SENATE THIRD READING
SB 716 (Durazo)
As Amended August 28, 2026
Majority vote

SUMMARY

Authorizes enhanced penalties for violations of local ordinances that pertain to specified nonresidential structures with a floor area of 20,000 or more square feet and pose a threat to health and safety.

Major Provisions

1) Provides that, notwithstanding specified limitations in existing law, a violation of a city or county ordinance where the violation pertains to a nonresidential structure with a floor area of 20,000 or more square feet and the violation poses a threat to health and safety shall not exceed the following:

   a) A fine not exceeding $1,000 for a first violation.

   b) A fine not exceeding $2,000 for a second violation of the same ordinance within five years of the first violation.

   c) A fine not exceeding $5,000 for each additional violation of the same ordinance within five years of the first violation.

2) Allows the fine amounts described above to be increased by a factor of 10, up to a maximum of $50,000 per violation, if the violation results in a declaration of a state of emergency by the Governor or a federal disaster declaration.

3) Provides that the multiplied fine amounts in 2), above, shall not apply to any of the following:

   a) Before July 1, 2028, a structure that is located outside of the County of Los Angeles.

   b) On and after July 1, 2028, a structure that meets both of the following conditions:

      i) Located outside of the County of Los Angeles.

      ii) Located in a region identified on the 0 to 30th percentiles of the CalEnviroScreen 5.0. For the purposes of this provision, ″CalEnviroScreen″ means the California Communities Environmental Health Screening Tool developed by the Office of Environmental Health Hazard Assessment.

   c) Any of the following structures, as defined in Chapter 3 of the California Building Standards Code (Title 24 of the California Code of Regulations):

      i) Group B (business).

      ii) Group E (educational).

      iii) Group I (institutional).

iv) Group M (mercantile).

4) Provides that, where a nonresidential structure subject to the multiplied fine amounts in 2), above, is leased, in whole or in part, to a tenant or other third party under a written lease or occupancy agreement and the violation arises from a condition, activity, equipment, or process that is within the possession, operation, or contractual control of that tenant or third party rather than the owner, the fine shall be assessed against the tenant or other party in operational control of the violating condition, except as provided in 5), below.

5) Provides that the provisions in 4), above, do not limit the liability of an owner for a violation arising from a condition within the owner′s own possession or control, including, but not limited to, the structural, core, shell, or common-area elements of the property, or from the owner′s own failure to maintain the property consistent with applicable ordinances.

6) Specifies that nothing in 4) and 5), above, relieves a tenant or other party in operational control of a violating condition from liability for a multiplied fine assessed under 2), above.

COMMENTS

1) *Lineage Warehouse Fire*. On June 17, 2026, a fire ignited at a cold storage facility leased and operated by Lineage Logistics in the Boyle Heights community of the City of Los Angeles. The fire burned for eight days within a heavily insulated, approximately 491,000-square-foot structure that contained refrigeration systems, rooftop solar panel infrastructure, and other industrial equipment and hazardous materials (such as ammonia) that led to periodic flare-ups and required constant firefighting operations by the Los Angeles Fire Department and mutual aid partners. A shelter-in-place order went into effect June 18 and on June 20 Los Angeles Mayor Karen Bass issued a Declaration of Local Emergency and Governor Newsom declared a State of Emergency for Los Angeles County. The fire was fully extinguished on June 24, 2026. While Lineage Logistics released a statement indicating the fire likely started on the roof while subcontractors were servicing a solar array, the cause of the fire remains under investigation.

   In addition to the shelter-in-place order for neighboring residents, the incident resulted in extended air quality advisories, notices of violation, and an abatement order from the South Coast Air Quality Management District (SCAQMD). An estimated 88 million pounds of frozen food products that were stored in the facility subsequently spoiled, resulting in a significant public nuisance consisting of foul odors, rats, insects and other pests in and around the facility and the surrounding residential neighborhood. Clean-up did not commence until July 7 and has not yet been completed. An August 25 article by ABC7 News reports, ″Lineage has already missed two deadlines to completely clear the site of rotting food following the fire. As it stands now, the highest fine the city can issue is about $2,000 per violation. Last year, Lineage had revenue of more than $5 billion.″ The article also notes that Lineage has indicated the cleanup will be completed by August 30.

   According to an August 5 article by CBS news, ″The massive food warehouse fire that blanketed parts of Los Angeles in smoke in June was not an isolated event, but one in a long run of fires at properties tied to one of the world′s largest cold storage companies…Federal records show that in the past decade there have been at least 63 fires of varying severity at properties run by Lineage, a company that operates temperature-controlled warehouses around the globe. The firm said it was aware of 34 fires at its various warehouses, including one in Finley, Washington, that burned for nearly two months." The article also notes, "Unlike many industrial facilities located far from neighborhoods, cold storage warehouses are often built close to homes, schools and businesses to speed up food distribution."

2) *Report on Health Impacts.* Among other responders to the health hazards posed by the Lineage fire and its aftermath was St. John's Community Health (St. John's), which is a network of community health centers serving over 150,000 people in Los Angeles. St. John's deployed 3 mobile health clinics to the area and distributed thousands of air purifiers and tens of thousands of masks. St. John's recently issued a report on the health impacts that their clinics treated between the start of the fire and July 31st. While far from exhaustive because it is limited to data from St. John's Clinics and not other places that individuals may have been treated, this report noted that:

   1) 348 patients were diagnosed with toxic effects of smoke.

   2) 320 patients were diagnosed with contact or exposure to hazardous substances.

   3) 46 patients were diagnosed with eye disorders.

   4) 20 patients were diagnosed with respiratory conditions due to inhalation of chemicals.

   Other conditions treated included anxiety and other behavioral health conditions arising from environmental exposure, sleep disruption and insomnia, housing instability, lease termination requests, relocation concerns, ongoing uncertainty regarding environmental safety, and psychosocial distress associated with displacement and recovery.

3) *Ordinance Violations.* A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. This "police power" provides the right to adopt and enforce zoning regulations, as long as they do not conflict with state laws.

   Current law allows counties and cities to establish ordinances, and makes violations of ordinances misdemeanors, unless the county or city makes them infractions. The violation of an ordinance may be prosecuted by county or city authorities in the name of the people of the State of California, or redressed by civil action. Current law outlines the following fine structure for ordinance violations, and for building and safety code violations, that are determined to be infractions:

Number of violations within specified time periods	Amount of fine for ordinance violations that are infractions	*Amount of fine for building and safety code violations that are infractions*
First violation	Fine does not exceed $100	Fine does not exceed $130
Second violation within one year of first violation	Fine does not exceed $200	Fine does not exceed $700
Third violation within one year of first violation	Fine does not exceed $500	Fine does not exceed $1,300

For building and safety code violations that are infractions, the fine can be increased to $2,500 for each additional violation of the same ordinance within two years of the first violation, if the property is a commercial property that has an existing building at the time of the violation and the violation is due to failure by the owner to remove visible refuse or failure to prohibit unauthorized use of the property.

The law also includes additional provisions for violations of event permits and short-term rental ordinances that are infractions and violations of ordinances regulating activities related to cannabis, as well as a process for granting a hardship waiver in specified instances where the fine would impose an undue financial burden on the responsible party.

According to the Author
″As the State Senator representing Boyle Heights, unincorporated East Los Angeles, and the surrounding communities affected by the Lineage Logistics warehouse fire, it is urgent that we hold the company accountable for the ongoing rotting stench and infestation created by this facility and deter future public health and environmental emergencies.

″My constituents have endured overwhelming odors, pest infestations, and the daily indignity and hazard of living beside decomposing, fire-damaged materials. These are not minor inconveniences. Residents have been unable to open their windows or spend time outdoors, and many have been forced to run air purifiers and air conditioning around the clock, at their own expense, to keep their homes livable. Reports of escalating use of mobile clinics and emergency department visits, alarming health conditions, including respiratory illnesses, headaches, bloody noses, and nausea affecting small children have worsened. These conditions fall on communities already burdened by decades of environmental injustice. Boyle Heights and unincorporated East Los Angeles should not have to bear the continued and potentially long-term costs, health risks, and disruption of a private company′s failure to promptly and fully remediate this site.″

Arguments in Support
The Rural County Representatives of California (RCRC), California State Association of Counties (CSAC), Urban Counties of California (UCC), League of California Cities (Cal Cities), and California Association of Code Enforcement Officers (CACEO), in support of the August 20 version of this bill, write, ″Counties are responsible for adopting and enforcing local ordinances that protect the health, safety, and quality of life of their communities. In most instances, existing enforcement mechanisms are sufficient to achieve compliance. However, serious or persistent violations at large commercial and industrial facilities can have significant consequences for surrounding communities, and existing penalties may not always provide a sufficient incentive for a property owner or operator to take timely corrective action.

″Recent warehouse fires in different parts of California demonstrate the potentially significant impacts incidents at very large facilities can have on surrounding communities. In June, a fire destroyed an approximately one-million-square-foot medical supply distribution warehouse in Tracy, generating significant smoke, prompting shelter-in-place precautions, and resulting in debris and cleanup activities in surrounding areas. Days later, the Lineage Logistics warehouse fire in Los Angeles County similarly demonstrated the significant public health and community impacts that can result from incidents involving large industrial facilities.

″The aftermath of the Lineage fire provides a particularly relevant example of the need for additional enforcement options. Nearby communities experienced prolonged odors, pest infestations, and other public health and nuisance conditions as approximately 88 million pounds of spoiled food remained at the facility. Despite inspections, citations, and the imposition of maximum allowable fines, violations and nuisance conditions persisted. In circumstances involving large commercial operators, existing penalties may simply be insufficient to compel timely corrective action.

″SB 716 provides counties with another tool in the code enforcement toolbox that they may choose to use when circumstances warrant. The bill′s graduated penalty structure allows enforcement consequences to increase when violations persist, providing counties with greater leverage to secure compliance while preserving local discretion over whether and when enhanced penalties are appropriate. The bill also provides additional penalty authority in extraordinary circumstances when a violation results in a state or federal emergency or disaster declaration.

″These enhanced penalties are not necessary or appropriate for every code violation. However, when serious or persistent violations threaten public health and safety and responsible parties fail to respond quickly enough, counties should have meaningful enforcement options available to encourage prompt remediation. For operators of large commercial and industrial facilities, relatively modest fines may not provide a sufficient incentive for timely action. SB 716 provides counties with an additional option to address these exceptional circumstances while leaving decisions about its use with local officials who are best positioned to understand the needs of their communities.″

Arguments in Opposition
A large coalition in an ″oppose, unless amended″ position on the August 20 version of this bill state, ″Our concern is not with the goal of the bill, but with its reach…The 20,000-square-foot size threshold sweeps in far more than industrial and logistics buildings, and it should be narrowed to match the hazard the bill is meant to address. This is not a request to reduce the fine

amounts themselves. It is a request to narrow which structures the enhanced tier reaches in the first place. A nonresidential structure of that size is common and well outside the kind of facility involved in the Lineage fire. It also captures large-format retail stores, supermarkets, and hotels, uses that make up a substantial share of nonresidential buildings at that size and that generally have no connection to the fire or life-safety risk this bill was written to address.

″SB 716 stacks new enforcement layers on top of ones that already exist, without coordinating them. The same issue shows up at two different levels: the type of regulation involved, and the level of government enforcing it…

″The fine structure itself needs several corrections. Independent of the scope issue above, we

have identified structural problems with the new fine tier that should be fixed:

1) The five-year lookback period for repeat-violation escalation is inconsistent with the rest of the statute, which uses a one-year lookback elsewhere. We recommend adhering to statutory precedent and amending to a lookback of one year.

2) The bill sets a $50,000 per violation cap during a declared emergency but no aggregate cap. Without an overall ceiling added to the bill, repeated violations tied to a single ongoing condition could compound into fines with no reasonable relationship to the underlying infraction.

″The bill has no remedy or access process for situations where a property is legally off-limits.

As drafted, SB 716 has no mechanism to address the situation where a responsible party is legally barred from accessing or remediating a property...Fines, and the lookback clock that escalates them, continue to run regardless of whether the owner is permitted to set foot on the property to fix the underlying condition. A penalty structure that continues to run against a party for noncompliance it is legally barred from curing does not give that party a genuine opportunity to comply…There is no force majeure, good-cause, or legal-impossibility provision anywhere in the new fine tier that would otherwise excuse or pause accrual during a period of legally restricted access. It also does not incentivize the underlying goal of the bill: faster, safer remediation...″

FISCAL COMMENTS

None.

VOTES

SENATE FLOOR: 29-8-3
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Jones, Niello, Ochoa Bogh, Seyarto, Strickland
ABS, ABST OR NV: Grove, Reyes, Valladares

ASM COMMUNICATIONS AND CONVEYANCE: 7-1-1
YES: Boerner, Ahrens, Bonta, Caloza, Lowenthal, Rogers, Blanca Rubio
NO: Castillo
ABS, ABST OR NV: Hoover

ASM APPROPRIATIONS: 11-4-0
YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache
NO: Sanchez, Dixon, Ta, Tangipa

ASM LOCAL GOVERNMENT: 2-2-6
YES: Ramos, Ward
NO: Ta, Johnson
ABS, ABST OR NV: Carrillo, Pacheco, Ransom, Blanca Rubio, Stefani, Wilson

ASM LOCAL GOVERNMENT: 10-0-0
YES: Carrillo, Ta, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

UPDATED

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