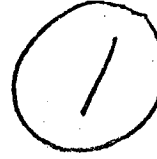


CITY OF SACRAMENTO



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April 25, 1985

Law and Legislation Committee  
City Hall  
Sacramento, California 95814

SUBJECT: AB 483 Relating to Preemption of Local Rent Control

Honorable Members in Session:

SUMMARY

Councilman David Shore asked that AB 483 (Costa) be referred to the Law and Legislation Committee. This bill would restrict local authority in the area of rent control.

DISCUSSION

Last year the Law and Legislation Committee voted to oppose an almost identical bill (AB 3808 - Costa). This bill would preempt the ability of cities to impose rent control on new construction, single-family dwellings, and on the first lease to a new renter. AB 483 would apply to mobile home parks. Last year's bill exempted mobile home parks, so that local rent control ordinances would apply.

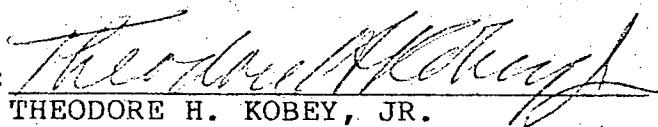
The League of California Cities' position is the same as last year: It is opposed to the attempt to preempt cities' ability to impose rent control on single-family dwellings on the first lease to a new renter. It is not opposed to the preemption of local rent control on new construction.

RECOMMENDATION

This bill is submitted for Committee consideration.

Respectfully submitted,

JAMES P. JACKSON, City Attorney

By:   
THEODORE H. KOBEY, JR.  
Assistant city Attorney

THK/jmv

May 2, 1985  
All Districts

Introduced by Assembly Member Costa

January 30, 1985

An act to add Sections 1946.5, 1946.6, and 1946.7 to the Civil Code, relating to real property.

LEGISLATIVE COUNSEL'S DIGEST

AB 483, as introduced, Costa. Real property: rental rates. Under existing law, rental rates for real property are established by contractual agreement of the landlord and tenant, in the absence of state or local law to the contrary.

This bill would expressly authorize an owner of real property to establish the rental rate upon the initial hiring of the property by a particular tenant, lessee, or sublessee. The bill would expressly authorize the owner of real property to establish the rental rate, without the above limitation to the time of initial hiring, for (1) a rental unit first occupied by a tenant or lessee after the effective date of the bill, and (2) a single-family residence which, if owner occupied, would be eligible for a homeowner's exemption. However, the bill would not prevent or supersede a contract between the owner and a governmental entity establishing rents, where the owner's obligation is in consideration for a direct financial contribution.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1946.5 is added to the Civil
- 2 Code, to read:
- 3 1946.5. Notwithstanding any other provision of law,

1 an owner of real property may establish the rental rate  
2 for the initial hiring of a rental unit by a tenant, lessee, or  
3 sublessee, except where the owner has otherwise agreed  
4 by contract with a governmental entity in consideration  
5 for a direct financial contribution.

6 SEC. 2. Section 1946.6 is added to the Civil Code, to  
7 read:

8 1946.6. Notwithstanding any other provision of law,  
9 an owner of real property may establish the rental rate  
10 for a rental unit which is first occupied by a tenant or  
11 lessee after the effective date of this section, except  
12 where the owner has otherwise agreed by contract with  
13 a governmental entity in consideration for a direct  
14 financial contribution.

15 SEC. 3. Section 1946.7 is added to the Civil Code, to  
16 read:

17 1946.7. Notwithstanding any other provision of law,  
18 an owner of real property may establish the rental rate  
19 for a single-family residence occupied by a tenant, lessee,  
20 or sublessee which, if owner occupied, would be eligible  
21 for a homeowner's exemption, except where the owner  
22 has otherwise agreed by contract with a governmental  
23 entity in consideration for a direct financial contribution.