



Quality Housing • Ethics • Professionalism



June 11, 2024

The Honorable Caroline Menjivar
California State Senate
1021 O Street, Suite 6720
Sacramento, CA 95814

RE: SB 611 (Menjivar) – Residential rental properties: fees and advertisements – As Amended June 10, 2024 - Oppose

Dear Senator Menjivar:

On behalf of the members of the California Apartment Association (CAA), I am writing to inform you that CAA has taken an oppose position on SB 611, as amended June 10, 2024, your bill that would mandate very specific information in an advertisement for rental housing. While CAA does not object to transparency in advertisements, this bill is a gross overreach. In most cases, it will not provide helpful information to prospective applicants. It will simply serve to confuse them.

As you know, last year, we spent a considerable amount of time with your staff and the sponsors working in good faith on bill language. One year later, with less than a 24-hour notice and no courtesy of a conversation, you have introduced new amendments that are harmful to the rental housing industry. Because this new language is complex and includes subjective terms and requirements, SB 611 will place rental property owners – and certainly small property owners – in jeopardy of facing considerable penalties, despite their attempts to follow the requirements in SB 611. While there are many problems with the bill, here are some of the most significant:

- **It’s a Veiled Attempt to Limit What Can be Charged** - SB 611 is not just about advertisements, it is a veiled attempt to cap fees, limit fees, and limit services for which rental property owners can charge. The language specifically provides that the owner “may demand or collect only the following payments, fees or charges . . .” (Page 8, lines 39). For example, while the bill implies that late fees need not be advertised, the bill only allows fees that are permitted by law. Despite our best efforts, late fees as well as other fees are not spelled out in current statute. SB 611 is certainly an attempt to prohibit these fees. SB 611 also prohibits landlords from increasing the cost of any utility fee, despite the fact that the costs increase over the years. The legislature has already written laws on this topic. SB 611 is not the appropriate bill for expansion of this issue.
- **It Mandates that all Optional Fees or Charges for Amenities be Listed in the Advertisement**
SB 611 requires rental property owners to disclose optional fees for services and program. These are services that tenants are not mandated to pay for or use. The list can be extensive and can change over time, for example:

Community Room Rental Fees	Dog Washing Station Fees	Costs for Extra Keys
Multipurpose Room Rentals	Dog Walking Services	Lost Keys & Rekeyed Locks
Recreational & Gym Fees	Doggie Day Care	Car Washing Services
Education & Social Events	Convenience Store Items	Satellite Service
On-site Theater Use	Laundry Pick-Up & Delivery	Tenant Insurance
Positive Rent Reporting	Laundry Room Use Fees	Conference Room Fees
Package Locker Rental	On-site Child Day Care	On-site Restaurant Food Costs

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- **Owners Must Disclose Law Enforcement Fines & Vehicle Towing** – SB 611 would require a rental property owner to advertise the fees imposed by law-enforcement when law enforcement is called to break up a loud party. The landlord is typically sent the bill by law enforcement, and the landlord forwards it to the tenant to pay. After all, this is a service to ensure that the neighbors live in a peaceful environment. It would also require landlords to advertise the cost of towing vehicles – even though the law already requires landlords to place signs at the property, informing tenants about parking. This is a service that ensures tenants have access to their assigned parking space.
- **Owners Must Disclose Utility Charges for the Entire Property & Provide Copies of the Utility Bills** - Requires a rental property owner to **include in the price** of the advertised rent the **utility fees** or charges assessed by the utility provider for the **property**. The owner must also provide copies of the two most recent utility bills for the property. A property utility bill can be \$50,000 or more each month, so the price of rent would show as \$52,000. This is nonsensical.
- **Owners Must Provide the Maximum Monthly Cost of Utilities** - Requires the property owner to include **in the price of rent** the utility fee or charge of the maximum monthly cost of the utility over the prior 12 months. Utility charges and fees are based on usage and the number of people who previously occupied the unit. This disclosure is not helpful to an applicant. The legislature has already rejected bills that would have created such a mandate.

SB 611 goes far beyond advertising. It weighs in on utilities, water costs, and fees that are not imposed or controlled by a property owner. These issues are not suitable for SB 611.

The California Apartment Association is the largest statewide rental housing trade association in the country, representing over 50,000 single family and multi-family apartment owners and property managers who are responsible for over 2 million affordable and market rental units throughout the State of California.

Sincerely,

CALIFORNIA APARTMENT ASSOCIATION



By

Debra Carlton, Executive Vice President
State Government Affairs

cc: Assembly Judiciary Committee