

UNFINISHED BUSINESS

Bill No: SB 716
Author: Durazo (D), et al.
Amended: 8/28/26
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 13-3, 4/29/25

AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Hurtado, Limón, McNerney, Rubio, Stern, Wahab

NOES: Ochoa Bogh, Dahle, Strickland

NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto

NO VOTE RECORDED: Dahle

SENATE FLOOR: 29-8, 6/4/25

AYES: 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

NOES: Alvarado-Gil, Choi, Dahle, Jones, Niello, Ochoa Bogh, Seyarto, Strickland

NO VOTE RECORDED: Grove, Reyes, Valladares

ASSEMBLY FLOOR: Passed, 8/31/26

SUBJECT: Local government: ordinances: penalties for violation:
nonresidential structures

SOURCE: Author

DIGEST: This bill increases fines for violations of ordinances that pose a threat to health or safety for non-residential structures of 20,000 square feet or greater.

Assembly Amendments deleted the contents of the bill and inserted the current provisions.

ANALYSIS:

Existing law:

- 1) Prohibits, under the United States and California Constitutions, governments from impairing property rights without due process of law.
- 2) Allows counties and cities to adopt and enforce ordinances that regulate local health, safety, peace, and welfare.
- 3) Allows cities and counties to also impose fines and penalties through civil or criminal proceedings. These fines and penalties are limited to \$1,000 per violation and six months in prison.
- 4) Provides that a violation of a local ordinance is a misdemeanor, unless by ordinance it is made an infraction. In general, an ordinance violation that a local agency makes an infraction is punishable by:
 - a) A fine not more than \$100 for a first violation;
 - b) A fine not more than \$200 for a second violation of the same ordinance within one year; and
 - c) A fine not more than \$500 for each additional violation of the same ordinance within one year.
- 5) Allows higher fines for violations of building and safety codes:
 - a) A fine not more than \$130 for a first violation;
 - b) A fine not more than \$700 for a second violation of the same ordinance within one year;
 - c) A fine not more than \$1,300 for each additional violation of the same ordinance within one year; and
- 6) Allows higher fines for violations of several other specific types of violations, including:

- a) A maximum fine of \$2,500 for a third or subsequent violation of ordinance that establishes an event permit requirement (AB 556 (Limon, Chapter 405, Statutes of 2017)).
 - b) A maximum fine of \$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 (AB 2598, (Quirk, Chapter 970, Statutes of 2018)).
 - c) A maximum fine of \$5,000 for a third or subsequent violation of a short-term rental ordinance that results in a threat to health or safety (SB 60 (Glazer, Chapter 307, Statutes of 2021)).
 - d) A maximum fine of \$10,000 for a third or subsequent instance of water theft from a fire hydrant (SB 394 (Allen, Chapter 540, Statutes of 2025)).
- 7) Allows, as an alternative to civil and criminal enforcement mechanisms, a local agency's legislative body to make any violation of any of its ordinances subject to an administrative fine or penalty.
- 8) Requires a local agency that imposes administrative fines or penalties to adopt an ordinance specifying the administrative procedures that govern the imposition, enforcement, collection, and administrative review of those fines or penalties. The administrative procedures must grant a reasonable time to remedy a continuing violation before the imposition of administrative fines or penalties when the violation pertains to building, plumbing, electrical, or other similar structural and zoning issues that do not create an immediate danger to health or safety. State law allows a person responsible for the violation to appeal the fine or penalty in court.

This bill:

- 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.

Background

Lineage Fire and aftermath. On June 17, 2026, a structure fire began at a 491,000 square foot cold storage facility in the densely populated Boyle Heights neighborhood of the City of Los Angeles. The Boyle Heights facility contained an estimated 85 million pounds of frozen food and spanned an entire city block. The operator of the facility, Lineage, Inc., is the world's largest temperature-controlled warehouse real estate investment trust, with a total of 88 million square feet of storage space across over 500 facilities and total revenue of \$5.4 billion in 2025.

The fire burned for eight days before it could be extinguished; the size of the facility and the instability of the roof limited the ability of firefighters to access the interior where the flames occurred. Burning rooftop solar panels and a compromised interior ammonia line further complicated efforts to combat the fire. It generated smoke that subjected tens of thousands of people to pollution levels that exceeded those during the 2025 Palisades and Eaton Fires, prompting shelter-in-place orders for nearby residents. On June 20, the City of Los Angeles declared a local emergency, followed by a gubernatorial declaration of a state of emergency for Los Angeles County.

After the fire was extinguished, the rotting frozen food stored at the facility caused additional health hazards. By early August, residents had lodged more than 4,000 odor complaints with the South Coast Air Quality Management District (SCAQMD), leading the agency to issue over two dozen violation notices against Lineage for creating a public nuisance. The decomposing organic matter served as an extensive breeding ground for pests: severe infestations of flies and other vermin occurred at the site and migrated into the adjacent residential neighborhoods.

On June 29, City of Los Angeles Mayor Karen Bass issued two executive orders focused on site remediation and community support. Citing the "spoiling food, rodents, bugs, and vermin onsite and in the surrounding community, structural

hazards, ammonia refrigerant materials, solar panel debris, and potential for contaminated stormwater runoff collectively [that] may constitute an ongoing public nuisance and imminent health hazard,” the first order required Lineage to remove all biohazard materials within 45 days. The order also required city agencies, in coordination with other specified local and state agencies, to take any steps necessary to ensure that the health hazards and odors at the facility are abated expeditiously, and authorized direct abatement by city agencies if the parties responsible for the nuisance conditions fail to remedy the issues.

To support the surrounding community, the second executive order mobilized various city resources, including to deploy mobile health screening stations, request resources such as masks and air purifiers from Los Angeles County and the state, and establish a Community Resource Center to provide direct assistance, resources, and information for residents, workers, and small businesses affected by the fire and related conditions.

Lineage began cleanup efforts at the site, including the removal of the rotting food waste, following the extinguishment of the fire on June 25th. As of August 18th, nearly all of the food waste had been removed, but additional cleaning and disinfecting must occur. Lineage estimates that it will spend over \$100 million on cleanup. Lineage has also distributed hundreds of air purifiers, air conditioning units, masks, fly traps, grocery vouchers, and cash assistance to some community members to ameliorate issues related to the fire.

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:

- 348 patients were diagnosed with toxic effects of smoke;
- 320 patients were diagnosed with contact or exposure to hazardous substances;
- 46 patients were diagnosed with eye disorders; and

- 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.

The author wants to increase the fines imposed for ordinance violations that pose a threat to health or safety.

Comments

Purpose of the bill. 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.”

How much is too much? Under current law, maximum fines for ordinance violations range from as low as \$100 for a first violation that is an infraction to \$5,000 per violation for a third violation of a short-term rental ordinance and \$10,000 per violation for a third violation for water theft from a hydrant. The maximum fines for ordinance violations that are a misdemeanor are \$1,000 per violation.

SB 716 allows local governments to impose fines of up to \$5,000 for a third or subsequent violation of an ordinance that results in a threat to health or safety, as long as the violation pertains to a structure of 20,000 square feet or more. Where that violation results in a state or federal emergency, the fines increase to a maximum of \$50,000 per violation for a third or subsequent violation, with the goal of deterring future incidents that have community impacts on the scale of the Lineage fire.

Business groups are concerned this bill applies the maximum fines to a broad range of types of facilities, including warehouses, industrial sites, laboratories, and assembly uses, and that the fines could layer on top of other state and local enforcement tools and fines to create very large costs associated with a single event. They argue that there may be circumstances where the tenant or property owner cannot enter the premises, so fines could accrue without the ability for the responsible party to correct the violation.

However, SB 716 does not modify the procedures for imposing penalties for violations, nor does it require local governments to impose the maximum fines. This means that local governments would continue to operate under their existing procedures and framework for imposing fines when imposing the higher fine amounts under SB 716. The Legislature may wish to consider whether fines of up to \$50,000 per violation are warranted when a violation of a local ordinance at a large structure results in a state or federal emergency declaration.

Related legislation

AB 817 (Gonzalez), which is currently pending on the Senate Floor, prohibits a city or county from approving a building permit for a cold storage facility unless the owner or operator of the facility establishes and maintains a contingency fund, as specified, and excludes from gross income settlement for claims relating to the 2026 Boyle Heights fire incident.

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

SUPPORT: (Verified 8/31/26)

Aapis for Civic Empowerment

Acce

Alliance for a Better Community

Alma Family Services

American Federation of State, County and Municipal Employees, Afl-cio

Apen Action

Barrio Action Youth and Family Center
Beverly-vermont Community Land Trust
Bienestar Human Services
California Association of Code Enforcement Officers
California Coverage & Health Initiatives
California Domestic Workers Coalition
California Enviromental Justice Alliance
California Environmental Voters
California Immigrant Policy Center
California Labor Federation, Afl-cio
California Nurses Association
California Professional Firefighters
California Rural Legal Assistance Foundation
California State Association of Counties
Center for Community Action and Environmental Justice
Center on Race, Poverty & the Environment
Central American Resource Center - Carecen - of California
Central City Neighborhood Partners
Chispa
Clean Water Action
Clinica Romero
Coalition for Clean Air
Coalition for Humane Immigrant Rights
Coalition of California State Tribes
Communities for a Better Environment
Consumer Attorneys of California
County of Los Angeles
Courage California
Dolores Mission Church and School
Eastmont Community Center
Eaton Fire Residents United
Equal Rights Advocates
Garment Worker Center
Grace - End Child Poverty in California
Grace Institute - End Child Poverty in CA
Inclusive Action for the City
Indivisible CA Statestrong
Jwch Institute
LA Voice
Latino Coalition for a Healthy California

Latino Equality Alliance
Leadership Counsel for Justice & Accountability
League of California Cities
Legacy LA Youth Development Corporation
Los Angeles County Federation of Labor, Afl-cio
Los Angeles Unified School District
Loyola Law School, Loyola Immigrant Justice Clinic
Michelson Center for Public Policy
Miguel Contreras Foundation
Mundo Maya Foundation
Natural Resources Defense Council
Office of Los Angeles Mayor Karen Bass
Para Los Ninos
Physicians for Social Responsibility - Los Angeles
Pico California
Pilipino Workers Center of Southern California
Planning and Conservation League
Proyecto Pastoral
Public Advocates
Public Counsel
Rise Economy
Rotacare San Rafael
Rural County Representatives of California
Seiu California
Sierra Club California
St John's Community Health
Telacu
The Wall Las Memorias Project
Udw/afscme Local 3930
Ufcw - Western States Council
Unite Here International Union, Afl-cio
Unite Here Local 11
United Domestic Workers/afscme Local 3930
Urban Counties of California (
Western Center on Law & Poverty
Ysabel Jurado, Los Angeles City Council District 14

OPPOSITION: (Verified 8/31/26)

Agricultural Council of California
Almond Alliance

Association of California Egg Farmers
Boma California
Calasian Chamber of Commerce
California Apple Commission
California Avocado Commission
California Blueberry Commission
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Citrus Mutual
California Family Beer Distributors
California Food Producers
California Fresh Fruit Association
California Fuels and Convenience Alliance
California Grocers Association
California Hotel & Lodging Association
California Manufacturers & Technology Association
California Retailers Association
California Seed Association
California Self Storage Association
California Strawberry Commission
California Tomato Growers Association
California Trucking Association
California Wool Growers Association
Commercial Real Estate Development Association California
Consumer Brands Association
Dairy Institute of California
Family Business Association of California
Global Cold Chain Alliance
Grower-shipper Association of Central California
Inland Empire Economic Partnership
Inland Empire Economic Partnership
International Warehouse Logistics Association
Naiop Socal
Olive Growers Council of California
Orange County Business Council
Pacific Coast Renderers Association
Pacific Egg & Poultry Association
Pacific Merchant Shipping Association
San Diego Working Waterfront

Supply Chain Federation
Western Growers
Western Plant Health Association
Western States Petroleum Association
Western Tree Nut Association

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