CONCURRENCE IN SENATE AMENDMENTS AB 299 (Gabriel and Rivas) As Amended September 5, 2025 2/3 vote. Urgency

#### **SUMMARY**

Provides, until January 1, 2031, that a guest of a lodging shall not be considered a person who hires nor have their lodging constitute a new tenancy for purposes of existing law governing tenancy and unlawful detainer proceedings if the guest is residing in the lodging as a result of a disaster that substantially damaged, destroyed, or otherwise made uninhabitable their prior housing, subject to certain conditions.

#### **Senate Amendments**

- 1) Specify that a guest residing in a lodging shall not be considered a person who hires, nor have their lodging constitute a new tenancy for specified purposes, until the guest has resided in the lodging for 270 days.
- 2) Require a lodging to provide a specified notice at check-in to a guest the operator believes is residing in the lodging as a result of a disaster and is subject to the provisions of this bill, and specify the required contents of the notice.
- 3) Require the lodging, after providing the notice under 2) above, to provide the guest with a confirmation form with the option to check one of the following statements:
  - a) "I have read the provided notice and confirm that I am checking into this lodging or extending my stay because my home has been substantially damaged, destroyed, or made uninhabitable by a disaster and acknowledge that I will not be considered a tenant unless I have stayed here for 270 consecutive days."
  - b) "I have read the provided notice and confirm that I am not checking into this lodging or extending my stay because my home has been substantially damaged, destroyed, or made uninhabitable by a disaster and acknowledge this does not apply to me."
- 4) Allow a lodging to rely on other reasonable information to determine if a guest is subject to the provisions of this bill and allow a lodging to limit the duration of a stay or refuse to provide accommodations if the guest fails or refuses to select either of the statements under 3) above.
- 5) Provide that a lodging shall not be required to provide a guest subject to the provisions of this bill a written notice at least 72 hours prior to requiring the guest to vacate the lodging if any of the following apply:
  - a) The guest fails at any time to pay when due all room charges, fees, expenses, and other amounts owing;
  - b) The guest interferes with the quiet enjoyment of other guests at the lodging;

- c) The lodging has reasonable grounds to believe the guest damaged, is damaging, or will damage any lodging or other property; or
- d) The lodging has reasonable grounds to believe that the guest poses a risk of harm to other guests, employees, or others lawfully on the lodging property.
- 6) Specify that this bill's provisions do not apply to a guest residing in a lodging for a reason other than a disaster substantially damaging, destroying, or otherwise making uninhabitable their prior housing.
- 7) Make other minor and technical changes.

## **COMMENTS**

*Background*: Following the fires in Southern California that began on January 7th, thousands of Los Angeles County residents have been displaced. When the fires broke out, many impacted individuals needed immediate housing and turned to hotels, motels, and short-term rentals while awaiting information about what had happened to their homes. Once the fires were extinguished, more than 13,000 homes and apartments had been destroyed.

Disasters compound existing housing market challenges and the Los Angeles region had been in a severe housing affordability crisis well before the sudden destruction of 13,000 additional housing units. Constrained housing supply has led to increased housing cost burdens, especially among populations vulnerable to disaster. A myriad of recovery assistance programs, timelines, and restrictions have brought further instability to fire survivors' efforts to locate new semi-permanent housing while deciding if and how they will rebuild their destroyed homes.

This situation has led some fire survivors and displaced individuals to need longer term temporary housing options, including in hotels, motels, and short-term rentals. While stays under 30 days do not present any legal complications, stays longer than a month can vest an individual with tenancy status, meaning a lodging operator who wishes to remove a guest for nonpayment or other issues must follow unlawful detainer procedures rather than provisions of the Civil Code that allow removal of guests of lodgings who do not have formal tenancy status.

Lodging providers are not keen to expose themselves to this legal risk even for individuals who need housing stability. Because of this ambiguity, many hotels and motels will resort to "shuffling" people seeking longer term shelter between motel rooms or exiting people from their rooms every four weeks to avoid potentially creating a landlord-tenant relationship. This "shuffling" practice can be extremely disruptive.

Motels and Hotels as Temporary Shelter: During the pandemic, hotels and motels were used as temporary shelter for people experiencing homelessness who, because of poor health and living situations, might be at greater risk of contracting COVID or spreading it. In response to COVID, the federal government provided one-time funding to immediately house people experiencing homelessness at risk of contracting the virus. Project Roomkey reimbursed cities and counties from the Federal Emergency Management Agency to temporarily house people. Project Homekey provided funding to purchase hotels and motels and master-lease housing to house people experiencing homelessness.

Some local governments have continued contracting with hotels and motels to house people experiencing homelessness. Although this is temporary housing, due to the lack of available permanent supportive housing and affordable housing, some people are remaining in motels and hotels as semi-permanent tenants. Motel and hotels are defined as temporary housing under building standards. In addition, owners had previously been concerned that allowing a shelter program participant to remain in housing for longer than 30 days would qualify the program participant as a tenant. This caused frequent "shuffling" of those participants, which was very disruptive to individuals participating in shelter programs and unnecessarily consumed case manager and service provider resources as they frequently worked to find new accommodations for "shuffled" individuals.

AB 1991 (Gabriel), Chapter 645, Statutes of 2022, allowed hotels and motels to provide housing to people enrolled in a shelter program for longer than 30 days without establishing tenancy. AB 1991 (Gabriel) established a standard that hotels and motels would be required to comply with in order to ensure program participants are adequately protected, and helped curb the practice of "shuffling" participants. AB 2835 (Gabriel), Chapter 209, Statutes of 2024, deleted the sunset on these provisions of law, permanently extending this status for participants of hotel- and motel-based shelter programs.

*Executive Orders*: Since those who have lost their homes in the Los Angeles fires will likely need temporary housing for longer than 30 days, hotels, motels, and short-term rentals may resort to this destabilizing "shuffling" practice to avoid these individuals establishing formal tenancy.

Recognizing this possibility, Governor Newsom issued Executive Order N-14-25 on January 27, 2025 that contained the following provisions: "3. A person displaced from their primary residence in Los Angeles County as a result of the emergency, and who is occupying a hotel, motel, residence club, or other facility in Los Angeles subject to tax under Revenue and Taxation Code section 7280, shall be deemed to have transient occupancy status for the entire duration of their stay through March 8, 2025, notwithstanding the 30-day durational limitation in Civil Code section 1940, subdivision (b)(1), and Revenue and Taxation Code section 7280; and Los Angeles County or a city in the County may levy an occupancy tax for the full duration of such transient occupancy. To the extent those statutes provide otherwise, they are suspended. This Paragraph shall remain in effect until March 8, 2025, and is terminated after that date."

On March 7, 2025, the Governor issued Executive Order N-23-25 which extended the expiration of the transient occupancy provisions of EO N-14-25 from March 8, 2025 until July 1, 2025. The Governor of Hawaii also issued similar directives in the 2023 Maui wildfires.

AB 299 (Gabriel and Rivas), similar to AB 1991 (Gabriel), would permit hotels, motels, and short-term rentals to provide shelter for more than 30 days to individuals who have lost their prior housing in a disaster without establishing a landlord-tenant relationship, until January 1, 2031. To deter the possibly lucrative opportunity this waiver of tenancy rights might present to property owners who already have long-term tenants in rental units but might seek to "switch" their units over to short-term rentals in the wake of a disaster, the bill's provisions only apply to short-term rentals that were either registered with their local government as a short-term rental on the date of the disaster declaration, or met the existing law definition of short-term rental on that date. This bill requires the lodging to provide at least 72 hours' notice to a guest if they are requiring the guest to depart, unless they fail to pay room charges, interfere with other guests,

have caused or are likely to cause damage to property, or pose a risk of harm to other guests, employees, or others lawfully on the property. Given the unfortunate increase in intensity and frequency of natural disasters affecting the state, this bill would also eliminate the need for a future Governor to issue an executive order effectuating this change until 2031 by creating a statutory mechanism that would trigger upon declaration of a disaster in which housing units are damaged or destroyed.

## According to the Author

"Following a devastating disaster like we've seen in Los Angeles, we must ensure that wildfire victims have access to a stable place to stay. This legislation will ensure that those who have been displaced can seek shelter at hotels, motels, and short-term rentals for more than 30 days without being kicked out or shuffled around. It is especially important that we ensure our children and families have stability, security, and a sense of place while these communities are rebuilding and we work to identify longer-term housing."

## **Arguments in Support**

According to the Los Angeles County Board of Supervisors, "Los Angeles already had one of the most unaffordable housing markets in the country and largest homeless population before the wildfires, and the impact of the wildfires will reverberate throughout our region for years to come. While price gouging laws are in effect, and the County and other jurisdictions have additional renter protections, the dual emergencies of a natural disaster and the housing affordability crisis call for action. [...] Under AB 299, guests who are displaced by wildfires can remain in their temporary accommodations without triggering standard tenancy rules that might otherwise limit their stay or expose them to potential eviction. There is no doubt that the wildfires will have a long-lasting ripple effect on our housing market across the County. AB 299 is a vital tool in mitigating those ripple effects and not worsen[ing] our housing and homelessness crisis."

## **Arguments in Opposition**

None on file.

### FISCAL COMMENTS

None. This bill is keyed non-fiscal by Legislative Counsel.

#### **VOTES:**

#### ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1

YES: Haney, Patterson, Ávila Farías, Caloza, Gallagher, Kalra, Lee, Quirk-Silva, Ta, Wicks, Wilson

ABS, ABST OR NV: Gabriel

#### **ASSEMBLY FLOOR: 77-0-3**

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, DeMaio, Dixon, Elhawary, Ellis, Essayli, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez,

Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas **ABS, ABST OR NV:** Alvarez, Davies, Wicks

# **UPDATED**

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