
THIRD READING

Bill No: AB 2418
Author: Mark González (D), et al.
Amended: 8/10/26 in Senate
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 6/23/26

AYES: Durazo, Choi, Arreguín, Ashby, Cervantes, Laird, Seyarto

SENATE JUDICIARY COMMITTEE: 13-0, 6/30/26

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

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 78-0, 5/26/26 - See last page for vote

SUBJECT: Local building permits: nonresidential private permitting review

SOURCE: Building Owners and Managers Association of California
California Business Properties Association
NAIOP California

DIGEST: This bill allows, until January 1, 2032, an applicant for a nonresidential building permit for a tenant improvement to hire a private plan checker to review their application if they experience an excessive delay in review of their permit.

Senate Floor Amendments of 8/10/26 shortened the sunset to five years, add an audit requirement, and make other technical changes.

ANALYSIS:

Existing law:

- 1) Allows, under the California Constitution, 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.

- 2) Establishes the California Building Standards Code (Title 24 of the California Code of Regulations), which 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.
- 3) 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.
- 4) 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.
- 5) 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.

This bill:

- 1) Requires, until January 1, 2032, upon receipt of a completed application for a non-residential building permit for a tenant improvement in a Group B Occupancy, as defined, a local agency to complete plan checking services within 30 business days of a request of the applicant or employ a private professional to perform plan checking services, as follows:
 - a) If the estimated timeframe exceeds an excessive delay of 30 business days, or if the building department doesn't complete the plan check within 30 business 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.
 - b) 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.
 - c) 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.
 - d) 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.
 - e) 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.
 - f) The applicant must then submit to the building department a report of the plan-checking function that includes:
 - i) The affidavit;
 - ii) Necessary requirements for the plans and specifications to comply with the applicable standards; and

- iii) Additional information required by the building department.
 - g) 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.
- 2) 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.
 - 3) Allows a city or county to adopt requirements that do either of the following, provided that the requirements do not prohibit or effectively prohibit the use of a private professional provider:
 - a) Limit the size of an eligible nonresidential building to no less than 10,000 square feet; or
 - b) Specify the eligible types of businesses or occupancy.
 - 4) Requires a city or county to conduct a random audit of no less than 20 percent of the nonresidential building permits issued annually, as specified.
 - 5) Provides that this bill does not authorize the displacement of public employees. The use of a private professional provider must be strictly temporary in nature and must not exceed the time required to complete the review of the tenant improvement application.
 - 6) Prohibits a local agency from reducing, eliminating, or failing to fill budgeted civil service positions within the building department as a result of the use of private professional providers.
 - 7) 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.
 - 8) Defines its terms and contains findings and declarations to support its purposes.

Background

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 or 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.

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.

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. 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.

Some industry data also notes that average inspection lead times vary between two days to two weeks, depending on the jurisdiction. Groups representing commercial property owners want the Legislature to require cities and counties to accelerate permitting of tenant improvements in non-residential properties.

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) *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. This bill proposes to accelerate non-residential construction by allowing property owners to hire their own private plan checkers if the local agency doesn’t move quickly enough. This approach implies that local governments 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.
- 3) *Too soon?* Cities and counties have only been required to allow applicants to hire private plan checkers under AB 253 (Ward, Chapter 487, Statutes of 2025) since October 10, 2025. This bill applies fundamentally similar requirements and procedures to tenant improvements 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. Is this bill premature?

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

SUPPORT: (Verified 8/12/26)

Building Owners and Managers Association of California (co-source)
 California Business Properties Association (co-source)
 NAIOP California (co-source)
 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
 California Business Roundtable
 California Downtown Association

California Hispanic Chambers of Commerce
California Manufacturers & Technology Association
California Restaurant Association
California Retailers Association
California Self Storage Association
Capitol Business Alliance
Central City Association of Los Angeles
Inland Empire Economic Partnership
Institute of Real Estate Management of CA
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Naiop Socal
National Federation of Independent Business
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
United Chamber Advocacy Network

OPPOSITION: (Verified 8/12/26)

California Building Officials

ASSEMBLY FLOOR: 78-0, 5/26/26

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, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz,

Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward,
Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Muratsuchi, Celeste Rodriguez

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119
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**** **END** ****