

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

SB 1155 (Smallwood-Cuevas)
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Fiscal: Yes
Urgency: No
ID

SUBJECT

Nonpayment of rent: federal employees: government shutdown

DIGEST

This bill provides protection from eviction for nonpayment of rent to tenants whose income was materially impacted by a federal government shutdown, as specified.

EXECUTIVE SUMMARY

In the fall of 2025, the federal government was shutdown for 43 days, the longest government shutdown in history. Government shutdowns occur when Congress fails to enact appropriations bills to fund the government for the upcoming fiscal year, or when Congress fails to enact a continuing resolution to temporarily fund the government. When the government shuts down, thousands of federal employees must stop working and cannot get paid, while other federal employees must work without pay. The financial strain that these prolonged periods without pay can place on federal employees is significant. SB 1155 aims to provide federal employees whose income is impacted by a government shutdown protection from eviction for the duration of the government shutdown and at least 30 days after the end of the shutdown. In order for a tenant to receive such protections, they must file with their landlord or the court a specified notice and a furlough letter or similar, specified document. However, SB 1155 clarifies that it does not relieve a covered tenant of their obligation to back due rent, and makes this deferred rent due and payable within 30 days of when the tenant begins receiving backpay. SB 1155 also provides a civil penalty of \$2,000 per violation for any violation of its provisions, as well as an affirmative defense in an unlawful detainer case for a violation of the act.

SB 1155 is sponsored by the American Federation of Government Employees, and is supported by AFSCME and a number of nonprofits. It is opposed by the California Apartment Association and the California Business Properties Association. If this bill passes this Committee, it will move to the Senate Appropriations Committee.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes generally the relations between and responsibilities of landlords and tenants in residential leases (hiring of real property). (Civ. Code §§ 1940 et seq.)
- 2) Establishes the Tenant Protection Act of 2019, which prohibits landlords of certain properties, until January 1, 2030, from evicting a residential tenant who has resided in the unit for 12 months or more, unless the landlord has at-fault or no-fault just cause.
 - a) Defines “at-fault” just cause to mean a tenant’s:
 - i. default in the payment of rent;
 - ii. breach of a material term of the lease;
 - iii. maintaining or permitting a nuisance on the premises;
 - iv. committing waste on the premises;
 - v. refusal to execute a written extension or renewal of a lease for a tenancy in a mobilehome, as prescribed;
 - vi. criminal activity on the residential property;
 - vii. assigning or subletting the premises in violation of the lease;
 - viii. refusal to allow the owner to enter the property as authorized;
 - ix. using the premises for an unlawful purpose;
 - x. failure to vacate when the tenant is an employee, agent, or licensee, and the tenant is terminated as an employee, agent, or licensee; and
 - xi. failure to deliver possession of property after providing the owner written notice of the tenant’s intent to terminate the lease.
 - b) Defines “no-fault” just cause to mean:
 - i. when the owner or owner’s spouse, domestic partner, children, grandchildren, parents, or grandparents intend to occupy the property for at least 12 months as their primary residence;
 - ii. a withdrawal of the property from the rental market;
 - iii. when the owner must evict the tenant to comply with a local ordinance or an order of a government agency or court, as prescribed; or
 - iv. when the owner intends to demolish or substantially remodel the property. (Civ. Code § 1946.2)
- 3) Provides that a tenant has committed an unlawful detainer when they continue in possession of the property without the landlord’s permission after:
 - a) the tenant remains in possession of the premises after the expiration of the term of the tenancy without permission of the landlord or otherwise not permitted by law;
 - b) the tenant’s nonpayment of rent and the service of a three-day notice to pay or quit, stating the amount that is due;

- c) the tenant has breached a covenant of the lease or failed to perform other conditions under the lease, and after service of a 3-day notice requiring performance of such covenants or conditions;
 - d) the tenant has breached a covenant of the lease prohibiting subletting, assignment, or waste, has committed or permitted a nuisance on the premises, or used the premises for an unlawful purpose; or
 - e) the tenant gives written notice of the tenant's intention to terminate the tenancy, but fails to deliver possession of the premises to the landlord at the specified time. (Code Civ. Proc. § 1161.)
- 4) For residential properties, requires the notices described in (4), above, to be served by:
 - a) delivering a copy to the tenant personally;
 - b) if they are absent from their place of residence, and from their usual place of business, by leaving a copy with a person of suitable age and discretion at either place, and sending a copy through mail addressed to the tenant at their place of residence; or
 - c) if the tenant's place of residence or business cannot be ascertained or a person of suitable age found, by affixing a copy in a conspicuous place on the property, and delivering a copy to a person residing on the property, if such a person can be found, and sending a copy through mail addressed to the tenant at the property. (Civ. Code § 1162.)
- 5) Requires a tenant defendant in an unlawful detainer action to respond to a notice of summons within ten days, excluding weekends and court holidays, of being served with the notice. Specifies that, if service is completed by mail or the Secretary of State's address confidentiality program, the defendant must file within fifteen days. (Code Civ. Proc. § 1167.)
- 6) Requires entry of default and default judgment against the defendant if they fail to appear and defend against the unlawful detainer action, if upon written application of the plaintiff with proof of service of the summons and complaint. Provides that the court must issue a writ of execution, and thereafter the plaintiff may apply to the court for any other relief demanded in the complaint, including costs. (Code Civ. Proc. § 1169.)
- 7) Specifies that, if a tenant answers the unlawful detainer complaint, the trial regarding the unlawful detainer must be held within 20 days of the request to set the matter for trial. Specifies that a judgment shall be entered at the trial, and if the landlord prevails, a writ of execution must be issued immediately by the court. (Code Civ. Proc. § 1170.5.)
- 8) Prohibits a landlord from interrupting or terminating utility services, removing outside doors or windows, removing a tenant's personal property, or preventing

a tenant from entering the property in order to terminate the tenant's tenancy, and makes a landlord who does any such thing liable to the tenant for damages and a daily statutory penalty. (Civ. Code § 789.3.)

- 9) Specifies that a court may restore a tenant's tenancy, whether written or oral, and whether or not the tenancy has terminated, in the case of hardship. Specifies that an application for relief for the restoration of the tenancy may be made at any time prior to the restoration of the premises to the landlord, as specified, or may be made by the court's own motion. Requires for this restoration that full payment of rent due be made, or full performance of any conditions or covenants stipulated. (Code Civ. Proc. § 1179.)
- 10) Provides an affirmative defense in an unlawful detainer action for nonpayment of rent when a tenant has lost income due to an interruption in Social Security payments due to the inaction of the federal government, when the loss in income prevented the tenant from paying rent, as specified. (Civ. Code § 1946.3.)

This bill:

- 1) Prohibits a landlord from initiating or continuing an unlawful detainer action to evict a tenant for nonpayment of rent or nonrent fees for a period of 30 days after the end of a government shutdown and the authorization of backpay when the tenant is a federal employee whose income is materially impacted by the government shutdown.
- 2) Requires the court to stay a pending unlawful detainer action for a period of 30 days after the end of the government shutdown when the tenant's ability to pay rent is materially affected by the government shutdown.
- 3) Prohibits a landlord from collecting or charging any late fees, interest, or other penalties related to the nonpayment of rent or nonrent fees for a period of 30 days after the end of the government shutdown when the tenant's income was materially impacted by a government shutdown.
- 4) Requires a tenant, in order to qualify for the protections described in 1) through 3), above, to provide to the court or landlord:
 - a) a written notice within 15 days of a missed rent payment stating that the covered tenant is a federal employee or contractor affected by a government shutdown;
 - b) a copy of a furlough notice, "stay-at-home" order, or a pay stub showing no earnings due to a government shutdown.

- 5) Specifies that its provisions do not relieve a tenant of their obligation to pay rent, and requires all rent deferred under its provisions to be due and payable within 30 days of the date when the tenant receives their first full paycheck for backpay.
- 6) Encourages landlords and tenants impacted by a government shutdown to enter into a written repayment plan for any remaining arrears.
- 7) Makes any person who knowingly violates these provisions liable for a civil penalty of up to \$2,000 per violation, in addition to any other remedy available under law.
- 8) Makes a violation of these provisions an affirmative defense in any unlawful detainer action, but specifies that this affirmative defense only applies to an unlawful detainer action based on nonpayment of rent or nonrent fees.
- 9) Defines, for the purposes of its provisions, the following:
 - a) “covered period” to mean the period beginning on the first day of a government shutdown and ending 30 days after the date on which the shutdown ends and backpay is authorized;
 - b) “covered tenant” to mean any individual employed by a federal agency, or an individual employed by a federal contractor, who is a tenant and whose primary residence is located in California and whose income is materially impacted by a government shutdown;
 - c) “government shutdown” to mean any lapse in federal appropriations that results in a furlough or the requirement for federal employees to work without pay;
 - d) “material impact” to mean a reduction in income or a delay in pay resulting from a government shutdown that renders the tenant unable to pay the full amount of rent due;
 - e) “nonrent fees” to mean mandatory or optional charges imposed on a tenant by a landlord in addition to rent.
- 10) Makes various findings and declarations relating to the impact on federal employees of government shutdowns.

COMMENTS

1. Author’s statement

According to the author:

Time and again, federal government shutdowns have been used as political leverage, with real people paying the price. These are not abstract budget disputes — they are decisions that disrupt livelihoods, destabilize families, and push working people closer to homelessness.

In California alone, approximately 3.3 million households live paycheck to paycheck, struggling to afford housing, food, and necessities – even while working full time. California is also home to more than 150,000 federal civilian employees and tens of thousands of federal contractors who provide essential services that keep our state and country functioning. When the federal government shuts down, these workers are furloughed or required to work without pay through no fault of their own.

For many of these workers – particularly lower-wage employees and contractors – there is little to no financial buffer. With the federal minimum wage still at \$7.25 per hour, a missed paycheck can trigger housing insecurity immediately. Recent history makes clear that this risk is not hypothetical. Federal shutdowns have occurred repeatedly in recent years, including a 43-day shutdown in 2025, leaving workers without a predictable income for weeks. Today, Department of Homeland Security employees and contractors are once again facing this uncertainty.

While paychecks stop, rent and mortgage payments do not. Families are forced into impossible choices: pay rent or buy groceries, keep the lights on or risk eviction. No one who shows up to serve the public should have to fear losing their home because of political gridlock beyond their control.

SB 1155 addresses this injustice with a narrow, responsible, and time-limited solution. The bill temporarily prevents landlords from evicting covered federal employees and contractors – or charging late fees – for unpaid rent during a federal government shutdown and for 30 days afterward. Courts must pause any pending eviction proceedings during this period. Tenants are required to provide proof of furlough status and must repay deferred rent within 30 days of receiving full back pay. Violations of the law may result in civil penalties of up to \$2,000 and can be raised as a defense in eviction proceedings.

SB 1155 does not eliminate rent obligations, nor does it unfairly burden landlords. Instead, it ensures that hardworking Californians are not permanently displaced because of temporary federal failures. This bill protects housing stability, prevents avoidable homelessness, and affirms a basic principle: people who serve the public should not lose their homes because politicians fail to do their jobs.

Passing SB 1155 is not only sound policy – it is a matter of fairness, stability, and human dignity.

2. Federal government shutdowns are becoming more frequent

Under the Antideficiency Act (31 U.S.C. §§ 1341 et seq.), federal agencies cannot spend or obligate any money without an appropriation or approval from Congress. Congress generally enacts annual appropriations bills to fund the government and the work of its various agencies. If Congress cannot agree to a regular appropriation before October 1st, it may pass an interim continuing resolution (CR) to temporarily fund the government into part of the new fiscal year while negotiations on a full appropriation continues.¹ When Congress fails to pass an appropriations act before the start of the fiscal year or the expiration of a CR, most federal agencies cannot operate under the Antideficiency Act, thus triggering what has come to be known as a government shutdown.

Because federal agencies cannot operate under a government shutdown, many federal employees must stop working. Other federal workers are considered “excepted” employees, and must continue to work without pay.² These workers are typically those that perform emergency work involving the safety of human life, the protection of property, or the performance of other specified “excepted” work.³ Officers of the Transportation Security Administration and air traffic controllers are some of the excepted workers who must continue working during a government shutdown. These workers will be paid by the federal government for the work they do during a shutdown once the government is funded; however, in the meantime, many must get by without receiving their wages. Thus, government shutdowns result in the furlough of hundreds of thousands of federal employees, force other federal employees to work without pay, and ultimately cause a reduction in various government services.

In September 2025, Congress was unable to come to an agreement to fund the government for the next fiscal year. This triggered the longest government shutdown in history, which only ended 43 days later with the passage of legislation that funded numerous agencies for the full fiscal year, but funded others only through January 30th.⁴ An estimated 700,000 federal employees worked without pay during the shutdown.⁵ Another brief shutdown followed the expiration of the January 30th deadline. On February 3rd, Congress enacted legislation to fund the rest of the federal government through the remainder of the fiscal year, except for the Department of Homeland

¹ Clinton T. Brass, *Shutdown of the Federal Government: Causes, Processes, and Effects*, Congressional Research Service, RL34680 (Dec. 2018), available at <https://www.congress.gov/crs-product/RL34680>.

² See David Wessel, “What is a government shutdown?” The Brookings Institute (Feb. 3, 2026), <https://www.brookings.edu/articles/what-is-a-government-shutdown-and-why-are-we-likely-to-have-another-one/>; Workforce Policy & Innovation, *Guidance for Shutdown Furloughs* U.S. Office of Personnel Management, WPI-03816-01/2026 (Jan. 2026), available at <https://www.opm.gov/policy-data-oversight>.

³ *Id.*

⁴ Jennifer Scholtes, “Trump signs bill ending longest government shutdown in US history,” Politico (Nov. 12, 2025), <https://www.politico.com/live-updates/2025/11/12/congress/trump-signs-bill-ending-longest-government-shutdown-in-us-history-00650189>.

⁵ Wessel, *supra* note 2.

Security (DHS).⁶ At the time that this analysis was published, the funding impasse for DHS was still ongoing, after passing its 60th day.

There have been five government shutdowns in recent history. The first two occurred in 1995 and 1996 when President Clinton and Congress were unable to agree on a spending plan, though the other three have all occurred since 2013.⁷ The longest government shutdown prior to the shutdown this past fall was the last shutdown, which took place between 2018 and 2019. Given increased partisanship in Washington, the frequency and length of shutdowns have increased over the past decade. Last September's record-breaking shutdown and the ongoing DHS shutdown is a perfect exhibit and the most glaring example of this trend.

3. Landlord-tenant law and the eviction process

California law closely prescribes when a landlord may evict a tenant and the process that must be followed to do so. For many leases, landlords may only evict tenants for specified reasons, including for when a tenant defaults on payment of rent, violates a material term of the rental agreement without correcting it within three days of notice, or commits a nuisance or crime on the premises. (Civ. Code § 1946.2.) Moreover, landlords cannot simply change the locks on a tenant and kick the tenant out on their own. (Civ. Code § 789.3.) A landlord first must notify the tenant of the deficiency and provide a short window to correct it. If the tenant is behind on rent, the landlord must notify the tenant of the delinquent rent and request that the tenant pay the rent in three days, not including weekends and holidays, or vacate the unit. (Code Civ. Proc. § 1161(2).)

If the tenant does not pay the amount due within the three days, the landlord must file an unlawful detainer action in court and request a judicial order that the tenant be evicted. If the judge or the jury rules for the landlord, the court will issue a writ of possession. The county sheriff will then execute the writ of possession by first notifying the tenant that they have five days to vacate the premises before being forcibly removed by the sheriff. If the tenant wins the case, they will be allowed to remain on the premises, and may even be owed money from the landlord.

The eviction laws and procedures balance a tenant's interest in due process and staying in the unit with the interests of landlords to be able to promptly re-gain possession of their properties if the current tenant is not paying rent or is subject to eviction. Thus, the unlawful detainer process is a summary proceeding, meaning that it is a streamlined, fast-tracked judicial proceeding. The timelines are expedited, and the law requires that unlawful detainers take precedence in a court's civil docket. (Code Civ. Proc. § 1179a.)

⁶ Kevin Freking, "Trump signs bill to end partial government shutdown, setting stage for next fight," Associated Press (Feb. 3, 2026), <https://apnews.com/article/government-shutdown-ice-funding-471e55ba4c3247051739ee1b50b2857a>.

⁷ Wessel *supra* note 2.

Data shows that unlawful detainer cases are often indeed very quick proceedings: 60% of unlawful detainers are resolved within 30 days.⁸

When a landlord files an unlawful detainer complaint in court, they must serve the tenant with a copy of the complaint and a summons notifying them of the court case and the timeline to respond. The tenant must file a response to the unlawful detainer complaint within 10 court days of being served with the complaint, or, if service is completed by mail or through the Secretary of State's address confidentiality program, within 15 days of being served. (Code Civ. Proc. §§ 1167, 1167.3.) If a defendant answers the landlord's complaint, and requests a trial, the trial must be held within 20 days of the request for a trial, unless extended by agreement of the parties. (Code Civ. Proc. § 1170.5.) If a tenant fails to respond to the unlawful detainer complaint or fails to defend against it, the consequences can be significant, as they can be forcibly evicted and left without a place to stay or keep their belongings.

4. SB 1155 provides protection from eviction for furloughed federal workers

SB 1155 aims to protect federal employees from eviction when they go unpaid due to a government shutdown. It prohibits a landlord from initiating or continuing an unlawful detainer action for nonpayment of rent or nonrent fees when the tenant is a federal employee or contractor who cannot pay their rent or nonrent fees due to a government shutdown. This prohibition lasts until 30 days after the end of the government shutdown and reinstatement of backpay. If an unlawful detainer for nonpayment of rent or nonrent fees has already been initiated, SB 1155 requires the court to stay the proceedings until at least 30 days after the end of the government shutdown. It also prohibits a landlord from collecting any late fees, interest, or other penalties related to the tenant's nonpayment of rent or nonrent fees for this covered period.

In order to qualify for these protections, SB 1155 requires the tenant to provide a written notice within 15 days of a missed rent payment stating that they are a federal employee or contractor affected by a government shutdown, and a copy of the furlough notice, "stay-at-home" order, or pay stub showing no earnings due to the government shutdown. However, SB 1155 makes clear that a tenant provided relief under its provisions is not relieved of their obligation to pay all due rent. It instead makes all deferred rent due and payable within 30 days of the date when the tenant receives their first full paycheck containing retroactive backpay, and encourages tenants and landlords to enter into written repayment plans for any remaining arrears.

To ensure compliance, SB 1155 provides a cause of action for violations of its provisions. This cause of action makes any person who knowingly violates its provisions liable for a

⁸ Aimee Inglis and Dean Preston, *California Evictions Are Fact, Frequent, and Underreported*, Tenants Together (May 2018), available at <https://www.tenantsaltogether.org/tt-report-california-evictions-are-fast-frequent-and-underreported>.

civil penalty of up to \$2,000 per violation. It also makes a violation of its provisions an affirmative defense for a tenant in an unlawful detainer action.

5. Arguments in support

According to American Federation of Government Employees, which is the sponsor of SB 1155:

[...] shutdowns have become so commonplace in the federal government that actual state intervention is needed to prevent the economic disruption that it causes in many federal workers' lives. Shutdowns increase the risk of homelessness for many workers who are already housing insecure since many TSA employees must live near high cost-of-living metropolitan areas. This legislation addresses that issue and gives much needed breathing room for workers until federal policymakers are able to resolve funding impasses. Supporting SB1155 allows the uninterrupted protection of California's traveling public and economy. When TSA workers feel secure, California is secure.

A U.S. government shutdown occurs when Congress fails to pass appropriations bills for the new fiscal year by the September 30 deadline, or when the President does not sign appropriations bills by that deadline, or when Congress fails to pass a temporary funding bill (a continuing resolution). This creates a funding gap, forcing non-essential federal agencies to close, pausing services, and furloughing employees.

California is home to approximately 150,000 federal civilian employees and tens of thousands of federal contractors who provide essential service to the state. During federal government shutdowns, many of these workers are furloughed or required to work without pay through no fault of their own. For many lower wage federal workers and contractors, pay is already modest, with the federal minimum wage at \$7.25 per hour, leaving little financial cushion when paychecks suddenly stop.

Government shutdowns have occurred repeatedly in recent years under the Trump Administration, leaving thousands of workers without predictable income for extended periods. In 2025, the federal government shut down for 43 days without pay.

Although workers eventually receive back pay, the sudden loss of income creates immediate financial strain, particularly in high-cost regions of California where housing expenses are already elevated. Without short term protections, even brief pay disruptions can place working families at risk of housing instability and eviction.

6. Arguments in opposition

According to the California Apartment Association and the California Business Properties Association, which oppose SB 1155:

We share your concern for federal employees who may be impacted by a federal shutdown. We agree that affected individuals should not face the loss of their homes.

SB 1155, however, addresses only one consequence of a federal shutdown while ignoring other critical needs like food, medical care, transportation, and a mortgage payment.

To ensure a more holistic approach to supporting federal workers, we believe the state should consider offering direct financial assistance – not just rental housing-related protections – to mitigate harm to all affected Californians. We also want to emphasize that many rental property owners are also federal employees. If they lose both their jobs as well as rent payments from tenants affected by the same federal shutdown, the financial impact would be devastating.

To achieve the broadest possible impact, we encourage shifting from the targeted approach in SB 1155 to a more comprehensive approach that includes all individuals affected by a federal shutdown. Specifically, we recommend providing an emergency loan program, either through California's Infrastructure and Economic Development Bank or California's Housing and Community Development Department to support all Californians who may be affected by a federal shutdown. These employees will have a better chance to take care of their daily needs during a federal shutdown.

SUPPORT

American Federation of Government Employees Local 1260 (sponsor)
Aids Healthcare Foundation
American Federation of State, County and Municipal Employees, AFL-CIO
California Federation of Labor Unions, AFL-CIO
California Partnership to End Domestic Violence
East Bay Housing Organizations

OPPOSITION

California Apartment Association
California Business Properties Association

RELATED LEGISLATION

Pending Legislation:

SB 1243 (Durazo, 2026) provides a tenant with a defense against eviction for nonpayment of rent when the tenant's income has been impacted by immigration enforcement activities, as specified. SB 1243 is currently pending before the Public Safety Committee.

SB 436 (Wahab, 2025) extends the "pay or quit" notice period required to be given by a landlord to a tenant for the nonpayment of rent before the landlord may bring an unlawful detainer action from three to fourteen days. SB 436 is currently pending before the Assembly Judiciary Committee.

Prior Legislation:

AB 246 (Bryan, Ch. 337, Stats. 2025) created an affirmative defense against eviction for a tenant whose income was materially affected by an interruption in social security benefit payments, as specified.

AB 2347 (Kalra, Ch. 512, Stats. 2024) expanded the time that a tenant of residential real property has to file an answer to an unlawful detainer from five days to ten days, and specified additional procedures and deadlines for filing a demurrer or a motion to strike a complaint and an opposition to and reply in support of such a motion.

AB 3088 (Chiu, Ch. 37, Stats. 2020.) created an eviction moratorium for tenants who were unable to pay their rent due to COVID-19 related financial distress, among other provisions.

AB 1482 (Chiu, Ch. 597, Stats. 2019) enacted the Tenant Protection Act of 2019 to, among other things, prohibit the eviction of a tenant who has resided in the unit for a year or more, except for just-cause, as defined.

AB 2343 (Chiu, Ch. 260, Stats. 2018) provided that the three-day notice period a landlord must give a tenant in certain circumstances before filing an unlawful detainer action excludes court holidays and weekends. AB 2343 also clarified that the period in which a defendant must respond to a notice of summons in an unlawful detainer action does not include court holidays and weekends.

SB 1403 (Kuehl, Ch. 301, Stats. 2002) permitted a court to relieve a tenant against forfeiture of their tenancy, and to restore their tenancy, by the court's own motion or an application by the tenant at any time before their eviction, at the court's discretion in a case of hardship, as long as the tenant pays the rent due.
