

Across the Line

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NEW CALIFORNIA LAWS FOR 2011

The California Legislators are a prolific law making machine. This year they approved close to 1,000 bills, but only 725 were signed by (former) Governor Arnie. Here is a sampling in no particular order. Unless otherwise noted, these bills took effect January 1, 2011.

Sports Betting Pools

Existing law makes it a misdemeanor to form a betting pool or place a bet on the outcome of any contest, like a sporting event. AB 58 makes it a mere infraction to participate in a betting pool, as long as there is no more than \$2500 at stake.

Hand Gun Ammunition—Thumbprints

This controversial law will be challenged in the courts and will be featured in a future column. Commencing February 1, 2011, under AB 962, sellers of hand gun (pistol) ammunition must obtain a thumbprint and all sorts of personal information from anyone purchasing ammo—with very few exceptions. I did not see an exemption for .22 cartridges. Sales of pistol ammunition may only be

done in a face-to-face transaction with proof of identification. (Key provisions of the law were found unconstitutionally vague by a Fresno County Superior Court.)

Poaching Fines

The illegal poaching of fish and wildlife is rampant in California, and yet judges are notoriously lenient when imposing fines. AB 708 will establish mandatory minimum fines with resultant increased revenue to local prosecutors to go after egregious poaching. It's about time.

Motorcycle Permit

Anyone under the age of 21 must complete an approved motorcycle safety course before being issued a learner's permit to practice operating a motorcycle. After six months, the driver may be issued a class M motorcycle license.

Ronald Reagan Day

Republicans will be pleased to celebrate Ronald Reagan Day thanks to Senator Runner, who needs a life. Runner's prize bill requires the Governor to annually proclaim February 6th as Ronald Reagan Day. Not to be confused with John Muir Day, California Poppy Day, Harvey Milk Day and coming soon, Jim Porter Day.

Social Host Liability

Under significant new legislation some call the Parental Responsibility Bill, a parent or another adult, who knowingly furnishes alcoholic beverages at his or her residence to a person under 21 years old, no longer has immunity from

lawsuits for injuries or damages caused by the consumption of those beverages by the minor. AB 2486.

Carpool Lanes

Yellow sticker hybrid vehicles (including the Prius) may continue to drive in carpool lanes until July 1, 2011. White sticker (fully-electric and compressed natural gas vehicles) may use the carpool lanes until January 1, 2015. A new third sticker for plug-in hybrid vehicles may use the lanes from January 1, 2012 to January 1, 2015.

Marijuana

Prop 19 may have failed but the Legislature, at least a majority, has reduced the penalty for getting caught with a small amount of marijuana, less than an ounce, from a misdemeanor to an infraction, and eliminates the need for an arrest, a trip to court and a criminal record.

Doughnuts

Bakeries and doughnut shops may no longer use artificial trans-fats without paying a fine of \$25-\$1,000. Restaurants have not been able to use trans-fats since January 1, 2010. I should have been a cop 'cause I could eat a dozen doughnuts a day.

Construction LLC

A good idea gone bad. Beginning January 1, 2012, a contractor may hold his or her license as a limited liability company. The contractor-licensed LLC must have liability insurance of between \$1,000,000 and \$5,000,000 and post a

\$100,000 surety bond. Members of the LLC may be personally liable for up to \$1,000,000. Obviously a compromise bill that provides no benefit to contractors.

Wood Dust

In a dubious new law, California's Office of Environmental Health Hazard Assessment (OEHHA) has listed "wood dust" under Prop 65 as a chemical known to cause cancer, thus generating the mandatory "WARNING: This area contains chemicals known to the state of California to cause cancer, birth defects and other reproductive harm." Contractors should post the WARNING.

Mechanic's Liens

As we have previously written, mechanic's lien claimants now must serve a copy of the lien along with a new Notice of Mechanic's Lien to owners when a lien is recorded, and a *lis pendens* must be recorded within 30 days of filing a lien foreclosure lawsuit.

Foreclosed-on Tenant

Any landlord of a housing unit that serves an eviction notice on a tenant within one year after a foreclosure, must also provide additional documentation and an additional notice to the renters with specified language. (SB 1149) This important bill governing eviction notices runs until January 1, 2013. Landlords should not forget the relatively new federal law protecting tenants following foreclosure.

Short Sales

In a significant change in the law (SB 931) that "tickles me pink," as my dad used to say, a first deed of trust lender on a residential property of not more

than four units, who agrees to a short sale must, when it consents to the short sale, also consent to fully discharge the remaining amount on the loan. I.e., no deficiency judgment. First loans only. No requirement to agree to a short sale, however. The lender may pursue the borrower only in the event of fraud or waste. New law is not applicable if the borrower is a corporation.

Unfortunately, former Governor Arnie vetoed SB 1178, which would have extended California's anti-deficiency protections to refinance loans, a real disappointment.

Green-Building Codes

The California Building Standards Commission now requires developers of new commercial buildings to reduce water use by 20% and install separate water meters for indoor and outdoor use, and for buildings of more than 10,000 sq. feet, additional requirements are mandated. CalGreen is the program.

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