

ASSEMBLY BILL

No. 533

Introduced by Assembly Member Cedillo

February 21, 2001

An act to add Section 1950.8 to the Civil Code, relating to landlord-tenant.

LEGISLATIVE COUNSEL'S DIGEST

AB 533, as introduced, Cedillo. Landlord-tenant: payments.

Existing law regulates the relationship between landlord and tenant, as specified.

This bill would provide that it is unlawful for any person (1) to require, demand, or cause to make payable any payment of money, however denominated, as a condition of initiating, continuing, or renewing a lease or rental agreement of real property for any use other than residential use, unless the payment is rent, and, if a written lease agreement exists, the amount of the payment is ascertainable from the terms of the written lease agreement, or the payment is a security deposit, as specified, and if a written lease agreement exists, the amount of the payment is ascertainable from the terms of the written lease agreement, or (2) to require, demand, or cause to make payable any other fee as a condition of initiating, continuing, or renewing a lease or rental of real property for nonresidential use unless the amount of the payment or condition is ascertainable from the terms of the written lease or rental agreement. The bill would also provide that no landlord or property owner shall require a tenant to pay key money as a condition of initiating, continuing, or renewing a lease or rental agreement for any use of real property other than residential use, unless the amount of the key money is ascertainable from the terms of the written lease or rental

agreement. Any payment in violation of this provision would be subject to a civil penalty of 3 times the amount of actual damages proximately suffered by the person seeking to obtain the lease of the real property, and the person so damaged would be entitled to an award of costs, including reasonable attorney fees, reasonably incurred in connection with obtaining the civil penalty. The bill would also contain clarifying provisions.

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 1950.8 is added to the Civil Code, to
2 read:

3 1950.8. (a) It shall be unlawful for any person (1) to require,
4 demand, or cause to make payable any payment of money,
5 however denominated, as a condition of initiating, continuing, or
6 renewing a lease or rental agreement for any use other than
7 residential use of real property, unless the payment is rent, and, if
8 a written lease agreement exists, the amount of payment is
9 ascertainable from the terms of the written lease agreement, or the
10 payment is a security deposit which is governed by Section 1950.7,
11 and if a written lease agreement exists, the amount of the payment
12 is ascertainable from the terms of the written lease agreement, or
13 (2) to require, demand, or cause to make payable any other fee as
14 a condition of initiating, continuing, or renewing a lease or rental
15 agreement of real property for any use other than residential use
16 and, if a written lease agreement exists, the amount of the payment
17 or condition is ascertainable from the terms of the written lease
18 agreement.

19 (b) No landlord or property owner shall require a tenant to pay
20 a fee, commonly known as “key money,” as a condition of
21 initiating, continuing, or renewing a lease or rental of real property
22 for any use other than residential use unless the fee is ascertainable
23 from the terms of the written lease or rental agreement.

24 (c) Any person who requires, demands, or causes to make
25 payable any payment in violation of subdivision (a) or (b), shall be
26 subject to civil penalty of three times the amount of actual damages
27 proximately suffered by the person seeking to obtain the lease of
28 real property, and the person so damaged shall be entitled to an



1 award of costs, including reasonable attorney fees, reasonably
2 incurred in connection with obtaining the civil penalty.

3 (d) Nothing in this section shall prohibit the advance payment
4 of rent, so long as the amount and character of the payment are
5 clearly ascertainable from the terms of a written lease agreement.

6 (e) Nothing in this section shall prohibit any person from
7 charging a reasonable amount for the purpose of conducting
8 reasonable business activity in connection with initiating,
9 continuing, or renewing a lease or rental agreement of real
10 property, including, but not limited to, verifying credit worthiness
11 or qualifications of any person seeking to initiate, continue, or
12 renew a lease or rental agreement of real property for any use other
13 than residential use, cleaning and reasonable attorney fees,
14 reasonably incurred in connection with the hiring of the real
15 property.

