
THIRD READING

Bill No: AB 782
Author: Quirk-Silva (D)
Amended: 7/16/25 in Senate
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 7/2/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-1, 7/14/25
AYES: Ashby, Archuleta, Arreguín, Grayson, Menjivar, Niello, Smallwood-
Cuevas, Strickland, Umberg, Weber Pierson
NOES: Choi

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/18/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/2/25 - See last page for vote

SUBJECT: Subdivisions: security

SOURCE: California Building Industry Association

DIGEST: This bill prohibits the Real Estate Commissioner (Commissioner) of the Department of Real Estate (DRE) from requiring a security in connection with a subdivision improvement if the Commissioner finds that a sufficient security has been furnished to a local agency for the same improvement.

ANALYSIS:

Existing law:

- 1) Establishes the DRE to administer the Real Estate Law.
- 2) Establishes the Commissioner as the chief officer of the DRE, whose principal responsibility is enforce the Real Estate Law in a manner that achieves the

maximum protection for the buyers of real property and those persons dealing with real estate licensees.

- 3) Requires protection of the public to be the highest priority for the DRE in exercising its licensing, regulatory, and disciplinary functions. Requires protection of the public shall be paramount whenever the protection of the public is inconsistent with other interests sought to be promoted.
- 4) Establishes the Subdivided Lands Act (Act) to be administered by DRE and requires subdividers of planned developments, community apartment projects, condominiums, and stock cooperatives to file extensive financial and other disclosures with the Commissioner before the sale or lease of subdivided lands.
- 5) Requires an owner, subdivider, or agent from selling or leasing lots or parcels within a subdivision to file an application with DRE for a public report consisting of a notice of intention and a completed questionnaire. This statement must include various pieces of information regarding the developer's plans, including information on how they intend to provide utilities to the subdivision, what uses the subdivision will offer, who will occupy the subdivided parcels, and the indebtedness incurred to pay for improvements.
- 6) Requires DRE to review the notice and application and notify the applicant if the information is complete within specified timeframes. Once DRE determines the application is complete, they must issue a public report within 15 days of receipt of all necessary information, including the developer's submittal of recorded or filed instruments and evidence of financial arrangements DRE requires.
- 7) Prohibits the sale or lease of the parcels until DRE issues a public report that the owner, subdivider, or agent has sufficient financial security to protect the purchaser or lessee from fraud, misrepresentation, or deceit. This includes a determination that the developer has made reasonable arrangements to assure completion of the subdivision and all necessary improvements.
- 8) Governs how local officials regulate the division of real property into smaller parcels for sale, lease, or financing, pursuant to the Subdivision Map Act (or Map Act). Cities and counties adopt local subdivision ordinances to carry out the Map Act and local requirements. City councils and county boards of supervisors use the Map Act to control a subdivision's design and improvements.

- 9) Allows cities and counties to require, as a condition of approving a proposed subdivision, the dedication of property within a subdivision for streets, alleys, drainage, utility easements, and other public easements and improvements.
- 10) Allows a city or county to require the developer to furnish a security and constraints the amounts of that security. The security ensures the developer constructs the improvements as agreed upon and pays for labor, materials, and improvements.

This bill prohibits the Commissioner from requiring a security in connection with a subdivision improvement if the Commissioner finds that a sufficient security to protect the interests of purchasers, owners, and lessees, as necessary, has been furnished to a local agency for the same improvement under the Map Act.

Comments

Purpose of this bill. According to the author, “AB 782 eliminates unnecessary double-bonding requirements that drive up housing costs and delay projects. Local governments should not be imposing redundant financial burdens on developers for private improvements they don’t control. This bill ensures that housing construction moves forward efficiently, reducing costs for homeowners and cutting through bureaucratic red tape.”

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

SUPPORT: (Verified 8/20/25)

California Building Industry Association (Sponsor)

Abundant Housing LA

Building Industry Association of San Diego

California Apartment Association

California Chamber of Commerce

California Yimby

Circulate San Diego

Home Builders Association of the Central Coast

Inner City Law Center

Institute for Responsive Government Action

Lieutenant Governor Eleni Kounalakis

Orange County Taxpayers Association

Southern California Leadership Council

The Two Hundred

OPPOSITION: (Verified 8/20/25)

None received

ARGUMENTS IN SUPPORT: The California Building Industry Association (sponsor), the Building Industry Association of San Diego, California Apartment Association, California Chamber of Commerce, Home Builders Association of the Central Coast, Orange County Taxpayers Association, and Southern California Leadership Council state, “Under current law, both local governments and the California Department of Real Estate (DRE) can require developers to provide financial security—such as bonds, letters of credit, or escrow deposits— for improvements in connection with an approval of a subdivision map. While this requirement makes sense for public improvements that a local agency will own and maintain, some local governments are extending these requirements to private improvements. As a result, developers are required to provide security twice— once to the DRE and again to the local agency—for the exact same private improvements such as sidewalks, lighting, landscaping, clubhouses, swimming pools, and other amenities maintained by a Homeowners Association. AB 782 offers a practical solution by clarifying that developers are not required to provide duplicative performance security to both local governments and the Department of Real Estate (DRE) for the same improvement. Importantly, the bill maintains the DRE’s existing authority to require financial assurances for private improvements.”

ASSEMBLY FLOOR: 79-0, 6/2/25

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, 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, Wicks, Wilson, Zbur, Rivas

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