
THIRD READING

Bill No: AB 2782
Author: Committee on Judiciary
Amended: 6/15/26 in Senate
Vote: 21

SENATE JUDICIARY COMMITTEE: 12-0, 6/23/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern,
Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Niello

ASSEMBLY FLOOR: 74-0, 4/23/26 (Consent) - See last page for vote

SUBJECT: Judiciary omnibus

SOURCE: Author

DIGEST: This bill makes various noncontroversial changes to existing law, including clarifying existing law, deleting obsolete statutes, modernizing certain statutes, updating cross-references, and making various other nonsubstantive changes.

ANALYSIS:

Existing law:

- 1) Authorizes a petitioner seeking a default judgment in a dissolution of marriage proceeding to waive the final declaration of disclosure requirements in dissolution proceedings. (Family (Fam.) Code § 2110.)
- 2) Requires each party to a dissolution proceeding to serve on the other party a preliminary declaration of disclosure. (Fam. Code § 2104(a).)
- 3) Requires each party, or the attorney for each party, in a dissolution proceeding to serve on the other party a final declaration of disclosure and a current income and expense declaration, except by court order for good cause, before or at the

time the parties enter into an agreement for the resolution of property or support issues. (Fam. Code § 2105(a).)

- 4) Requires a fiduciary to allocate the receipt from interests in minerals, water, or other natural resources as a business under Probate Code Section 16432 in a specified manner. (Probate (Prob.) Code § 16350(a).)
- 5) Provides guidelines for allocation of receipts for a business or other activity conducted by a fiduciary if the fiduciary determines that it is in the interests of the beneficiaries to account separately for the business or other activity, as specified. (Prob. Code § 16342.)
- 6) Establishes the Automobile Sales Finance Act (or the Rees-Levering Motor Vehicle Sales Finance Act) to regulate the sales of automobiles pursuant to conditional sales contracts. (Civil (Civ.) Code §§ 2981 et seq.)
- 7) Establishes the California Combating Auto Retail Scams (CARS) Act. (Civ. Code §§ 1784.20 et seq.)
- 8) Defines “homestead” to mean a principal dwelling in which a judgment debtor or their spouse resided on the date the judgment creditor’s lien attached to the dwelling and in which the judgment debtor or their spouse resided continuously thereafter until the date of a court determination that the dwelling is a homestead. (Code Civ. Proc. § 704.710(c).)
 - a) A homestead is exempt from a sale to enforce a money judgment, except pursuant to a court order for sale if certain conditions are met. (Code Civ. Proc. § 704.720.)
 - b) The amount of a homestead exemption is the greater of: (1) the countywide median price for a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed \$600,000; or (2) \$300,000. (Code Civ. Proc. § 704.730(a).)
 - c) The amount of a homestead exemption is to be adjusted annually for inflation, as specified. (Code Civ. Proc. § 704.730(b).)

This bill:

- 1) Exempts a petitioner and respondent in a dissolution of marriage proceeding in the case of a default judgment from the requirement that the parties exchange declarations of disclosures regarding property in a dissolution of marriage or registered partnership if the parties have an existing enforceable judgment of

legal separation that adjudicates or reserves jurisdiction over the division of property.

- 2) Corrects and updates cross-references in the Probate Code.
- 3) Deletes a vehicle contract cancellation option agreement from the definition of “cash price” under the Automobile Sales Finance Act.
 - a) Removes the requirement that a conditional sale contract disclose the amount charged for a contract cancellation option agreement.
 - b) Removes the requirement that the seller provide to a buyer prior to the execution of a conditional sale contract a description and the price of a vehicle contract cancellation option agreement.
- 4) Specifies that the homestead exemption ceiling amount is \$746,350 for the 2026 calendar year, and the floor amount is \$373,175 for the 2026 calendar year.
 - a) The ceiling and floor amounts are to be adjusted annually for inflation, beginning on January 1, 2027, by applying the multiplier produced by the change in the annual California Consumer Price Index (CPI) for All Urban Consumers, published by the Department of Industrial Relations, during the prior fiscal year. On January 1, 2027, and annually thereafter, this multiplier shall be calculated by dividing the CPI for the June ending the prior fiscal year by the CPI for the June immediately preceding the prior fiscal year.
 - b) Each ceiling and floor amount adjusted under a) is to be rounded to the nearest \$25.

Comments

This bill is the Assembly Judiciary Committee omnibus bill that makes various noncontroversial changes to existing law with the purpose of increasing efficiencies in the legislative process, conserving legislative resources, and eliminating the need to unnecessarily hear a number of technical, clarifying, or modest stand-alone bills that might otherwise have to be introduced and require individual consideration by the Legislature.

- 1) Makes updates to the Automobile Sales Finance Act to account for changes made in SB 766 (Allen, Chapter 354, Statutes of 2025).

In 2005, The Legislature sought to curb abusive practices by car dealers in AB 68 (Montañez, Ch. 128, Stats. 2005), known as the Car Buyer’s Bill of Rights.

The Car Buyer's Bill of Rights established a two day return window for used cars, capped at a valuation of \$40,000. Under this statute, a dealer was able to (and many did) require the customer to pre-pay for the ability to return the car. SB 766 expanded this option for customers to a three day right to cancel a vehicle purchase or lease under \$50,000, as long as the vehicle has fewer than 400 miles while in the customer's possession. (Civ. Code § 1784.43.) A dealer cannot require a customer to pre-buy this option, but may charge a fee not to exceed \$600 plus \$150. In lieu of this fee, a dealer that charged the customer a shipping fee for transporting the vehicle may retain the cost the dealer actually incurred for shipping. The bill also included disclosure requirements to notify customers of these options.

This bill makes changes to the Automobile Sales Finance Act to account for the above changes made in SB 766.

2) Makes clarifying changes to how the homestead exemption is to be adjusted.

The homestead exemption protects the value of a homeowner's primary residence in the event of a bankruptcy. Specifically, it provides that a specified portion of equity in a homestead is exempt from execution to satisfy a judgement debt. (Code Civ. Proc. § 704.730.) Effective January 1, 2021, the homestead exemption was set at the greater of the following: the countywide median sale price for a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed \$600,000; or \$300,000. These amounts were to be adjusted annually for inflation beginning on January 1, 2022.

This bill specifies that the ceiling amount for the 2026 calendar year is the countywide median sale price for a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed \$746,350. The floor amount is \$373,175 for the 2026 calendar year. The bill revises how these amounts are to be adjusted annually for inflation. The bill provides that the multiplier produced by the change in the annual California Consumer Price Index (CPI) for All Urban Consumers, published by the Department of Industrial Relations during the prior fiscal year, is to be applied. On January 1, 2027, and annually thereafter, this multiplier is to be calculated by dividing the CPI for the June ending the prior fiscal year by the CPI for the June immediately preceding the prior fiscal year. The ceiling and floor amounts adjusted are to be rounded to the nearest \$25.

- 3) Allows parties to a dissolution of marriage or domestic partnership who have an enforceable judgment of legal separation that has either adjudicated the division of property or reserved jurisdiction over the division to waive the preliminary and final declaration of disclosure requirements.

Married couples or those in a domestic partnership seeking to legally terminate their relationship can do so through either a separation or dissolution of marriage. Under a legal separation, the parties remain legally married allowing them to still benefit from certain aspects of a marriage, such as remaining on their spouse's health insurance, but separate financially. As part of this process, the parties are required to provide "preliminary disclosures" detailing each party's known assets and liabilities, as well as their "final disclosures," unless waived by stipulation or court order. A judgment of a legal separation adjudicates the same issues as a divorce judgment, with the sole exception that the parties maintain their legal relationship.

In some instances, parties who have legally separated and whose property divisions have been formally adjudicated may later decide to seek a full dissolution of their remaining legal relationship. Under existing law, the parties would once again need to complete their preliminary and final disclosures, despite the fact that a judge has already ordered a division of their property and assets. In recognition that this can be duplicative and unnecessary in some cases, this bill allows parties to a dissolution who have an enforceable judgment of legal separation that has either adjudicated the division of property or reserved jurisdiction over the division to waive the preliminary and final declaration of disclosure requirements.

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

SUPPORT: (Verified 6/24/26)

None received

OPPOSITION: (Verified 6/24/26)

None received

ARGUMENTS IN SUPPORT: The author writes:

This broad measure makes modest updates to several policies falling within the Committee on the Judiciary that are insufficiently substantive to warrant a standalone bill. This bill exempts a petitioner and respondent from the

requirement to exchange declarations of disclosure in default judgment of dissolution proceedings if the parties have an existing enforceable judgment of separation that addresses property concerns, removes confusing reference to a child's "preference" in custody or visitation proceedings, removes reference to a vehicle contract cancellation option agreement, updates the ceiling and floor amounts for the homestead exemption, and corrects cross-references in the Code of Civil Procedure, Labor Code, and Probate Code.

ASSEMBLY FLOOR: 74-0, 4/23/26

AYES: 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, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, 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, Sanchez, Schiavo, Schultz, Solache, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas
NO VOTE RECORDED: Addis, Hadwick, Celeste Rodriguez, Sharp-Collins, Soria, Wicks

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
6/26/26 13:09:16

**** END ****