has become tax defaulted and has not been redeemed. Existing law requires the tax collector to sell the property at a public auction to the highest bidder and prohibits the tax collector from accepting an offer less than the minimum price approved except that the tax collector may reduce the minimum price if there has been a partial redemption or partial cancellation.

This bill also authorizes a tax collector to reduce the minimum price where the minimum necessary to redeem is decreased due to the removal or reduction of defaulted taxes resulting from the removal or reduction of a special assessment or a direct charge against the property.

NOTE: Provisions unrelated to real property taxation contained in this act are not summarized herein.

Chapter 462 (SB 863 - Committee on Revenue and Taxation); amending Sections 2512, 3706, 7265, 23696, and 30101.7 of the Revenue and Taxation Code.

Public Records

▪ California Public Records Act: Persons Exempt from Disclosure

Existing law, the California Public Records Act, requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. That law exempts from disclosure specified information relating to elected or appointed officials and makes specified disclosures of information relating to elected or appointed officials a crime. The law defines “elected or appointed official” for that purpose to include, among other things, a judge or court commissioner, a federal judge or federal defender, and a judge of a federally recognized Indian tribe.

This act additionally includes in the definition of the term “elected or appointed official,” a retired judge or court commissioner, an active or retired judge of the State Bar Court, a retired federal judge or federal defender, a retired judge of a federally recognized Indian tribe, and an appointee of a court to serve as children’s counsel in a family or dependency proceeding.

Chapter 142 (AB 343 – Pacheco); amending Section 7920.500 of the Government Code.

Real Property Disclosures

▪ Exterior Elevated Elements Inspection

Existing law requires the board of an association of a condominium project to cause a visual inspection to be conducted, at least every nine years, of the exterior elevated elements for which the association has maintenance or repair responsibility. Existing law requires an inspector to perform the visual inspection described above, and to issue a written report containing certain information, including recommendations for any necessary repair or replacement of the load-bearing components and associated waterproofing system. Existing law limits the above-described provisions related to exterior elevated element inspections to buildings containing three or more multifamily dwelling units. Existing law requires the owner of a separate interest to provide specified documents to a prospective purchaser, and an association to provide to the owner of a separate interest, upon request, those specified documents. Existing law requires an association to distinguish and bill separately any fee charged for providing those specified documents to a separate interest owner and provides a form for billing disclosures.

This act, in addition, requires the above-described inspector’s report to contain certain information, including the total number of units in the condominium project and a certification that the inspector has conducted a visual inspection and evaluated a statistically significant sample of the exterior elevated elements within the condominium project. The act applies the above-described provisions related to exterior elevated element inspections to buildings containing three or more attached multifamily dwelling units.

Of particular interest to title companies, **the act includes in the list of documents that a separate interest owner is required to provide to a prospective purchaser a copy of the report issued pursuant to the most recent inspection of any exterior elevated elements, and modifies the above-described form to reflect this requirement.**

Existing law requires an association to make association records available for inspection and copying by a member of the association or the member’s designated representative. Existing law defines the term association records for this purpose to include, among other things, any financial document or statement required to be provided pursuant to certain provisions governing the prospective purchase of a separate interest. Existing law provides specified time periods for member inspection of certain association records, including...

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...those described above, and generally requires any association records from the current fiscal year and the prior two fiscal years to be available for inspection, except as provided.

This act includes in the definition of association records the above-described inspector's reports and requires those reports to be available for member inspection for two inspection cycles.

Chapter 516 (SB 410 – Grayson); amending Sections 4525, 4528, 5200, 5210, and 5551 of the Civil Code.

Real Property Sales and Transfers

- **Prohibition on Unsolicited Offers in Counties of Los Angeles and Ventura**
- **Recording Attestation of Compliance**

Existing law regulates sale transactions of real property. On January 7, 2025, the Governor proclaimed a state of emergency to exist in the Counties of Los Angeles and Ventura due to fire and windstorm conditions that caused multiple fires. Executive Order No. N-7-25, signed by the Governor on January 14, 2025, prohibited a buyer from making an unsolicited offer to an owner of real property located in specified ZIP Codes in the County of Los Angeles to purchase the real property for an amount less than what the fair market value of the property was on January 6, 2025. Executive Order No. N-17-25 expanded that prohibition to include real properties in additional specified ZIP Codes. Subsequent executive orders extended the prohibition until July 1, 2025. Existing law makes a violation of the executive order a misdemeanor.

Existing law, the Real Estate Law, provides for the licensure and regulation of real estate brokers and salespersons by the Real Estate Commissioner, the chief officer of the Department of Real Estate within the Business, Consumer Services, and Housing Agency. Existing law makes a willful violation of the Real Estate Law a crime.

This act prohibits a person, as defined, from making an unsolicited offer to purchase residential real property in certain ZIP Codes in the County of Los Angeles covered by the above-described executive orders and other specified ZIP Codes in the Counties of Los Angeles and Ventura. The act defines “unsolicited offer to purchase” for this purpose.

The act requires the buyer and seller, before the transfer of title in the purchase of residential real property subject to the above-described prohibition, to execute a written attestation affirming compliance with that prohibition, which, if signed, creates a presumption that the accepted offer was solicited by the seller. The act requires the buyer to record the signed attestation as an attachment to the deed or other conveyance of title when recording the transfer of title.

A written offer in violation of these provisions by a licensed person under the Real Estate Law on their own behalf, or on behalf of another person while conducting licensed activity, is a violation of the person's licensing law, unless SB 641 is enacted and becomes operative, in which case the offer would be a violation of a provision added by SB 641. The act authorizes the Attorney General, a county counsel, city attorney, or a district attorney to bring a civil action to enforce these provisions. In addition to any other available remedies or penalties, the bill grants a seller the right to cancel a purchase agreement entered into in violation of these provisions. The act subjects a person who violates the above-described prohibition on making an unsolicited offer to purchase real property in those ZIP Codes to an assessment of a civil penalty, and makes the violation a misdemeanor.

The act makes these provisions operative 30 days after its effective date, and repeals these provisions on January 1, 2027.

NOTE: This act took effect immediately as an urgency statute on October 10, 2025, subject to the delayed operative date described above.

Chapter 535 (AB 851 – McKinnor); adding and repealing Article 3 (commencing with Section 2079.26) of Chapter 3 of Title 6 of Part 4 of Division 3 of the Civil Code.

- **State Parks**
- **Acquisitions and Leases**

Existing law generally designates all parks, public campgrounds, monument sites, landmark sites, and sites of historical interest established or acquired by the state, or that are under its control, as the state park system. The Department of Parks and Recreation controls the state park system, which is made up of units. Existing law requires the approval of the Director of General Services before the state may enter a contract for the acquisition or hiring of real property, subject to a list of specified exceptions. Existing law requires the Department of General Services to review and approve appraisals related to the acquisition of property conducted by the Department of Parks and Recreation.

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This act authorizes the director to waive the approvals as described above regarding state acquisition or hiring of real property and appraisals conducted by the Department of Parks and Recreation. The act, until January 1, 2033, additionally exempts from the requirement of contract approval by the Director of General Services the acquisition by the Department of Parks and Recreation of real property for park purposes under specific circumstances.

Existing law authorizes the Department of Parks and Recreation to acquire title to or any interest in real property, including personal property incidental to the purchase of real property and options to purchase property, that the department deems necessary or proper for the extension, improvement, or development of the state park system. Existing law requires that all land and other real property to be acquired by or for any state agency be acquired by the State Public Works Board, except as specified.

This act additionally exempts from this requirement, until January 1, 2033, acquisition of real property by the Department of Parks and Recreation for park purposes under specific circumstances.

Existing law authorizes the Director of General Services to exempt from the director's approval, or from the approval of the Department of General Services, any state real estate acquisition or conveyance involving not more than \$150,000.

This act expands this authorization regarding exemption of real estate acquisition or conveyance to any state real estate acquisition or conveyance involving not more than \$750,000.

Existing law authorizes the Department of Parks and Recreation to lease, for any use, all or any portion of any parcel of real property acquired for state park system purposes under specific circumstances, including, among others, that the lease is subject to approval by the Department of General Services. Existing law authorizes the Department of Parks and Recreation, with the consent of the Department of General Services, to lease real or personal property that the department deems necessary or proper for the extension, improvement, or development of the state park system. Existing law requires the Department of General Services to approve the lease of real property by the Department of Parks and Recreation for agricultural purposes.

This act authorizes the Department of General Services to waive its consent or approval of leases as described above regarding property leases for park purposes.

Before entering into a lease contract for park and recreational areas, existing law requires lands proposed to be leased to be appraised by the Department of General Services to determine the fair market value of the lands, and requires the total amount of rent to be paid for the entire term under a lease contract to not be in excess of the fair market value of the lands, as determined by the Department of General Services, as specified.

This act requires the Department of Parks and Recreation, rather than the Department of General Services, to conduct the appraisal of the lands proposed to be leased. The bill requires the Department of General Services review and approve the appraisal, unless review and approval is waived by the Department of General Services.

The act requires the Department of Parks and Recreation to submit a report, on or before January 1, 2028, January 1, 2030, and January 1, 2032, to the Legislature detailing the department's use of the authority granted pursuant to the bill regarding the acquisition of real property without the approval of the Director of General Services.

Chapter 775 (SB 630 - Allen); amending Sections 14667.1 and 15853 of, and amending, repealing, and adding Section 11005 of, the Government Code, and amending Sections 5003.17, 5006, 5006.5, 5063, and 5069.3 of, and amending, repealing, and adding Section 5006.1 of, the Public Resources Code.

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- **Beneficial Trust for Employees in Employer's Real Property**
 - **Certificate of Lien Attaching to Resulting Trust**
 - **Workers Compensation Lien**

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Under existing law, an employer is required to provide for the payment of workers' compensation and if the employer has not secured the payment of compensation or is illegally uninsured, a lien may be filed against the employer's property or the property of any person found to be parents or substantial shareholders of the employer.

This act authorizes the director to determine whether a conveyance of real property by an uninsured employer or a substantial shareholder after a date of injury in a claim and prior to the recording of a certificate of lien was intended to retain a beneficial interest in that real ...

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...property for the uninsured employer or substantial shareholder, resulting in a trust for the benefit of the uninsured employer. The act authorizes the director to make a prima facie finding that the transaction resulted in a beneficial trust for the uninsured employer when specified circumstances are present, such as the deed indicates that the transfer was made as a gift or that no transfer tax to the county was paid, among others. The act requires that when the director determines that such a trust exists, a certificate of lien shall be attached to the resulting trust and requires the director to mail written notices of that determination to the transferor and transferee.

The act includes protections for bona fide encumbrancers and purchasers.

Chapter 790 (SB 847 – Reyes); adding Section 3720.2 to the Labor Code.

Recorded Documents

▪ County Recorder Notification Program

Existing law authorizes a county recorder, following adoption of an authorizing resolution by the board of supervisors, within 30 days of recordation of a deed, quitclaim, or deed of trust, to notify by mail the party or parties executing the document. Existing law authorizes the recorder to require, as a condition of recording, that a deed, quitclaim, or deed of trust indicate the assessor's identification number or numbers that fully contain the real property described in the legal description, in accordance with a specified format. Existing law also authorizes the Los Angeles County Recorder, until January 1, 2030, and subject to authorization by the Los Angeles County Board of Supervisors, to provide notice by mail to the party or parties subject to a notice of default or notice of sale of a property within a prescribed timeframe following recordation.

This act requires, on or before January 1, 2027, each county within the state to establish a recorder notification program and the board of supervisors of each county to adopt an authorizing resolution for these purposes. Pursuant to the program and following the adoption of an authorizing resolution, the county recorder, or a designee authorized by the county board of supervisors, is required, within 30 days of recordation of a deed, quitclaim deed, mortgage, or deed of trust, to notify the parties executing the document by mail in accordance with certain procedures. The act also authorizes the county recorder, in addition to the mailed

notice, to establish an electronic notification program. An exemption to the new law applies where a state or local government is the grantee. The county recorder is authorized to collect a fee from the party filing the deed, quitclaim deed, mortgage, or deed of trust in an amount that does not exceed the reasonable costs of the notification services.

The act excepts the County of Los Angeles, which already has a statutorily authorized notification program under existing law, from these provisions.

Chapter 351 (SB 255 - Seyarto); repealing and adding Section 27297.7 of the Government Code.

Recording

▪ Building Decarbonization ▪ Notice and Recordation of a Decarbonization Charge

Existing law provides that the Public Utilities Commission, or the governing board of a local publicly owned electric utility or electrical cooperative, shall require an energy supplier, defined as an electrical corporation, local publicly owned electric utility, electric service provider, community choice aggregator, or electrical cooperative, administering a decarbonization upgrade program or initiative, to record, no later than 30 days after funding a decarbonization upgrade, a notice of decarbonization charge, as defined, with the county recorder of the county where the property subject to the decarbonization charge is located. Existing law requires, among other things, an energy supplier, within 30 days of full cost recovery of the outstanding charges related to the recorded notice of decarbonization charge, to record a notice of the full cost recovery and removal of the decarbonization charge with the county recorder of the county where the property subject to the decarbonization charge is located.

This bill adds gas corporations to the definition of "energy supplier" for purposes of the above-described provisions, adds that if an energy supplier is a gas corporation, the "decarbonization charge" shall be limited to a charge for measures that provide a measurable reduction in natural gas consumption and associated greenhouse gas emissions, and makes conforming changes.

Chapter 276 (AB 737 - Quirk-Silva); amending Sections 8375, 8376, and 8377 of the Public Utilities Code.

Records

- **Vital Records**
- **Diacritical Marks**
- **Fee Increase for Certified Copies**

Existing law prescribes the duties of the State Registrar of Vital Statistics (State Registrar) and local registrars of births and deaths with respect to the registration of certificates of live birth, fetal death, or death, and marriage licenses.

This act requires, commencing no earlier than two years after an appropriation of funds by the Legislature, the State Registrar to require the use of a diacritical mark on an English letter within a name field to be properly recorded, when applicable, on a certificate of live birth, fetal death, death, marriage license and certificate, or confidential marriage license and certificate, and requires the use of a diacritical mark to be deemed an acceptable entry by the State Registrar.

Of particular interest to title companies, the act further provides that the absence or presence of a diacritical mark on a certificate of live birth, fetal death, or death, or a marriage license and certificate or confidential marriage license and certificate does not render the document invalid nor affect any constructive notice imparted by proper recordation of the document.

The State Registrar is authorized to develop a list of acceptable diacritical marks for use on a certificate of live birth, fetal death, or death, or a marriage license and certificate or confidential marriage license and certificate through all-county letters or similar instructions from the State Registrar without taking further regulatory actions. The State Registrar is also authorized to remove any diacritical marks on the birth, fetal death, death, and marriage license and certificate data before furnishing the vital statistics to a federal, state, or local government agency.

The act authorizes, beginning July 1, 2026, if a name is not accurately recorded because of the absence of a diacritical mark on an English letter in any certificate of live birth, fetal death, death, or marriage already registered, the person asserting the omission, or the person's conservator, or if a minor, the person's parent or guardian, to make an affidavit under oath, as specified, stating the changes necessary to make the record correct. The act requires the affidavit to be supported by the affidavit of one other person having knowledge of the facts and be filed with the State Registrar. The State Registrar is required to review the request and, if the request is accompanied with the payment of a specified fee, to issue an amendment to any certificate of live birth, fetal death, death, or marriage with the accurate name identified in the request.

The act also authorizes, if a name field of either of the parties married or their parents is not accurately recorded because of the absence of a diacritical mark on an English letter on any confidential license and certificate of marriage already registered, the party asserting the omission to make an affidavit, under oath, stating the changes necessary to make the record correct and file it with the county clerk. The County Clerk is authorized to charge a fee, not to exceed the amount of the fee for any other amended confidential marriage license and certificate issued by the county clerk and not to exceed the reasonable cost to provide the amended marriage license and certificate. The act requires the county clerk to review the amendment for acceptance for filing, and if accepted, file the amendment, and note the fact of the amendment, with its date, on the otherwise unaltered original confidential license and certificate of marriage.

Chapter 662 (AB 64 – Pacheco); amending Section 103625 of, and adding Sections 102134 and 103227 to, the Health and Safety Code.

Trusts

- **Trust Beneficiaries**
- **Notice of Trust Actions**

Existing law establishes procedures for the creation, modification, and termination of a trust, and regulates the administration of trusts by trustees on behalf of beneficiaries. Existing law requires a trust beneficiary to be provided notice of specified actions regarding the trust. Existing law sets forth requirements under which notice given to a specified person or class of persons is sufficient to comply with a requirement that notice be given to a trust beneficiary or a person interested in the trust.

This act deletes that indirect notice provision and instead provides that notice given to a person authorized to represent and bind another person is sufficient to comply with notice requirements for actions regarding a trust. If a person consents for a person to represent and bind them, the act requires that consent to be in writing and makes consent binding on the represented person unless they object to the representation before consent would have become effective. The act prohibits certain persons from representing and binding another person for these purposes, and authorizes specified representative relationships and representation of successive interests.

Chapter 39 (AB 565 – Dixon); repealing and adding Section 15804 of the Probate Code.

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NEW CASES

of Importance to the Title Industry

Please Note: Cases with a 2024 date were either decided to late for inclusion in the 2024 Summary or final action was not taken until 2025. Citations do not include subsequent history..

Bad Faith Claims

Bartel v. Chicago Title Ins. Co.

(2025) 111 Cal.App.5th 655

Plaintiff purchased a rural property in Santa Cruz County, which was accessed via a private road crossing his neighbor's property. A dispute arose when the neighbor claimed an easement over the road, leading to increased traffic due to marijuana cultivation. The neighbor filed two lawsuits asserting an easement, both of which were dismissed without prejudice. Plaintiff then sued to quiet title, and the neighbor cross-complained, asserting an easement based on a 1971 deed. The trial court ruled in favor of the neighbor, finding an express easement, a decision affirmed on appeal.

Plaintiff funded his defense using retirement savings after Chicago Title Insurance Company, his title insurer, denied his tender for defense, citing policy exclusions. Plaintiff sued Chicago Title for breach of contract and bad faith. The trial court found Chicago Title had a duty to defend from the initial tender but rejected Plaintiff's bad faith claim and request for punitive damages. The court awarded damages for the diminution in property value but denied damages for periods outside the litigation.

On appeal, the California Court of Appeal found that Chicago Title acted in bad faith by failing to defend Plaintiff despite the potential for coverage indicated by the 1971 deed. The court reversed the trial court's judgment on the bad faith claim and remanded for a determination of damages resulting from the breach of the implied covenant of good faith and fair dealing. The court affirmed the trial court's denial of punitive damages and its award of prejudgment interest on the additional diminution in value. The case was remanded for further proceedings consistent with the appellate court's findings.

Easements

JC Crandall, LLC v. County of Santa Barbara

(2025) 107 Cal.App.5th 1135

The only access to property used for cannabis cultivation was by way of an easement over plaintiff's property. The court held that under federal law, cannabis is illegal, and thus, plaintiff cannot be forced to allow its property to be used for cannabis transportation. The court also found that the use of the easement for cannabis activities exceeded the scope of the easement, which was created when cannabis was illegal under both state and federal law.

Schneider v. Lane

(2024) 107 Cal.App.5th 39

The court held that Civil Code section 845 requires the dominant tenement owner to maintain the easement in good repair but does not obligate them to construct new improvements, such as a riverbank stabilization project, separate from the easement to protect it from potential future harm. The court also found that the trial court did not abuse its discretion in selecting the new easement route that imposed the least burden on the servient tenement.

Wang v. Peletta

(2025) 112 Cal.App.5th 478

Homeowners built a retaining wall on their property without first obtaining a permit or a survey. Their neighbor later learned that the wall encroached on the neighbor's property and the county ordered it abated. The homeowners sued the neighbor and the neighbor cross complained. The trial court granted judgment in the neighbor's favor, quieting title against the homeowners' easement claims and ordering them to remove the encroachments.

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The Court of Appeal affirmed. The trial court did not err in determining as a matter of law that the homeowners could not establish a claim to a prescriptive easement because the nuisance caused by the homeowners' unpermitted wall and other improvements could be characterized as a continuing nuisance. The encroachments were built without a permit, the nuisance thereby created had always been subject to abatement, and the county ordered such through a citation directed to the neighbor. Thus, the general rule applied that there could be no prescriptive easement to maintain a public nuisance. The homeowners also failed to establish an equitable easement, given that the trial court did not abuse its discretion in finding that the encroachment was not innocent.

Eminent Domain

Benedetti v. County of Marin

(2025) 113 Cal.App.5th 1185

A restrictive covenant requirement as a condition to issuing a residential permit was upheld by the Court of Appeal in the case of *Benedetti v. County of Marin*. At issue was the requirement for a restrictive covenant that required residents be engaged in agricultural use in the county's coastal agricultural production zone. The landowners challenged the requirement as an unconstitutional taking. The Court decided that strict scrutiny did not apply and that there was a reasonable relationship between the condition and the legislative goal of preserving agriculture as a viable industry in the coastal zone by preventing the incursion of residential development on agricultural lands. A petition for review was filed with the California Supreme Court on October 8th.

Foreclosure Completion of Sale

Applegate v. Carrington Foreclosure Services, LLC

(2025) 112 Cal.App.5th 356

A bidder sued the trustee and beneficiary under a deed of trust, asserting various claims based on an alleged violation of the foreclosure law. The bidder alleged that the trustee's action in postponing the sale after the public auction wrongfully rescinded the post foreclosure bidding window for prospective owner-occupant bidders that was created by a change to the law in 2021. The trial court granted the trustee's and the beneficiary's motion for summary judgment.

The Court of Appeal affirmed. Because the property was covered by Civil Code section 2924m, the end of the public auction of the property did not complete the sale. The postponed sale (rescission) was permitted under Civ. Code section 2924g. The trustee clearly had discretionary authority to postpone the sale to protect the beneficiary's interest. The bidder had not shown the trustee's conduct was unlawful. The bidder's claim also failed as a matter of law because he did not comply with the statute's requirements for bids and notices of bid and could not prove he was a prospective owner-occupant as defined in the statute.

Foreclosure HOA Assessments

Bird Rock Home Mortgage, LLC v. Breaking Ground, LP

(2025) 114 Cal.App.5th 492

The Court of Appeal affirmed the trial court's ruling that the statutory extension period for a trustee's sale of property containing one to four residential units applied to a sale to collect unpaid homeowners' association (HOA) assessments.

The court held that the extension period applied because the trustee's sale was conducted under a power of sale contained in a mortgage reasoning that the lien for unpaid HOA assessments authorized by the declaration qualified as a mortgage because it came within the definitions of "mortgage" in the nonjudicial foreclosure statutes.

Foreclosure Modification Application

Reese v. Select Portfolio Servicing, Inc.

(2024) 107 Cal.App.5th 1179

Plaintiff Reese, acting as conservator for Leoma Musil, filed a lawsuit against Select Portfolio Servicing, Inc. (SPS) and other defendants, alleging violations of the Homeowner’s Bill of Rights (HBOR) and California’s Unfair Competition Law (UCL). The dispute arose when SPS recorded a notice of trustee’s sale while a loan modification application was pending. Reese claimed that SPS violated former Civil Code section 2923.6 by proceeding with foreclosure actions during the loan modification process.

The trial court initially granted summary judgment in favor of the defendants, but this decision was reversed on appeal, with the appellate court finding a triable issue of material fact regarding whether Reese had submitted a complete loan modification application. Upon remand, Reese amended her complaint, but the trial court sustained the defendants’ demurrer without leave to amend, ruling that SPS had not violated former section 2923.6 because it recorded a new notice of trustee’s sale and sold the property more than a year after denying the loan modification application and Reese’s subsequent appeal.

The California Court of Appeal reviewed the case and affirmed the trial court’s judgment. The appellate court held that SPS’s actions did not constitute a violation of former section 2923.6, as the new notice of trustee’s sale recorded in May 2018 cured any previous violation. The court also found that the 18-month delay between the denial of the loan modification application and the new notice of trustee’s sale rendered the initial violation immaterial. Consequently, the court concluded that Reese’s complaint did not state a cause of action under former section 2923.6, and the trial court’s decision to sustain the demurrer without leave to amend was appropriate.

Foreclosure (Surviving Permit Conditions)

Rodriguez v. City of Los Angeles

B337921 (Second Appellate District, Nov. 26, 2025)

The City of Los Angeles granted a density bonus to a property owner in 2005, allowing an additional housing unit conditioned on one of the units being rented to low-income households for at least 30 years. The agreement was recorded in 2006. A lender holding a 2005 deed of trust foreclosed on the property in 2013. New owners who later purchased the property, allegedly unaware of the recorded agreement, sued the City after it demanded compliance with the recorded agreement. The owners claimed that the agreement was extinguished by the foreclosure. The City argued that the agreement was a condition of a building permit and survived foreclosure. The trial court ruled for the City.

The California Court of Appeal affirmed the decision of trial court and held that the affordable housing agreement was equivalent to a “condition attached to a permit” under the relevant Government Code section and ran with the land. The condition was thus enforceable against successor owners rather than a junior encumbrance extinguished by the foreclosure.

Foreclosure Water Rights

Sandton Agriculture Investments III, LLC v. 4-S Ranch Partners, LLC

(2025) 113 Cal.App.5th 519

Floodwater that percolated into the aquifer belonged to the lender that purchased the real property by a credit bid at a nonjudicial foreclosure sale. The water rights were appurtenant to the land and water in its natural state, including floodwater, is a part of the land and constitutes real property. The former owner did not establish a personal property right under the fundamental principles of California’s water because the water was not the former owner’s personal property.

Partition Standing

Amundson v. Catello

(2025) 111 Cal.App.5th 817

The court held that siblings, involved in probate proceedings regarding the property, lacked standing to bring a partition action because the probate court had not yet determined the ownership of the property. The court emphasized that clear title is required to bring a partition action, and the ongoing probate proceedings meant that the siblings' ownership interest was not confirmed. Consequently, the court reversed the trial court's judgment, concluding that the uncertainty of ownership precluded the siblings from establishing the necessary standing for their partition claim.

Quiet Title Lease Term

Pacho Limited Partnership v. Eureka Energy Co.

(2025) 115 Cal.App. 5th 598

The trial court ruled that a long-term lease for 99 years of approximately 2,400 acres was for agricultural purposes (Civil Code section 717) and thus was limited to 51 years and had expired. The land was unimproved and had been used continuously for minimal cattle grazing but the lease itself stated that it could be used for any lawful purpose.

The Court of Appeal reversed, holding the parties' intent was primarily determined from the lessee's actual use of the land because the lease did not specify the purposes for which the land could be used. Cattle grazing was the actual use of the property and could be agricultural, but the Court of Appeal concluded that the property was not leased for agricultural purposes because the small cattle-grazing operation on 2,400 acres was used for wildfire suppression and not actual agricultural operations.

Quiet Title Riverbeds

State of Montana v. Talen Montana, LLC

(9th Cir. 2025) 130 F.4th 675

In an appeal by the State of Montana and a cross-appeal by owners and operators of hydroelectric dams, the panel affirmed the district court's judgment (1) quieting title to the United States for the riverbeds underlying four designated "Segments" of rivers within Montana's borders, and (2) quieting title to Montana for the riverbeds within the Sun River to Black Eagle Falls Segment of the Missouri River.

Whether Montana or the United States holds title depends on whether the rivers were "navigable in fact" at the time of Montana's statehood in 1889. Upon statehood, the State gained title within its borders to the beds of waters then navigable, while the United States retained title to riverbeds underlying non-navigable rivers. Applying the "navigability in fact" test for determining riverbed title, as clarified in *PPL Montana, LLC v. Montana*, 565 U.S. 576 (2012), the district court found only one Segment—the Sun River to Black Eagle Falls Segment—to be navigable in fact.

Addressing the State of Montana's appeal, the panel held that the district court correctly applied the PPL framework to the evidence and did not violate any PPL mandate in quieting title to the United States for the riverbeds underlying four designated Segments of rivers within Montana's borders. The panel affirmed the district court's analysis of each Segment in their entirety and held that it correctly identified and analyzed each segment under PPL, which requires that navigability for title must be determined on a segment-by-segment basis. The panel rejected Montana's argument that evidence of "actual use" of the rivers, by itself, establishes navigability. The panel also rejected Montana's arguments challenging the district court's factual findings and conclusions that the four Segments were not navigable.

On cross-appeal, the panel rejected Talen Montana, LLC and Northwestern Corporation's argument that the district court should not have considered the navigability of the Sun River to Black Eagle Falls Segment because it is part of the "17-mile Great Falls reach" that PPL held was not navigable. The panel held that the district court's review and ruling of navigability of the Sun River to Black Eagle Falls Segment was consistent with the mandate from PPL.

Reverse Mortgages Structure and Creation

Olson v. Unison Agreement Corp.

(9th Cir. Aug. 7, 2025, No. 23-2835)
2025 U.S. App. LEXIS 19947

The Ninth Circuit Court of Appeals, in a case arising out of the state of Washington, ruled that the plaintiffs had stated a cause of action for violation of Washington's reverse mortgage law. The transaction involved an advance of funds by Unison to the Olson's, with Unison having a future option to purchase. The obligation was secured by a note and deed of trust and was marketed as having no monthly payment and no interest. The Court concluded that the details of the structure of the overall arrangement, which included a formal option as one component, effectively created the substance of a shared-appreciation reverse mortgage. In doing so, Unison's agreement with the Olson's sufficiently gave rise to a "credit obligation" that fell within the Washington statute.

Subdivision Map Act Parcel Creation

Cox v. City of Oakland

(2025) 17 Cal. 5th 362

The California Supreme Court held that the phrase "division of land" in Government Code section 66412.6(a) should be interpreted in light of the Act's general definition of "subdivision" in section 66424. The Court concluded that a conveyance does not create multiple parcels merely by referring separately to lots of the contiguous property being conveyed. Since Lot 18 was always conveyed together with contiguous land and never separately, it was not created as a separate parcel under the Act. Therefore, the landowner was not entitled to a certificate of compliance for Lot 18 as a separate legal parcel.

Trusts Lis Pendens

Newell v. Superior Court

(2024) 107 Cal.App.5th 728

The court held that a petition by a former trustee of a living trust to set aside the settlor's amendment appointing his caregiver as trustee contained a real property claim that supported a lis pendens because it would affect the title to the property if successful. The court noted that the trustee holds legal title to the trust's property, and a change in trustee would change the name on the title.

UCC-1 Filing Perfection

In re: Global One Media, Inc. (Shapiro v. Newtek Small Business Finance, LLC)

(Bankr.9th Cir. 2025) 667 B.R. 878.

The Ninth Circuit Bankruptcy Appellate Panel ruled that Newtek failed to perfect its security interest in Debtor's personal property, located in Nevada and New Mexico, by filing UCC-1 financing statements in those two states. The court reasoned that under Delaware's UCC, a Delaware corporation's location is in Delaware, regardless of where its collateral is located. Therefore, to perfect a security interest in the corporation's personal property, a creditor must file a UCC-1 in Delaware, not just the states where the collateral is located. The court rejected Newtek's argument that filing in the collateral's location was sufficient under an exception in the UCC, finding that the exception only applied to the "effect" of perfection and priority disputes, not the act of perfection itself.

Wire Fraud Risk of Loss

Thomas v. Corbyn Restaurant Development Corp.

(2025) 111 Cal.App.5th 439

After the settlement of a personal injury lawsuit, an unknown third-party purporting to be plaintiff's counsel sent spoofed e-mails to defense counsel providing fraudulent wire instructions for the settlement proceeds and absconded with the funds. Plaintiff filed an action to enforce the payment required by the settlement.

In the absence of published California authority on the issue, the Court of Appeal upheld the trial court's application of the imposter rule in the California Uniform Commercial Code that places the risk of loss on the person failing to exercise ordinary care, because persuasive federal decisions had applied the imposter rule from the Uniform Commercial Code in the wire fraud context.



ARE YOU PREPARED FOR FINCEN? Members seeking more information about the Industry-Wide Anti-Money Laundering Regulations for Residential Real Estate Transfers that go into effect on March 1, 2026 are encouraged to explore CLTA's Titlecast episodes.

- Episode 34: Overview of the FinCEN Final Residential Real Estate Rule
- Episode 35: CLTA's Considerations for FinCEN Implementation
- Episode 38: Examining the Definition of 'Residential' and 'Non-Financed' Under the New Rule
- Episode 39: A 'Beneficial Ownership' Guide
- Episode 40: What Transactions are Exempt?
- Episode 42: Operational Strategy for Staff / Customers and Penalties
- Episode 43: Information Collection

DID YOU KNOW?

So, what are CLTA Titlecasts? CLTA Titlecasts are CLTA's on-demand educational podcasts free to all CLTA Members. CLTA Titlecast episodes feature leading industry experts discussing a wide range of trending topics. *Note, members must be logged in to access CLTA Titlecasts. Not a CLTA member or need login assistance? Send a request to cg@clta.org.*

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CLTA Legislative Committee Functions

The Legislative Committee is established under the Association's Bylaws and is currently composed of 18 members. Collectively, the Committee contributes approximately 588 volunteer hours each year in service to the Association.

The Committee's primary purpose is to evaluate legislative matters and provide recommendations on issues that may impact the title insurance industry and the conduct of title insurance business within the state.

Accordingly, the Committee carries out the following key responsibilities: reviewing and providing recommendations on the annual Summary of Legislation; referring relevant bills to the Forms and Practices Committee for potential manual or practice updates; evaluating legislative proposals and regulatory changes; reporting legislation of significance to the Board of Governors and the Board of Directors; determining which legislation the Association should sponsor; and establishing and communicating official industry positions on pending legislation.

CLTA Staff

ANTHONY HELTON

Executive Vice President
aj@clta.org

CYNTHIA GROOM

Director of Operations,
Finance & Membership
cg@clta.org

HEATHER STARKEY

Director of Education,
Meetings & Communications
hs@clta.org