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THIRD READING

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Bill No: AB 1414  
Author: Ransom (D), et al.  
Amended: 8/26/25 in Senate  
Vote: 21

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SENATE JUDICIARY COMMITTEE: 13-0, 7/1/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 75-0, 4/21/25 - See last page for vote

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**SUBJECT:** Landlord-tenant: internet service provider subscriptions

**SOURCE:** Author

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**DIGEST:** This bill requires a landlord or the agent to permit a tenant to opt out of paying for any subscription from a third-party internet service provider for wired internet, cellular, or satellite service that is offered in connection with the lease, as provided.

*Senate Floor Amendments* of 8/26/25 specifies that its provisions apply to residential tenancies, removes references to associations, and makes other clarifying changes.

**ANALYSIS:**

Existing federal law:

- 1) Establishes the Telecommunications Act to regulate interstate telephone, telegraph, television, radio, and internet communications across the United States. Establishes the Federal Communications Commission to implement and enforce the Act. (47 United States Code §§ 151 *et seq.*)
- 2) Prohibits an Internet Services Provider (ISP) from entering into or enforcing a contract with a landlord of a residential multi-tenant environment (MTE) that

provides the ISP the exclusive access to the MTE for internet services. (47 Code of Federal Regulations (C.F.R.) § 64.2500(b).)

- 3) Prohibits an ISP from entering into or enforcing a contract regarding the provision of communications service in a MTE that gives the MTE owner compensation on a graduated basis or in return for access to the MTE and its tenants. (47 C.F.R. § 64.2500(c)-(d).)
- 4) Requires an ISP to disclose the existence of any contract for the exclusive right to market its services to a tenant of a MTE, as specified. 947 C.F.R. § 64.2500(e).)

Existing state law governs the relations between, and sets forth the rights and responsibilities of, landlords and tenants in a residential dwelling. (Civil Code §§ 1940 *et seq.*)

This bill:

- 1) Requires, for any residential tenancy commenced, renewed, or continuing on a month-to-month or other periodic basis, on or after January 1, 2026, that a landlord or their agent provide a tenant the option to opt out of paying for any subscription from a third-party internet service provider for wired-internet, cellular, or satellite service that is offered in connection with the lease.
- 2) Specifies that, if the landlord or their agent violates the provision described in (1), above, the tenant may deduct the cost of the subscription from their rent.
- 3) Specifies that nothing in this bill's provisions prevent a landlord or their agent from offering bulk billing arrangements to their tenants.
- 4) Prohibits a landlord or their agent from retaliating against a tenant for exercising their rights under this bill's provisions, consistent with specified tenant protections against retaliation.
- 5) Defines, for the purposes of the provisions of this bill, "internet service provider" to be the definition of that term provided in Section 3100 of the Civil Code, which defines it as a business that provides broadband internet access service to an individual, corporation, government, or other customer in California.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: No    Local: No



**SUPPORT:** (Verified 8/25/25)

Board of Supervisors of the City and County of San Francisco  
California Apartment Association  
City of Oakland  
Consumer Attorneys of California  
Courage California  
Power CA Action  
Western Center on Law & Poverty, Inc.

**OPPOSITION:** (Verified 8/25/25)

Bizfed Central Valley  
Calbroadband  
California Hispanic Chamber of Commerce  
Chamber San Mateo County  
Greater Coachella Valley Chamber of Commerce  
Long Beach Chamber of Commerce  
National Rental Home Council  
Orange County Business Council  
San Mateo County Economic Development Association  
The Greater Coachella Valley Chamber of Commerce

**ARGUMENTS IN SUPPORT:** According to the Western Center on Law and Poverty, which supports this bill:

The pandemic exemplified to people across the globe the importance of a high-quality, reliable, and affordable home internet connection. Tens of thousands of Californians rely on their home internet for work, education, healthcare, and more. Californians deserve the right to select an internet service provider (ISP) and a service plan that best suits their needs and their price point.

While many Californians are free to find service plans and providers that suit their needs, California law needs clarification to ensure that tenants are free from undue limitations placed on their choices. Many housing providers, while not outright banning their tenants from seeking alternative service providers, use a variety of arrangements to heavily discourage their tenants from finding service providers other than those contracting with the housing provider. California law does not prevent a landlord from refusing their tenant's request to utilize an alternative internet service provider.

The Western Center on Law and Poverty supports this bill because exclusive ISP agreements often benefit landlords and providers. While limiting consumer choice is a practice that can disproportionately harm marginalized communities, especially in areas already lacking broadband competition. AB 1414 levels the playing field by disrupting monopolistic control.

**ARGUMENTS IN OPPOSITION:** According to the National Rental Home Council, which opposes this bill:

AB 1414 addresses a problem that has already been solved. Federal law already protects the right of a tenant to access the cable provider of its choice by prohibiting a cable operator from enforcing or executing “any provision in a contract that grants to it the exclusive right to provide any video programming service (alone or in combination with other services) to a MDU [multiple dwelling unit]. All such exclusivity clauses are null and void.” 47 CFR 76.2000 (a).

In short, tenants already have choice under federal law. AB 1414, however, goes much further by eliminating legitimate, pro-consumer arrangements that lower costs and expand access.

#### AB 1414 Threatens Affordable Broadband in Multi-Tenant Housing

Property owners are permitted however, to enter bulk service agreements, which provide consumers with great value:

*Loss of Negotiated Discounts and Incentives:* AB 1414 could prevent landlords from negotiating exclusive volume-based contracts that offer lower prices and additional financial incentives, benefits which are routinely passed through to tenants. Without these bulk agreements, tenants will be left to purchase retail services at higher rates.

*Increased Upfront Costs for Tenants:* Bulk agreements often eliminate costly upfront fees like installation charges, equipment deposits, and credit check fees. Without them, tenants would be subject to these avoidable costs, making broadband less accessible for many.

*Complicated Service and Maintenance Logistics:* Bulk agreements typically allow for centralized broadband service setup and maintenance, simplifying

the process for tenants. AB 1414 would likely have the consequence of requiring each tenant to coordinate individually with service providers, complicating service setup and potentially delaying repairs—particularly burdensome in multi-tenant environments.

*Loss of Provider Incentives and Increased Rents:* Landlords would lose access to exclusive incentives offered by ISPs, which could result in higher operational costs. These costs could ultimately be passed onto tenants through increased rents, compounding the financial impact on residents.

*Reduced Infrastructure Investment and Tenant Choice:* Prohibiting bulk agreements discourages broadband providers from investing in new network infrastructure, especially in multi-tenant properties. The loss of financial viability for such investments would reduce competition and tenant choice, and disproportionately harm residents of affordable housing communities.

In summary, AB 1414 could have the consequence of eliminating a vital tool for delivering affordable broadband service, especially to low-income families.

ASSEMBLY FLOOR: 75-0, 4/21/25

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

NO VOTE RECORDED: Gallagher, Papan, Ramos, Sharp-Collins

Prepared by: Ian Dougherty / JUD. / (916) 651-4113  
8/27/25 16:28:46

\*\*\*\* END \*\*\*\*