

THIRD READING

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Bill No: SB 1090  
Author: Pérez (D)  
Amended: 3/25/26  
Vote: 21

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SENATE JUDICIARY COMMITTEE: 11-2, 4/28/26

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

NOES: Niello, Alvarado-Gil

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**SUBJECT:** Offers of purchase: real property damaged by wildfire disaster

**SOURCE:** Author

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**DIGEST:** This bill prohibits unsolicited offers to purchase real property in areas affected by a wildfire disaster by an institutional investor, as defined, for five years after the proclamation of the disaster.

**ANALYSIS:**

Existing law:

- 1) Prohibits unfair, fraudulent, and deceptive practices in contracting, including for real estate transactions. (Civil (Civ.) Code §§ 1573, 1709, 1710.)
- 2) Specifies that a person defrauded in the purchase, sale, or exchange of property is entitled to recover damages from the fraud, as specified. (Civ. Code § 3343.)
- 3) Protects homeowners from certain predatory practices when the homeowner is being foreclosed upon. (Civ. Code §§ 2945 et seq.)
- 4) Places specific duties upon real estate brokers or salespersons, and requires various disclosures and verifications for certain real estate transactions. (Civ. Code §§ 20179 et seq.; Civ. Code §§ 1102 et seq.; Government Code §§ 27201 et seq.)

- 5) Establishes the Real Estate Law to provide for the licensure and regulation of real estate brokers and realtors and prohibits fraudulent, dishonest, or misleading conduct in real estate transactions. (Business & Professions Code §§ 10000 et seq.)
- 6) Prohibits a person from making an unsolicited offer to purchase residential real property in specified ZIP codes in Los Angeles and Ventura counties, until January 1, 2027, and provides various enforcement mechanism for this prohibition. (Civ. Code § 2079.26.)

This bill:

- 1) Prohibits an institutional investor from making an unsolicited offer to purchase real property, including but not limited to, any lot, parcel, or home, that is located in an area affected by a wildfire disaster for which a state of emergency was proclaimed by the Governor or the President of the United States.
- 2) Applies this prohibition for five years from the date that the state of emergency is proclaimed.
- 3) Defines, for its provisions:
  - a) “institutional investor” to mean, with respect to any taxable year, any individual or entity that owns, directly or indirectly, 75 or more single-family properties.
  - b) “unsolicited offer to purchase” to mean an offer to purchase real property made by an institutional investor by text message, email, telephone call, mail, or other means of communication, unless there is a public indication that the owner is willing to sell the property at or before the time the unsolicited offer to purchase is made, including but not limited to, any of the following:
    - i. the property is listed for sale by the owner or their agent on a multiple listing service or on any publicly available marketing platform;
    - ii. the owner placed a “for sale” sign on the property; or
    - iii. the owner advertised the property for sale in a print publication or a flyer posted in a public place.

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

**SUPPORT:** (Verified 4/30/2026)

United States Senator Adam Schiff

California Rural Legal Assistance Foundation, Inc.  
Coalition for Humane Immigrant Rights  
Public Counsel

**OPPOSITION:** (Verified 4/30/2026)

California Apartment Association  
California Building Industry Association

**ARGUMENTS IN SUPPORT:** According to the Coalition for Humane Immigrant Rights, which supports this bill:

In January 2025, the Eaton and Palisades Fire ravaged the Los Angeles metropolitan region. Among the challenges that emerged in the aftermath was the increased presence of large-scale investors aggressively pursuing properties at below market prices from devastated wildfire survivors. This dynamic is often described as “disaster capitalism,” and has occurred in several post disaster communities. Following Hurricane Katrina, for example, one investor group purchasing more than 600 homes. After the 2023 Maui Fires, impacted residents reported being aggressively approached with offers to purchase their properties well below market value.

In response to these post disaster threats, local governments and officials adopted executive orders to establish temporary protections including Hawaii after the 2023 Maui Fires, and Florida following Hurricane Ian. In that same spirit, Governor Newsom signed Executive Order N-7-25 on January 14, 2025 to temporarily prohibit predatory real estate speculators from offering less than fair market value for property interest within the disaster impact area until July 1, 2025.<sup>5</sup> The order emphasized the need to protect those “especially vulnerable to exploitative practices of unscrupulous individuals who seek to profit from this disaster.” It is also worth noting that recovery from large-scale fires that struck California between 2017-20 has proven to be a long and difficult process, lasting as much as seven years.

While Executive order N-7-25 provided protections, they were temporary but may not have achieved its full intended effect. As residents continue to navigate the rebuilding process, reports indicate that investor representatives have approached Altadena residents affected by the fire with unsolicited and quick low cash offers for their properties. Accounts describe investor representatives attempting to dissuade residents from rebuilding, while urging them to instead accept these low cash offers. Local constituents have

also reported investor representatives seeking out survivors at FEMA recovery workshops.

Property purchase trends in Altadena before and after the Eaton Fire show an increased trend of investor activity following the disaster. Although investor ownership already existed in Altadena prior to the fire, investor lot purchases sky rocketed. One report found investors purchased close to 49% of properties from February to July 2025 when the executive order was in effect, compared to only about 10% during this same time span in 2024. Similar trends were observed in property sales in the Pacific Palisades and Malibu.

Predatory real estate speculation can have a ripple effect on the fabric of impacted communities, driving up housing costs, permanently displacing fire victims, and destabilizing communities through gentrification. As the community struggles to rebuild, long term protections against “disaster capitalism” are viewed by many as essential, especially as recovery from the Eaton fire is once again proving that rebuilding following a major fire is a slow and gradual process.

SB 1090 provides long term protections for disaster-impacted residents throughout the rebuilding period by establishing a five-year prohibition on any individual or entity that owns 75 or more single-family properties from making unsolicited offers to purchase real property in areas affected by a wildfire disaster where an emergency has been declared. This bill will provide disaster-impacted survivors the assurance and stability they need to focus on rebuilding their lives without being pressured or hassled to sell their property at an inopportune or inappropriate time.

**ARGUMENTS IN OPPOSITION:** According to the California Business Industry Association and the California Apartment Association, which oppose this bill:

First, the bill restricts lawful communication and voluntary market activity between willing parties. By prohibiting certain buyers from even making an unsolicited offer, the measure interferes with a property owner’s fundamental right to receive offers in order to dispose of their property as they see fit. This restriction raises significant constitutional concerns, including violations of the First Amendment (commercial speech) and the Fifth Amendment’s protections related to property rights.

Second, SB 1090 limits options for property owners at a time when flexibility is most needed. Following a wildfire disaster, many homeowners face financial uncertainty, insurance challenges, or displacement. Some may actively welcome offers that allow them to move forward quickly. This bill removes a category of potential buyers from the marketplace, reducing competition and directly disadvantaging the very homeowners the bill intends to protect.

Third, the bill represents a clear example of government overreach. It assumes that property owners are unable to evaluate offers or act in their own best interests, effectively substituting the judgment of the state for that of individuals. Californians are fully capable of deciding whether to accept or reject an offer, particularly with the support of existing consumer protection laws and professional advisors. Imposing a blanket prohibition sends the message that individuals cannot be trusted to make their own financial decisions and invites unnecessary “big government” intrusion into private transactions.

Fourth, the bill imposes an arbitrary and overly broad five-year prohibition. Market conditions, recovery timelines, and individual circumstances vary widely after disasters. A one-size-fits-all, multi-year restriction does not reflect the realities of recovery and unnecessarily prolongs government intrusion into private transactions.

Finally, existing laws already address fraud, coercion, and unfair business practices. If the concern is predatory behavior, targeted enforcement of those laws—or narrowly tailored consumer protections—would be a more appropriate and effective approach than a sweeping ban on property offers.

Prepared by: Ian Dougherty / JUD. / (916) 651-4113  
5/1/26 13:13:02

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