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# SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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**Bill No:** AB 2418  
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**Fiscal:** Yes  
**Consultant:** Favorini-Csorba

## ***LOCAL BUILDING PERMITS: NONRESIDENTIAL PRIVATE PERMITTING REVIEW***

*Allows, until January 1, 2037, 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.*

### **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.

***Non-residential uses.*** The California Building Standards Code classifies buildings into numerous types of occupancies based on life safety and structural safety risks in order to determine the standards that apply to a building type. There are 14 different categories of occupancies, and subcategories within those. For example, Group B occupancies are buildings used for office, professional, or service-type transactions, while Group H occupancies are buildings used for high-hazard uses that involve the manufacturing, processing, generation of storage of materials that constitute a physical or health hazard. Group H occupancies are classified into one of five subcategories, such as H-1 occupancies for buildings containing materials that pose a risk of detonation. Other common non-residential occupancy types include Group A (buildings where people congregate for various purposes), Group F (factories), Group M (retail sales facilities), and Group S (storage facilities). Occupancy classification can be based in part on the number of occupants a space may hold: spaces able to accommodate 50 or more occupants are categorized as higher risk and must meet higher life safety standards.

***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.

***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);
- 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.

***Recent construction approval legislation.*** Last year, the Legislature approved three measures related to local agency approvals of building permits and construction activities, specifically:

- AB 253 (Ward), which allows, until January 1, 2036, an applicant for certain residential building permits of 1 to 10 units to contract with or employ a private professional provider to check plans and specifications if the county or city estimates a timeframe for this plan-checking function that exceeds 30 days, or does not complete this plan-checking function within 30 days;
- AB 671 (Wicks), which requires a local building or permitting department to allow a qualified professional certifier to certify that the plans the certifier develops for a tenant improvement relating to a restaurant comply with applicable building, health, and safety codes; and
- AB 1308 (Hoover), which requires the building department of every city or county to conduct an inspection of permitted work within 10 business days of receiving notice of the completion of permitted work authorized by a building permit issued for certain housing projects of 1 to 10 units.

Commercial business property owners report that plan reviews for tenant improvements can take months, and new construction plan reviews may take up to a year and a half. For example, data provided by the California Business Properties Association shows that some members see significant variation in permit approval times for tenant improvements, ranging from as long as six months to as short as within the same day.<sup>1</sup> Other industry sources note that there are a variety of factors that influence permitting timelines, including:

- The jurisdiction that the project is permitted in, with larger jurisdictions with a higher volume of projects leading to backlogs;
- Project type and complexity, with simple tenant improvements proceeding faster than large, new construction projects with a variety of planned uses;
- Completeness and accuracy of plans submitted to the local agency; and
- Whether the project requires approvals from various local departments and whether those reviews are concurrent or sequential.<sup>2</sup>

Some industry data also notes that average inspection lead times vary between two days to two weeks, depending on the jurisdiction. The California Business Properties Association wants the Legislature to require cities and counties to accelerate permitting of non-residential properties.

### **Proposed Law**

Assembly Bill 2418 requires, until January 1, 2037, upon receipt of a completed application for a non-residential building permit, a local agency to complete plan checking services within 30 days of a request of the applicant or employ a private professional to perform plan checking services.

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<sup>1</sup> Cushman & Wakefield Project & Development Services.  
[https://atlas.cushwake.com/map\\_4.html?fname=Kat.Raney/\\_2023\\_Permit\\_West\\_SOCAL](https://atlas.cushwake.com/map_4.html?fname=Kat.Raney/_2023_Permit_West_SOCAL)

<sup>2</sup> MeltPlan. <https://www.meltplan.com/blogs/the-california-building-permit-process-explained-from-plan-check-to-certificate-of-occupancy>

It defines nonresidential building permit to mean a permit for either new nonresidential construction or an addition, remodel, or tenant improvement to a nonresidential building, if the building is not a hotel, motel, public building, or health facility, and is no more than three stories in height.

If the estimated timeframe exceeds an excessive delay of 30 days, or if the building department doesn't complete the plan check within 30 days, the local agency must, upon request of the applicant, contract with or employ a private entity on a temporary basis to perform the services.

If a local agency makes a determination that there is no entity available or qualified to perform the plan check, the applicant may contract with or employ at their own expense a private professional provider to check the plans and specifications to comply with the building code or local ordinances implementing them. The private professional provider must be chosen from a list of qualified private professional providers that a local agency may choose to establish. If no list exists, then the applicant may choose their own.

An applicant who retains a private professional provider shall notify the city or county of the applicant's intent to retain a private professional provider no later than five business days after receiving the estimated timeframe indicating an excessive delay or the excessive delay occurs.

If a private professional provider performs the plan-checking function, they must prepare an affidavit, under penalty of perjury, that says that they performed the plan check and if the plans comply with the applicable standards.

The private professional provider must be a licensed engineer or architect and cannot have a financial interest in the permit or the plans and specifications.

The applicant must then submit to the building department a report of the plan-checking function that includes:

- The affidavit;
- Necessary requirements for the plans and specifications to comply with the applicable standards; and
- Additional information required by the building department.

Within 10 business days of receiving the report, the building department must consider the report and either issue the permit or notify the applicant that the plans do not comply with the applicable laws and identify needed changes. In the case the plans don't comply, the applicant can either resubmit corrected plans to the building department or hire a private provider to check the corrected plans.

If the building department doesn't approve the permit or notify the applicant of deficiencies within 10 business days, the plans and specifications are deemed compliant, and the residential building permit is deemed approved.

AB 2418 requires the applicant to protect the local agency from liability as specified from any damage or injury arising from construction in accordance with the plans checked by a private professional provider.

***Other provisions.*** AB 2418 also requires the building department of a city or county that prescribes fees for checking nonresidential building permits to post a schedule of fees on its website, and requires a city or county to conduct an inspection of permitted work for a nonresidential building of specified occupancy groups within 10 business days of receiving a notice of the completion for work authorized by a nonresidential building permit.

The bill defines its terms, contains an urgency clause, and contains findings and declarations to support its purposes.

### **Comments**

1. **Purpose of the bill.** According to the author, “It is essential that we reduce cost burdens on our small, local businesses, especially at a time when costs continue to rise for consumers and businesses alike. AB 2418 aims to mimic existing streamlined housing permitting processes and cut through red tape by establishing common-sense deadlines for plan checks and inspections. Small businesses, especially in historic, ethnic enclaves, in my district like Chinatown, Koreatown, Historic Filipinotown, Boyle Heights, and Pico-Union are hit hardest by delays to improve or set up their businesses the most and by making the permitting process more efficient and cheaper, they will be able to stay open and thrive.”

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 projects, 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 structure.

AB 2418 shifts the responsibility for plan review from these public officials to a private plan checker who is hired by the applicant. This creates a potential conflict of interest, as the plan checker may have an economic incentive for the plan’s 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. Finally, if private plan checking becomes more widespread, it could result in further erosion of local capacity to conduct these reviews as cities and counties disinvest from their building departments and instead rely on applicants to hire their own private plan checkers. AB 2418 makes these changes in the interest of expediting non-residential construction. It is unclear whether the need for quicker construction of commercial or industrial development 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 2418 to remove the provision that deems a permit approved if not acted upon within the timeframe the bill requires, and to ensure that the bill’s requirements for contracting out do not result in the loss of public capacity to review plans.

3. **It’s a lot.** Non-residential buildings encompass a wide variety of uses. Some pose relatively low risk to health and safety, such as Group B occupancies that house offices or service business. Others pose elevated risk to occupants and the surrounding communities, such as Group H

occupancies, which might hold materials that can rapidly combust or explode. AB 2418 applies to nearly all types of non-residential buildings, excluding health facilities, public buildings, and certain taller buildings. It also applies to changes to the interior of the building or new construction. The scope of AB 2418 poses several concerns:

- First, the definition of retailer in AB 2418 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 by the private plan checker during the permitting process. For example, code violations for facilities that store fireworks pose significant life-safety risks;
- Second, local governments that have voluntarily adopted similar programs allowing applicants to hire their own plan checkers 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 2418 does not include similar safeguards; and
- Finally, local governments may prioritize processing non-residential building permit applications to avoid a permit being deemed approved pursuant to AB 2418, effectively allowing applicants that can hire private plan checkers to jump the line for review of their plans ahead of others. This could delay action on permits that aren't subject to the deemed approved remedy, which could include residential permits or permits requested by smaller, independent businesses that do have the resources to hire a plan checker that has the professional certifications and liability insurance required by the bill. As a result, AB 2418 approach may disproportionately benefit these larger entities over smaller “mom-and-pop” establishments or housing.

To minimize potential risk and avoid disadvantaging smaller businesses or residential development, the Committee may wish to consider amending AB 2418 to narrowly scope the types of non-residential uses and permits to which the bill applies.

4. 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. As a result, cities and counties may deprioritize approval of housing and favor commercial or industrial development that generates sales or property taxes along with employment opportunities for the community. AB 2418 proposes to accelerate non-residential construction by deeming a permit approved if the local agency doesn't move quickly enough. This approach implies that absent a disincentive, local governments may let commercial or industrial building permits languish. However, it is unclear whether local governments willfully delay action on commercial or industrial permits, 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.

5. Too soon? Cities and counties have only been required to allow applicants to hire private plan checkers under AB 253 since October 10, 2025. AB 2418 applies fundamentally similar requirements and procedures to tenant improvements and new construction for a wide variety of businesses after just over six months. Without a longer track record of the plan checking procedures under AB 253, 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 2418 is premature.

6. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 2418 expands the crime of perjury and imposes new duties on local officials, Legislative Counsel says that it imposes a new state mandate. AB 2418 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 2418 says that it applies to all cities, including charter cities. To support this assertion, the bill includes a legislative finding and declaration that the bill addresses a matter of statewide concern.

9. Coming and going. The Senate Rules Committee has ordered a double referral of AB 2418: first to the Committee on Local Government to hear issues related to local approval processes, and second to the Committee on Judiciary.

10. Related legislation. AB 1693 (Zbur), which the Committee approved at its June 17<sup>th</sup> hearing on a vote of 6-0, 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.

AB 2433 (Quirk-Silva) was substantially similar to AB 2418, but was held in the Senate Local Government Committee. Significant differences between AB 2433 and AB 2418 include:

- AB 2433 did not deem approved the permits if the local agency failed to act and did not include any requirements pertaining to inspections; and
- AB 2418 allows local governments to impose some additional requirements on private plan checkers, includes liability requirements for those plan checkers, and allows local governments to first contract out on their own before an applicant can hire their own plan checker.

**Assembly Actions**

Assembly Local Government Committee:	10-0
Assembly Judiciary Committee:	12-0
Assembly Appropriations Committee:	15-0
Assembly Floor:	78-0

**Support and Opposition** (6/19/2026)

Support: Building Owners and Managers Association of California (Co-Sponsor)  
 California Business Properties Association (Co-Sponsor)  
 Naiop California (Co-Sponsor)  
 American Council of Engineering Companies

Associated General Contractors, California Chapters  
Boma Greater Los Angeles  
Building Owners and Managers of Greater Los Angeles  
Calasian Chamber of Commerce  
California Apartment Association  
California Building Industry Association (CBIA)  
California Business Roundtable  
California Downtown Association  
California Hispanic Chambers of Commerce (CHCC)  
California Manufacturers & Technology Association (CMTA)  
California Restaurant Association  
California Retailers Association  
California Self Storage Association  
Capitol Business Alliance  
Central City Association of Los Angeles  
Inland Empire Economic Partnership (IEEP)  
Institute of Real Estate Management of CA  
Los Angeles Area Chamber of Commerce  
Los Angeles County Business Federation (BIZ-FED)  
Naiop SoCal  
National Federation of Independent Business (NFIB)  
Orange County Business Council  
San Deigo Regional Chamber of Commerce  
Southern California Leadership Council  
Southwest California Legislative Council  
Supply Chain Federation  
The Greater Coachella Valley Chamber of Commerce  
Tri County Chamber Alliance  
Ucan Chambers of Commerce  
United Chamber Advocacy Network Ucan

Opposition: California Building Officials

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