

## 27CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1327 Author:(Aguilar-Curry)

As Amended Ver:September 4, 2025

Majority vote

**SUMMARY**

This bill would enable consumers to cancel home solicitation contracts, home improvement contracts, and seminar sales contracts via email alongside traditional mail. This bill further requires that the seller of one of these contracts must provide the email address that the consumer can send their cancellations in the contract as well as a phone number that consumers can call for support in completing a notice of cancellation.

**Senate Amendments**

Clarify that the phone number provided to assist consumers with filling out the "Notice of Cancellation" is the phone number of the contractor or the contractor's representative.

Permits the consumer to file a complaint with the Contractors State License Board if the "Notice of Cancellation" is not included in or attached to the contract as required by law.

Recent amendments address potential chaptering out issues.

**COMMENTS**

An increasingly common trend in the home improvement industry involves partnerships between financial lenders and contractors. These collaborations streamline the process of obtaining cost estimates and financing, but significantly reduce homeowner control. This practice can become predatory, especially when homeowners are not actively seeking repairs.

A growing number of contractors now solicit business door-to-door. For example, a roofing contractor may drive through established neighborhoods, identify homes with older roofs, and offer their services directly to homeowners. These high-pressure sales tactics often result in homeowners consenting to unnecessary work. When contractors also offer financing, homeowners may quickly incur significant debt without fully considering the implications.

Beyond door-to-door solicitation, big-box home improvement stores have begun allowing preferred contractors to market their services in-store. For instance, solar panel contractors frequently set up booths at Home Depot and Lowe's, engaging customers and encouraging them to sign up for installation contracts. When combined with financing offers, these tactics can lead to homeowners accumulating substantial financial obligations. Senior citizens and non-English-speaking consumers are particularly vulnerable to these practices.

To protect consumers from such predatory tactics, California law provides a three-day right to cancel for certain contracts, including:

- 1) Home solicitation contracts: contracts signed at a place that is not the seller's place of business. (Civ. Code Section 1689.5(b).)
- 2) Home improvement contracts: contracts for projects exceeding \$500 in total costs. (BPC Section 7159(b).)

- 3) Property Assessed Clean Energy (PACE) assessment contracts: financing contracts that allow property owners to finance energy efficiency, water conservation, and other environmentally beneficial improvements. (Streets & Highways Code Section 5898.10 et seq.)
- 4) Service or repair contracts: contracts, or extended warranties, that outline the terms for ongoing maintenance or replacement services. (BPC Section 7159.10(e)(12).)
- 5) Seminar sales contracts: contracts regarding the sale of a seminar or workshop (Civ. Code Section 1689.20)

Since 2021, senior citizens have been granted a five-day right to cancel. Additionally, for contracts related to repairs of residences damaged by a declared emergency, consumers have a seven-day cancellation period. These provisions allow consumers time to review and reconsider significant financial commitments. To ensure effectiveness, California law mandates that contractors inform buyers of their cancellation rights.

**According to the Author:**

AB 1327 updates California's consumer protection laws by allowing consumers to cancel home solicitation, home improvement, and seminar sales contracts via email, eliminating the outdated and burdensome requirement to mail a Notice of Cancellation. These contracts are signed in high-pressure, non-traditional sales environments where consumers, especially seniors and low-income individuals, are vulnerable to predatory tactics. Given the significant financial risks, including incurring life-altering debt and even the loss of one's home, consumers need a simple way to exercise their right to cancel. By modernizing cancellation methods to reflect today's digital communication standards, this bill strengthens consumer protections, making them more effective and accessible.

**Arguments in Support**

None.

**Arguments in Opposition**

None.

**FISCAL COMMENTS**

According to the Assembly Appropriations Committee analysis:

No significant costs.

**VOTES:****ASM PRIVACY AND CONSUMER PROTECTION: 14-0-1**

**YES:** Dixon, Berman, Bryan, DeMaio, Irwin, Lowenthal, Macedo, McKinnor, Ortega, Patterson, Pellerin, Petrie-Norris, Ward, Wilson

**ABS, ABST OR NV:** Bauer-Kahan

**ASM JUDICIARY: 12-0-0**

**YES:** Kalra, Dixon, Bauer-Kahan, Bryan, Connolly, Harabedian, Macedo, Pacheco, Lee, Sanchez, Stefani, Zbur

**ASM APPROPRIATIONS: 14-0-1**

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Solache, Ta, Alanis

**ABS, ABST OR NV:** Pellerin

**ASSEMBLY FLOOR: 69-0-10**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Arambula, Boerner, Carrillo, Flora, Gallagher, Jeff Gonzalez, Irwin, Celeste Rodriguez, Sanchez, Wallis

**SENATE FLOOR: 40-0-0**

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

**UPDATED**

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