

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

SB 880 (Wahab)
Version: March 25, 2026
Hearing Date: April 28, 2026
Fiscal: No
Urgency: No
ME

SUBJECT

Residential property: contract: fees

DIGEST

This bill extends a prohibition that currently applies to single-family residential properties to instead apply to all residential properties.

EXECUTIVE SUMMARY

California has a home affordability problem. California home prices far exceed the rest of the country. According to the Legislative Analyst's Office, "[housing] costs in California have long been higher than the national average and have grown substantially in recent years."¹ Mid-tier homes in California are "more than twice as expensive as the typical mid-tier US home."² For "a first-time home buyer, a bottom-tier home in California is now about 30 percent more expensive than a mid-tier home in the rest of the U.S."³

Under current law vendors or lessors of single-family residential properties are prohibited from contracting for or exacting any fee in excess of, \$10 for the act of signing and delivering a document in connection with the transfer, cancellation, or reconveyance of any title or instrument at the time the buyer or lessee exercises an option to buy, or completes performance of the contract for the sale of, the property. This bill extends the prohibition to any residential property.

This bill is author sponsored. The Committee did not receive timely support or opposition to this bill. Should the bill pass out of this Committee, it will be sent to the Senate Floor.

¹ Legislative Analyst's Office, *California Housing Affordability Tracker (1st Quarter 2026)*, Alex Bentz (April 20, 2026, available at: <https://lao.ca.gov/LAOEconTax/Article/Detail/793> [as of April 22, 2026]).

² *Id.*

³ *Id.*

PROPOSED CHANGES TO THE LAW

Existing law: provides that vendors or lessors of *single-family* residential properties are prohibited from contracting for or exacting any fee in excess of, \$10 for the act of signing and delivering a document in connection with the transfer, cancellation, or reconveyance of any title or instrument at the time the buyer or lessee exercises an option to buy, or completes performance of the contract for the sale of, the property. (Civ. Code § 1097.)

This bill: extends the above prohibition to *any* residential property.

COMMENTS

1. Stated need for the bill

According to the author:

Currently, single family properties don't include properties such as condominiums, townhomes, ADUs and manufactured homes. This means that in some of Californian's last and only markets for affordable housing, vendors and lessors can charge as much as they would like for the signing and delivery of a document in connection with the transfer, cancellation, or reconveyance of any title. To ensure the state takes all necessary steps towards affordability and considers the current state of homeownership, SB 880 extends the prohibition for charging more than \$10 for the act of signing and delivering a document in connection with the transfer, cancellation or reconveyance of a title to all properties, not just single-family properties.

SUPPORT

None known

OPPOSITION

None known

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation: None known.
