
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

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ACCELERATED RETAILER BUILDING PLAN APPROVAL: TENANT IMPROVEMENTS

Requires a local building or permitting department to allow an applicant to have a qualified professional certifier self-certify plans for a tenant improvement relating to a retailer.

Background

The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public.

Building codes. The California Building Standards Code (Title 24 of the California Code of Regulations) contains building standards and regulations as adopted by the California Building Standards Commission (BSC). These standards include, among other requirements, structural standards for building safety (the Building Code), fire safety standards (the Fire Code), energy efficiency standards (the Energy Code), and standards for green buildings (CalGreen). The BSC updates the Building Standards Code on a three-year cycle—the BSC published new standards that went into effect on January 1, 2026. Once adopted at the state level, cities and counties in California then enact an ordinance to adopt the codes. New construction and improvements to existing buildings must comply with the current building codes, and improvements to an existing building may trigger additional code upgrades for other parts of a building.

Administrative permit approvals. A builder may need a range of administrative permits from the local agency in order to actually complete the work to construct or modify a building. These permits can include building permits and other permits for: demolition; grading; excavation; electrical, plumbing, or mechanical work; encroachment in the public right-of-way; roofing; water and sewer connections or septic systems; fire sprinklers; and home occupations.

City and county building departments enforce the provisions of State Housing Law, the California Building Standards Code, and local zoning codes that specify the allowable forms and uses of buildings within a city or county’s jurisdiction. Within building departments, the positions responsible for evaluating building permits for compliance include building officials, inspectors, plan checkers, and civil engineers. State law also allows local agencies to hire private entities on a temporary basis to perform plan checking services. Some agencies contract out a portion of their workload during especially busy times, or certain portions of the building permit review process, such as reviewing compliance with energy efficiency requirements. Other local agencies contract out nearly all plan checking functions to a private firm.

Excessive delay. State law requires local agencies to contract with a private entity on a temporary basis to perform the plan checking function, upon request of an applicant for a building permit, if there is an excessive delay in checking plans for a building permit for construction or a remodel or tenant improvement to non-residential buildings of up to three stories. Excessive delay means 50 days after submission of a complete application, or a total of 60 days if there was a resubmittal of the application. Local agencies that are required to contract out can charge an applicant fees in an amount necessary to defray costs directly attributable to hiring someone to perform plan checking services.

Retailers. According to some estimates, California is home to over 500,000 retailers across approximately 1.1 billion square feet of space.¹ In general, a retailer is any person or business that sells tangible personal property in the course of business for purposes other than resale. Retailer is a very broad category encompassing many types of businesses. The California Department of Tax and Fee Administration (CDTFA), which issues permits to retailers, identifies dozens of types of retailers, which fall roughly into the following categories:

- *General retail.* This includes general merchandise stores, drug stores, clothing stores, and specialty item retailers;
- *Food, beverage, and dining.* This includes retailers such as grocery stores, restaurants and food vendors, caterers, liquor stores, and alcohol producers;
- *Vehicles, transportation, and fuel.* This includes motor vehicle dealers, auto parts stores, tire centers, repair garages, vehicle or equipment rental companies, and gas stations;
- *Home, construction, and agriculture.* This includes building material and garden supply stores, home furnishing stores, construction contractors, farm suppliers, and commercial equipment retailers;
- *Specialized or regulated goods.* This includes cannabis businesses, cigarette and tobacco retailers, and firearm and ammunition sellers; and
- *Service-based.* This includes service industry businesses that sell related retail products, such as veterinary offices, optometrists, barbers and salons, photographers and videographers, massage parlors, tailors selling clothing, and elective ultrasound providers.

Tenant improvements. While specific definitions vary across local governments, tenant improvements generally include commercial additions, or remodels of the interior of an existing building or structure. This can range from minor changes to interiors to complete changes in use from one type of business to another. Tenant improvements generally require building permits and often other health and safety reviews to ensure that the spaces that the public occupies are safe. Tenant improvements can revitalize commercial areas by allowing new businesses in, help existing local businesses stabilize and grow their physical footprint, or modernizing to make spaces more attractive.

Some cities, including San Diego, have developed programs to fast-track the permitting and approval process for tenant improvement projects. San Diego's Office Tenant Improvement Professional Certification Permit program requires, among other things, that plans be stamped and signed by a California licensed architect or engineer and that the project:

- Be under 20,000 square feet and a Group B occupancy (offices or service businesses);

¹ <https://www.teamca.org/ca-economy/key-industries/retail>; <https://www.biscred.com/state/california>

- Not be a first-generation tenant improvement;
- Not alter, remove, or add plumbing fixtures;
- Not make changes to the exterior of the building;
- Not alter or change stairways or stair vestibules;
- Not include new floor openings;
- Not reduce accessibility; and
- Not require special inspections.

San Diego’s program offers issuance of a permit within the same day that a virtual appointment with building department staff is completed.

AB 671 (Wicks, 2025). In an effort to expedite tenant improvements for restaurants, the Legislature approved AB 671 (Wicks, 2025), which requires a local building or permitting department to allow an applicant to have a qualified professional certifier certify that the plans for a tenant improvement relating to a restaurant comply with applicable building, health, and safety codes. The law applies to restaurants, defined as a retail food establishment that prepares, serves, and vends food directly to the consumer. The law excludes fast food restaurants and tenant improvements subject to plan review requirements under the California Retail Food Code.

AB 671 specifies qualifications for qualified professional certifiers and procedures for submitting an application. It also requires the local building department to approve or deny an application within 20 business days of receiving it. If the local building department does not approve or deny the application within this time period, the certified plan is deemed approved for permitting purposes, provided that all fees and required documents have been submitted. AB 671 also established various enforcement measures, required the qualified professional certifier to be liable for damages or injury, and waives local government liability.

Retailers report that plan reviews for tenant improvements can take months. Data provided by the California Retailers Association shows that one member sees significant variation in permit approval times for tenant improvements, ranging from as long as seven months to as short as one week. On average, a permit for this retailer took on average eight weeks to be approved in 2025. The California Retailers Association wants the Legislature to require local governments to allow self-certification of tenant improvements for retailers.

Proposed Law

Assembly Bill 1693 requires, notwithstanding any other law, a local building or permitting department to allow an applicant to have a qualified professional certifier certify that the plans for a tenant improvement relating to a retailer comply with applicable building, health, and safety codes.

Definitions. AB 1693 defines “retailer” as any person that is engaged in the business of making retail sales direct to the general public and “tenant improvement” as any change to the interior of the building. It also requires the qualified professional certifier to be a licensed engineer or architect that has specified liability insurance coverage and five years of experience in commercial design or plan checking.

Review process. AB 1693 requires the tenant improvements proposed to be permitted pursuant to the bill to comply with all applicable building, health, and safety codes. The professional

certifier must prepare an affidavit attesting that the tenant improvement plans comply with all applicable laws and regulations, and either the certifier or the applicant must attest that the retailer is eligible for the program.

AB 1693 requires the local building department to approve or deny the application within 20 business days of receiving a complete application. If the local building department does not approve or deny the application within 20 business days of receiving a complete application, the certified plan is deemed approved for permitting purposes, provided that all fees and required documents have been submitted.

If a complete application is denied during that period, the applicant may resubmit corrected plans addressing the deficiencies identified in the denial. The local building department must approve or deny each subsequent resubmission within 10 business days of receipt. The bill provides that self-certification does not exempt a tenant improvement from other mandatory construction inspections, including, but not limited to, fire, health, and structural inspections conducted during or after construction.

Local building departments can charge permit fees to applications using a qualified professional certifier.

Audits. Local building or permitting departments must conduct a random audit of no less than 20% of all tenant improvements submitted for self-certification every week. Those audits must be initiated within five business days after the permit is issued and must review the submitted plans for compliance with applicable laws. If an audit reveals material noncompliance, the local building department or local permitting department must provide a plan check correction notice within 10 business days of the audit's initiation.

Enforcement. AB 1693 allows a city or county to adopt, by ordinance, additional qualifications or requirements for a qualified professional certifier, including, but not limited to, any of the following:

- A requirement to register with the city or county prior to certifying plans under the program;
- Training requirements that must be completed prior to certifying plans under the program;
- Payment of fees not to exceed the reasonable cost of implementing the program; and
- Penalties that may include decertification as a qualified professional certifier in that jurisdiction or reasonable administrative fines for either willful noncompliance or two or more instances in which the qualified professional certifier attested to certifying noncompliant plans.

AB 1693 provides that a qualified professional certifier is liable for any damages arising from negligent plan review, requires that the applicant indemnify the local agency from any injury arising from construction, and provides that a public entity or public employee is not liable for an injury caused by their actions related to a permit issued under the program. It also establishes making a false statement in a certification as grounds for disciplinary action by specified state licensing bodies against a qualified professional certifier.

The bill includes findings and declarations to support its purposes.

Comments

1. Purpose of the bill. According to the author, “Brick-and-mortar retailers are essential to vibrant neighborhoods and local economic recovery, but too often businesses—especially small and family-owned ones—face months-long permitting delays just to make interior improvements to existing buildings. Those delays hurt workers, communities, and commercial corridors still recovering from the pandemic, recent fires, and prolonged vacancies. AB 1693 offers a commonsense solution. For interior improvement projects, it allows licensed architects or engineers to certify that plans meet all building and safety codes, while requiring local governments to act on complete applications within clear, predictable timelines—with full oversight intact. At a time when retailers are competing with online shopping and navigating real economic challenges, we owe them a permitting process that is fair, efficient, and predictable.”

2. Tradeoffs. The building code reflects decades of evolving safety requirements established to prevent injury and loss of life. Ensuring the safety of buildings that employees and the public occupy is a core municipal responsibility, carried out by public officials whose primary duty is to protect the public and who have specific expertise in building, health, and safety requirements, including local code provisions. In the usual course of business, project proponents hire designers to develop plans for tenant improvements, and building departments act as a second set of eyes on those plans to ensure they meet legal requirements, acting as a safety net to catch problems before construction begins. This review provides two benefits: preventing costly corrections in the middle of the construction process if a building inspector notices a safety issue and ensuring the safety of the final constructed structure.

AB 1693 shifts the responsibility for plan review from these public officials to a private certifier who is hired by the applicant and can also be the person who designed the plans. This creates a potential conflict of interest, as the certifier may have an economic incentive for the plan’s expedited approval. Further, if a permit is deemed approved without a building official looking at it, that project loses out on the independent review by disinterested public officials. AB 1693 makes these changes in the interest of expediting tenant improvements for retailers. It is unclear whether the need for quicker construction of retailers justifies the changes that the bill makes to take public health and safety reviews of building plans out of the hands of public officials. To ensure that local governments that want a building official to sign off on a project, the Committee may wish to consider amending AB 1693 to remove the provision that deems a permit approved if not acted upon within the timeframe required by the bill.

3. Help me help you. Cities and counties compete to attract land uses that generate local revenues and shun land uses that need expensive public services. This “fiscalization of land use” has been documented since at least the mid-1980s. According to a 2025 paper, “Studies on the fiscalization of land use have highlighted the desirability of retail uses— particularly shopping centers, car dealerships, and big-box retail—because, in addition to generating property tax revenue, retail generates sales and payroll taxes and has lower service demands compared to residential development.”² As a result, cities and counties may deprioritize approval of housing and favor commercial development. AB 1693 proposes to accelerate tenant improvements by truncating local review of permits by deeming a permit approved if the local agency doesn’t move quickly enough. This approach implies that absent a disincentive, local governments may

² Laura Schmahmann. “City Competition for E-Commerce Sales Tax Revenue: Qualitative Evidence on the Politics of Land Fiscalization in California.” *Economic Development Quarterly*. Volume 39, Issue 3, August 2025.

let tenant improvement permits languish. However, it is unclear whether willful obstinance on the part of local governments leads to delay for these projects, given their fiscal incentives. Instead, local building departments are often underfunded and short-staffed. An alternative approach to assist local agencies in expediting permitting for tenant improvements would be to enhance local government revenues to ensure that they can retain enough competent staff.

4. Too soon? Cities and counties have only been required to allow self-certification of restaurant tenant improvements under AB 671 since January 1, 2026. AB 1693 applies essentially identical requirements and procedures to tenant improvements for a wide variety of businesses after just over six months. Without a longer track record of restaurant tenant improvements under AB 671, the Legislature may not have sufficient information to evaluate whether the program is working and what pitfalls may emerge. The Committee may wish to consider whether AB 1693 is premature.

5. Guns and roses. Many types of businesses of all sizes are classified as retailers because they engage in some form of retail sales. For example, CDTFA lists retailers as disparate as auto repair shops, florists, and firearms dealers. AB 1693 applies without limitation to any type of retailer that wants to make any change to the interior of a building. This poses several concerns:

- First, AB 1693 allows retailers to use their own certifiers for review of their plans if they meet certain requirements. This means that local governments may prioritize processing these applications so they are not deemed approved by AB 1693, effectively allowing applicants that use professional certifiers to skip the line for review of their plans ahead of others. Smaller, independent businesses may not have the resources to hire a certifier that has the professional certifications and liability insurance required by the bill, while large, well-capitalized chains with multiple locations may be better positioned to spread the cost over their affiliated storefronts. It could also encourage cities and counties to prioritize review of commercial projects over residential projects that are not subject to a deemed approved remedy. As a result, AB 1693's approach may disproportionately benefit these larger entities over smaller "mom-and-pop" establishments or other types of development with a greater public purpose;
- Second, the definition of retailer in AB 1693 may capture businesses that, due to their size or the nature of their activities, present greater risk to occupants if a code violation escapes notice during the permitting process. For example, larger structures that can accommodate more occupants often need to meet stricter fire safety requirements; and
- Third, local governments that have voluntarily adopted self-certification programs have generally established narrow parameters for the program that exclude most types of occupancies and prohibit changes in use, structural or plumbing changes, and other changes that go beyond minor alterations. These limitations ensure that complex projects get greater scrutiny. AB 1693 does not include similar safeguards.

To minimize potential risk and avoid disadvantaging smaller businesses, the Committee may wish to consider amending AB 1693 to narrow the types of retailers that the bill applies to and the scope of tenant improvements that can be permitted via this process.

6. Sure, but will it work? Even the best architects or engineers may make mistakes in preparing plans. Consistent with AB 671's self-certification program for restaurant improvements, AB 1693 requires qualified professional certifiers to certify that the building plans meet all applicable code requirements and indemnify cities and counties in the case of errors. This

exposes those professionals to liability. As noted by the American Society of Civil Engineers Member Insurance Program, similar requirements for a self-certification program for fire rebuilds in Los Angeles County increase “not only the design professional’s liability exposure, but also the design professional’s potentially uninsured exposure.”³ Will self-certification be an attractive option for design professionals given the liability risk?

7. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 1693 expands the crime of perjury and imposes new duties on local officials, Legislative Counsel says that it imposes a new state mandate. AB 1693 disclaims the state’s responsibility for providing reimbursement by citing local governments’ authority to charge for the costs of implementing the bill’s provisions and because the bill creates a new crime.

8. Charter city. The California Constitution allows cities that adopt charters to control their own “municipal affairs.” In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn’t define “municipal affairs,” the courts determine whether a topic is a municipal affair or whether it’s an issue of statewide concern. AB 1693 says that it applies to all cities, including charter cities. To support this assertion, the bill includes a legislative finding and declaration that that retailers’ role in the state’s economy and tourism industry is a matter of statewide concern.

9. Triple referral. The Senate Rules Committee has ordered a triple referral of AB 1693: first to the Committee on Local Government to hear issues related to local approval processes, second to the Committee on Business, Professions, and Economic Development, and finally to the Committee on Judiciary.

10. Related legislation. AB 2418 (Gonzalez), which is also referred to the Committee, allows an applicant for a nonresidential building permit to hire a private plan checker to review their application if they experience an excessive delay in review of their permit, and deems the permit approved if the city or county doesn’t act on the permit within 10 business days.

Assembly Actions

Assembly Local Government Committee:	10-0
Assembly Business and Professions Committee:	18-0
Assembly Appropriations Committee:	14-0
Assembly Floor:	77-0

Support and Opposition (6/12/2026)

- Support: California Retailers Association (Sponsor)
 California Chamber of Commerce
 California Downtown Association
 Construction Employers' Association
 Greater Conejo Valley Chamber of Commerce
 South Pasadena Residents for Responsible Growth
 United Chamber Advocacy Network Ucan
 Westside Council of Chambers of Commerce (WC3)

³ Sarah Johnson, Esq. “L.A.’s Self-Certification Pilot Program – Enter at Your Own Risk.”

Opposition: California Building Officials
City of Camarillo

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