

Assembly Bill No. 3012

CHAPTER 258

An act to amend Sections 678, 1063.1, 1063.5, 1063.14, 2051.5, 2060, 10095, and 10103.7 of the Insurance Code, relating to insurance.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3012, Wood. Residential property insurance.

Existing law generally regulates classes of insurance, including fire and property insurance. Existing law requires a residential property insurer to allow an insured that has suffered a loss relating to a declared state of emergency to combine the policy limits for primary dwelling and other structures, and to use the combined amount to rebuild or replace the dwelling, as specified. Existing law requires a policy to provide coverage for additional living expenses for a period of no less than 24 months from the inception of the loss, for a loss relating to a state of emergency. Existing law prohibits, in the event of a total loss of the insured structure, a policy from limiting or denying payment of the building code upgrade cost or the replacement cost on the basis that the insured has decided to rebuild at a new location or to purchase an already built home at a new location.

For a total loss of a furnished residence related to a declared state of emergency, this bill would require an insurer to provide a payment for contents of no less than 30% of the policy limit, as specified, without requiring an itemized claim. For a covered loss relating to a state of emergency, on and after July 1, 2021, the bill would prohibit a policy that provides coverage for additional living expenses from limiting the policyholder's right to recovery if the insured home is rendered uninhabitable by a covered peril, but would authorize an insurer to provide a reasonable alternative remedy that addresses the property condition that precludes reasonable habitation of the insured premises. On and after July 1, 2021, the bill would require additional living expense coverage to be provided for at least 2 weeks, with additional 2-week extensions, in the event of a state of emergency and an order of civil authority restricting access to the home, as specified. The bill would require the measure of damages available to a policyholder to use to rebuild or replace the insured home at another location to be the amount that would have been recoverable had the insured dwelling been rebuilt at its original location, without deduction for the value of land at the new location.

Existing law requires the Insurance Commissioner to establish the California Home Insurance Finder on the Department of Insurance internet website to connect homeowners in need of insurance assistance to an insurance agent or broker for residential property insurance. Under existing law, the California FAIR Plan Association,

a joint reinsurance association in which all insurers licensed to write basic property insurance participate, administers a program for the equitable apportionment of basic property insurance for persons who are unable to obtain that coverage through normal channels. Existing law requires an insurance agent or broker to assist a person to obtain property insurance coverage by one of several specified methods.

This bill would require a notice of nonrenewal for a residential property insurance policy expiring on or after July 1, 2021, to be accompanied by a specified statement that includes an explanation of how the California Home Insurance Finder can help a person find a homeowners' insurance policy and information about FAIR Plan policies. The bill would require the California FAIR Plan Association, on or before July 1, 2021, to develop and implement a clearinghouse program to help reduce the number of existing FAIR Plan policies and provide the opportunity for admitted insurers to offer homeowners' insurance policies to FAIR Plan policyholders. The bill would require an insurer that participates in the clearinghouse program to sign an agreement that sets forth the terms and conditions for the insurer to offer homeowners insurance through the policy's listed agent or broker of record.

Existing law creates the California Insurance Guarantee Association (CIGA) and requires all insurers admitted to transact specified insurance lines in this state to become members. Under existing law, CIGA pays and discharges covered claims, which are the obligations of an insolvent insurer that meet specified requirements, including, for a policy of workers' compensation insurance, that the obligation is to provide workers' compensation benefits under California's workers' compensation law. Under existing law, an obligation to a state or to the federal government is not a covered claim. Existing law requires CIGA to collect premium payments from its member insurers sufficient to discharge its obligations. Existing law requires CIGA to adopt a plan of operation that requires a member insurer to recoup the premium charge paid by the member insurer through a surcharge on premiums charged for insurance policies. Existing law requires CIGA to reimburse member insurers who report surcharge collections that are less than what they paid in the preceding year's premium charge.

This bill would expand covered claims under CIGA to include benefits under the workers' compensation law of any state if the injured worker is a California resident and not otherwise entitled to coverage from another organization similar to CIGA, obligations for medical services provided by a medical facility owned in whole or in part by a state or federal agency, and claims arising under a policy that has been statutorily allocated to or assumed by a company that is later placed in liquidation if the claim would have been a covered claim if the original company had been placed in liquidation. The bill would require each member insurer to file a report to CIGA within 90 days after filing an annual statement indicating the amount of premiums not subject to CIGA's premium charge and the amount of special excess workers' compensation premiums for the preceding calendar year. The bill would authorize an insurer to amend its reports

indicating the amount of surcharges collected for the prior 5 years if it discovers there was an error in the original reports.

This bill would incorporate additional changes to Section 678 of the Insurance Code proposed by AB 2756 to be operative only if this bill and AB 2756 are enacted and this bill is enacted last.

Assembly Bill No. 2013

CHAPTER 124

An act to add Section 70.5 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 24, 2020. Filed with Secretary of State September 24, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2013, Irwin. Property taxation: new construction: damaged or destroyed property.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing law defines "newly constructed" and "new construction" to mean any addition to real property since the last lien date and any alteration of land or of any improvement since the last lien date that constitutes a major rehabilitation thereof or that converts the property to a different use. Existing law, where real property has been damaged or destroyed by misfortune or calamity, excludes from the definition of "newly constructed" and "new construction" any timely reconstruction of the real property, or portion thereof, where the property after reconstruction is substantially equivalent to the property prior to damage or destruction. Existing law, pursuant to the authorization of the California Constitution, authorizes the transfer of the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property within the same county that is acquired or newly constructed within 5 years after the disaster, as provided.

This bill would authorize the owner of property substantially damaged or destroyed by a disaster, as declared by the Governor, to apply the base year value of that property to replacement property reconstructed on the same site of the damaged or destroyed property within 5 years after the disaster if the reconstructed property is comparable to the substantially damaged or destroyed property, determined as provided. The bill would specify that property is substantially damaged or destroyed for these purposes if

the improvements sustain physical damage amounting to more than 50% of the improvements' full cash value immediately prior to the disaster. The bill would provide that person who owns substantially damaged or destroyed property that receives property tax relief under these provisions is not eligible to transfer the base year value of that property to a comparable replacement property, as described above. Under the bill, the adjusted base year value of the original property substantially damaged or destroyed would apply to the reconstructed property if the full cash value of the reconstructed property does not exceed 120% of the full cash value of the original property immediately prior to its substantial damage or destruction. If the full cash value of the reconstructed property exceeds 120% of the full cash value of the original property, the bill would require that the base year value of the reconstructed property be the sum of the full cash value that exceeds 120% of the full cash value of the original property plus the adjusted base year value of the original property. The bill would apply these provisions to real property damaged or destroyed by misfortune or calamity on or after January 1, 2017.

By imposing new duties on county assessors with respect to assessing reconstructed property that has been substantially damaged or destroyed by a disaster, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations regarding the public purpose served by the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Senate Bill No. 872

CHAPTER 261

An act to amend Sections 2051.5 and 2060 of, and to add Sections 2061 and 2062 to, the Insurance Code, relating to insurance.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

SB 872, Dodd. Residential property insurance: state of emergency.

Existing law generally regulates classes of insurance, including residential property insurance. Existing law requires coverage for additional living expenses incurred due to a covered loss relating to a state of emergency to be for a period of no less than 24 months. Existing law prohibits, in the event of a total loss of the insured structure, a policy from limiting or denying payment of the building code upgrade cost or the replacement cost on the basis that the insured has decided to rebuild at a new location or to purchase an already built home at a new location.

For a covered loss relating to a state of emergency, on and after July 1, 2021, this bill would prohibit a policy that provides coverage for additional living expenses from limiting the policyholder's right to recovery if the insured home is rendered uninhabitable by a covered peril, but would authorize an insurer to provide a reasonable alternative remedy that addresses the property condition that precludes reasonable habitation of the insured premises. The bill would require additional living expense coverage to be provided for at least 2 weeks, with additional 2-week extensions, in the event of a state of emergency and an order of civil authority restricting access to the home, as specified. The bill would require the measure of damages available to a policyholder to use to rebuild or replace the insured home at another location to be the amount that would have been recoverable had the insured dwelling been rebuilt at its original location, without deduction for the value of land at the new location. The bill would, for losses related to a declared state of emergency and for which an insured makes a claim on or after January 1, 2021, require the insurer to provide an advance payment for living expenses and to accept an inventory of contents in any reasonable form. The bill would require an insurer to offer a 60-day grace period for payments of premiums for policies on property located within an area defined in a declared state of emergency for a period of 60 days after the emergency. The bill would also declare the severability of its provisions.

Assembly Bill No. 2147

CHAPTER 60

An act to add Section 1203.4b to the Penal Code, relating to convictions.

[Approved by Governor September 11, 2020. Filed with Secretary of State September 11, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2147, Reyes. Convictions: expungement: incarcerated individual hand crews.

Existing law authorizes a court to allow a defendant sentenced to county jail for a felony to withdraw their plea of guilty or plea of nolo contendere and enter a plea of not guilty, after the lapse of one or 2 years following the defendant's completion of the sentence, provided that the defendant is not under supervision, and is not serving a sentence for, on probation for, or charged with the commission of any offense. Existing law requires the defendant to be released from all penalties and disabilities resulting from the offense of which the defendant was convicted, except as specified.

This bill would allow a defendant who successfully participated in the California Conservation Camp Program or a county incarcerated individual hand crew as an incarcerated individual hand crew member, and has been released from custody, to petition to withdraw their plea of guilty or plea of nolo contendere and enter a plea of not guilty. The bill would make persons convicted of specified violent felonies and sex offenses ineligible for relief. The bill would allow the court, if the defendant is eligible for relief, to dismiss the accusations or information against the defendant at the court's discretion and in the interest of justice and would release the defendant from all penalties and disabilities resulting from the offense, except as provided. In granting this relief, the bill would require the court to order the early termination of probation, parole, or supervised release if the court determines that the defendant has not violated any of the terms or conditions of their release during the pendency of the petition.

Senate Bill No. 1386

CHAPTER 240

An act to add Section 53750.5 to the Government Code, relating to local government finance.

[Approved by Governor September 28, 2020. Filed with Secretary of State September 28, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1386, Moorlach. Local government: assessments, fees, and charges: water: hydrants.

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing.

Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water,

wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Existing law defines, among other terms, the term “water” for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.

This bill would specify that hydrants, as defined, are part of the system of public improvements included in the definition of “water” for purposes of the Proposition 218 Omnibus Implementation Act. The bill would specify that the fees or charges for property-related water service imposed or increased, as specified, may include the costs to construct, maintain, repair, or replace hydrants as needed or consistent with fire codes and industry standards, and may include the cost of water distributed through hydrants. The bill would also authorize the fees or charges for the aspects of water service related to hydrants and the water distributed through them to be fixed and collected as a separate fee or charge, or included in the other water rates and charges fixed and collected by a public agency, as specified.

Assembly Bill No. 2421

CHAPTER 255

An act to add and repeal Section 65850.75 of the Government Code, relating to land use.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2421, Quirk. Land use: permitting: wireless communications: emergency standby generators.

Under existing law, a wireless telecommunications collocation facility, as specified, is subject to a city or county discretionary permit and is required to comply with specified criteria, but a collocation facility, which is the placement or installation of wireless facilities, including antennas and related equipment, on or immediately adjacent to that wireless telecommunications collocation facility, is a permitted use not subject to a city or county discretionary permit. Existing law defines various terms for these purposes.

This bill would, until January 1, 2024, require local agencies to make the installation of an emergency standby generator to serve a macro cell tower site, as defined, that meets specified requirements a permitted use and require a local agency to review an application for installation on an administrative, nondiscretionary basis. The bill would specify procedures for the processing of permit applications by a local agency and would authorize a local agency to impose a fee to cover costs associated with

administering the bill's provisions. Because the bill would impose new duties on local agencies, it would impose a state-mandated local program.

The bill would define terms for purposes of these provisions and provide legislative findings and declarations in support of these provisions in order to maintain cellular communications during implemented power shutoffs.

Existing law, the California Environmental Quality Act (CEQA) requires a local agency to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that might have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA does not apply to ministerial approval of projects.

By requiring administrative approval of the installation of emergency standby generators, this bill would expand the CEQA ministerial approval exemption.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Assembly Bill No. 2386

CHAPTER 254

An act to amend Section 8610 of the Government Code, relating to state government.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2386, Bigelow. Office of Emergency Services: disaster council plans.

The California Emergency Services Act creates, within the office of the Governor, the Office of Emergency Services, which is responsible for addressing natural, technological, or manmade disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. Existing law authorizes cities, cities and counties, and counties to create disaster councils, by ordinance, to develop plans for meeting any condition constituting a local emergency or state of emergency, including, but not limited to, earthquakes, natural or manmade disasters specific to that

jurisdiction, or state of war emergency. The law requires a disaster council to supply a copy of those plans to the Office of Emergency Services.

This bill would require the Office of Emergency Services to annually review a minimum of 10 emergency plans to determine if the plans substantially conform to or exceed specified recommendations made by the Federal Emergency Management Agency. The bill would require the office to prioritize in its review a plan submitted from a county determined to be at a high risk of **wildfire** disaster.

Assembly Constitutional Amendment No. 11

CHAPTER 31

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Sections 2.1, 2.2, and 2.3 to Article XIII A thereof, relating to tax limitation.

[Filed with Secretary of State July 01, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

ACA 11, Mullin. The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act.

The California Constitution limits the amount of ad valorem taxes on real property to 1% of the full cash value of that property, defined as the county assessor's valuation of real property as shown on the 1975–76 tax bill and, thereafter, the appraised value of the property when purchased, newly constructed, or a change in ownership occurs after the 1975 assessment, subject to an annual inflation adjustment not to exceed 2%. The California Constitution authorizes the Legislature to authorize a person over 55 years of age or any severely and permanently disabled person residing in property eligible for the homeowner's exemption to transfer the base year value of that property to a replacement dwelling of equal or lesser value located in the same county, or another county that has adopted an ordinance allowing base years value transfers from other counties, as provided. The California Constitution also provides that the purchase or transfer of the principal residence, and the first \$1,000,000 of other real property, of a transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased, is not a "purchase" or "change in ownership" for purposes of determining the "full cash value" of property for taxation.

This measure, beginning on and after April 1, 2021, would authorize an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster, as defined, to transfer the taxable value, defined as the base year value plus inflation adjustments, of their primary residence to a replacement primary residence located anywhere in the state, regardless of the location or value of

the replacement primary residence, that is purchased or newly constructed as that person's principal residence within 2 years of the sale of the original primary residence. The measure would limit a person who is over 55 years of age or severely disabled to 3 transfers under these provisions.

The measure, beginning on and after February 16, 2021, would exclude from the terms "purchase" and "change in ownership" for purposes of determining the "full cash value" of property the purchase or transfer of a family home or family farm, as those terms are defined, of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, the measure would require that the property continue as the family home of the transferee. The measure would require that the taxable value of the property be determined as provided. In the case of property tax benefits provided to a family home under these provisions, the bill would require the transferee to claim the homeowner's or disabled veteran's exemption within one year of the transfer. The measure would specify that the above-described provisions relating to transfers between parents or grandparents and children or grandchildren would apply to transfers occurring on or before February 15, 2021.

The measure would establish the California Fire Response Fund in the State Treasury. The measure would require the Controller to annually transfer a specified amount, based on calculations by the Director of Finance, of the additional revenues and savings that accrued to the state from the implementation of this measure's provisions from the General Fund to that fund. However, the measure would provide that, if the amount required to be transferred to the California Fire Response Fund exceeds the amount transferred for the previous fiscal year by more than 10%, that excess amount would not be transferred to the California Fire Response Fund. The measure would require the Legislature to appropriate moneys in the fund solely for the purpose of funding fire suppression staffing by the Department of Forestry and Fire Protection and underfunded special districts that provide fire protection services, as provided.

The measure would also establish the County Revenue Protection Fund and continuously appropriate moneys in that fund for the purpose of reimbursing eligible local agencies, as provided. The measure would require the Controller to annually transfer a specified amount, based on the above-described calculations by the Director of Finance, from the General Fund to that fund. The measure would require each county to annually determine the gain of the county and any local agency within the county resulting from the implementation of this measure and, if that amount of gain is negative, provide that specified eligible local agencies may receive a reimbursement from the County Revenue Protection Fund. The measure would require the California Department of Tax and Fee Administration to provide a reimbursement to each eligible local agency that has a negative gain, determined every 3 years based on the aggregate gain of the eligible local agency, as provided, and require the Controller to

transfer any remaining balance in the County Revenue Protection Fund to the General Fund at the end of each 3-year period, to be available for appropriation for any purpose.

Assembly Bill No. 3074

CHAPTER 259

An act to amend Sections 51182, 51186, and 51189 of the Government Code, and to amend Section 4291 of the Public Resources Code, relating to fire prevention.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3074, Friedman. Fire prevention: **wildfire** risk: defensible space: ember-resistant zones.

Existing law requires the Director of Forestry and Fire Protection to identify areas in the state as very high fire hazard severity zones based on specified criteria and the severity of the fire hazard. Existing law requires a person who owns, leases, controls, operates, or maintains an occupied dwelling or structure in, upon, or adjoining a mountainous area, forest-covered land, brush-covered land, grass-covered land, or land that is covered with flammable material that is within a very high fire hazard severity zone, as designated by a local agency, or a building or structure in, upon, or adjoining those areas or lands within a state responsibility area, to maintain a defensible space of 100 feet from each side and from the front and rear of the structure, as specified. A violation of these requirements is a crime.

This bill would require a person described above to use more intense fuel reductions between 5 and 30 feet around the structure, and to create an ember-resistant zone within 5 feet of the structure, based on regulations promulgated by the State Board of Forestry and Fire Protection, as provided. Because a violation of these provisions would be a crime or expand the scope of an existing crime, the bill would impose a state-mandated local program.

This bill would require each local agency having jurisdiction of property upon which conditions that are regulated by the defensible space provisions described above apply and, contingent upon an appropriation by the Legislature in the annual Budget Act or another statute for this purpose, the Department of Forestry and Fire Protection to make reasonable efforts to provide notice to affected residents of the above requirements before imposing penalties for a violation of those requirements. By expanding the duty of a local agency, the bill would impose a state-mandated local program.

This bill would prohibit the requirement for an ember-resistant zone from taking effect for new structures until the state board updates the regulations, as specified, and the

guidance document described below, as specified. The bill would prohibit the department from changing defensible space inspection practices and forms or enforcement to implement the requirement for an ember-resistant zone until the director makes a written finding that the Legislature has appropriated sufficient resources to do so.

Existing law requires the department to develop, periodically update, and post on its internet website a guidance document on fuels management, as provided.

This bill would instead require the state board, in consultation with the department, to develop, periodically update, and post on its internet website the guidance document. The bill would require, on or before January 1, 2023, the state board, in consultation with the department, to update the guidance document to include suggestions for creating an ember-resistant zone within 5 feet of a structure, as provided. The bill would make the requirement that the state board update the guidance document and promulgate certain regulations contingent upon an appropriation by the Legislature in the annual Budget Act or another statute for these purposes.

This bill would also make conforming changes and nonsubstantive changes.

This bill would incorporate additional changes to Sections 51182 and 51189 of the Government Code and Section 4291 of Public Resources Code proposed by SB 1348 to be operative only if this bill and SB 1348 are enacted and this bill is enacted last.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Assembly Bill No. 913

CHAPTER 253

An act to amend Sections 850 and 3280 of the Public Utilities Code, relating to electricity.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 913, Calderon. Electrical corporations: **wildfire** and undercollection.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law authorizes an electrical corporation to file an application requesting the commission to issue a financing order to authorize the recovery of costs and expenses related to a catastrophic **wildfire** through the issuance of bonds by the electrical corporation that are secured by a rate component, as provided.

This bill would authorize an electrical corporation to file an application requesting the commission to issue a financing order to authorize the recovery of certain incremental undercollection amounts for calendar year 2020 through the issuance of bonds by the electrical corporation that are secured by a rate component if the electrical corporation's annual true-up advice letter is accepted and verified and those incremental amounts are verified for calendar year 2020. The bill would prohibit the recovery of the incremental undercollection amounts that are subject to such a financing order through any other cost recovery application, mechanism, or request by the electrical corporation.

Existing law establishes the **Wildfire** Fund to pay eligible claims arising from a **wildfire** ignited on or after July 12, 2019, caused by an electrical corporation as determined by the governmental agency responsible for determining causation. Existing law defines "eligible claims" as claims for third-party damages against an electrical corporation resulting from covered **wildfires** exceeding the greater of \$1,000,000,000 in the aggregate in any calendar year, or the amount of the insurance coverage required to be in place for the electrical corporation, measured by the amount of that excess.

This bill would revise the definition of "eligible claim" to change "calendar year" to "year."

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because certain of the above provisions would require action by the commission, a violation of which would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

ARTICLE 1.5. Disclosures Upon Transfer of Residential Property [1102 - 1102.19]

(Article 1.5 added by Stats. 1985, Ch. 1574, Sec. 2.)

1102.6f.

(a) On or after January 1, 2021, in addition to any other disclosure required pursuant to this article, the seller of any real property subject to this article that is located in a high or very high fire hazard severity zone, as identified by the Director of Forestry and Fire Protection pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, shall provide a disclosure notice to the buyer, if the home was constructed before January 1, 2010, that includes the following information:

(1) A statement as follows: "This home is located in a high or very high fire hazard severity zone and this home was built before the implementation of the Wildfire Urban Interface building codes which help to fire harden a home. To better protect your home from wildfire, you might need to consider improvements. Information on fire hardening, including current building standards and information on minimum annual vegetation management standards to protect homes from wildfires, can be obtained on the internet website <http://www.readyforwildfire.org>."

(2) On or after July 1, 2025, a list of low-cost retrofits developed and listed pursuant to Section 51189 of the Government Code. The notice shall disclose which listed retrofits, if any, have been completed during the time that the seller has owned the property.

(3) A list of the following features that may make the home vulnerable to wildfire and flying embers. The notice shall disclose which of the listed features, if any, that exist on the home of which the seller is aware:

(A) Eave, soffit, and roof ventilation where the vents have openings in excess of one-eighth of an inch or are not flame and ember resistant.

(B) Roof coverings made of untreated wood shingles or shakes.

(C) Combustible landscaping or other materials within five feet of the home and under the footprint of any attached deck.

(D) Single pane or nontempered glass windows.

(E) Loose or missing bird stopping or roof flashing.

(F) Rain gutters without metal or noncombustible gutter covers.

(b) If, pursuant to Section 51182 of the Government Code, a seller has obtained a final inspection report described in that section, the seller shall provide to the buyer a copy of that report or information on where a copy of the report may be obtained.

(c) This section shall not be construed as a requirement, instruction, or consideration for present or future building code formulation, including, but not limited to, the Wildland Urban Interface building standards (Chapter 7A of Part 2 of Title 24 of the California Code of Regulations).

(Added by Stats. 2019, Ch. 391, Sec. 2. (AB 38) Effective January 1, 2020.)