

Date of Hearing: June 24, 2025

ASSEMBLY COMMITTEE ON JUDICIARY

Ash Kalra, Chair

SB 436 (Wahab) – As Amended June 18, 2025

SENATE VOTE: 26-10

SUBJECT: UNLAWFUL DETAINER: NOTICE TO TERMINATE TENANCY

KEY ISSUE: SHOULD THE CURRENT THREE-DAY “NOTICE TO PAY OR QUIT” BE EXTENDED TO A 14-DAY NOTICE, SO THAT TENANTS WILL HAVE A REASONABLE AMOUNT OF TIME TO ACQUIRE NECESSARY FUNDS AND AVOID EVICTION?

SYNOPSIS

Under current law, tenants receive only three days’ notice to pay overdue rent before a landlord may file the unlawful detainer action that initiates the eviction process. Once this eviction process begins, a renter can be evicted even if they are able to pay all of the rent due early in the eviction process. For example, even if the tenant came up with the amount of rent owed on the fourth day after receiving a notice, the landlord could refuse to accept payment and the tenant could still be evicted. According to the author and co-sponsors, three-days is simply not enough time for many low-income Californians to obtain the necessary funds, whether those funds come from family members, advance pay from an employer, or an emergency rental assistance program. This bill, therefore, would extend the three-day notice to “pay or quit” to a 14-day notice, giving tenants additional time to acquire the necessary funds and thereby avoid an unnecessary eviction.

This bill is co-sponsored by several groups representing tenants, who contend that three days is not enough time for financially vulnerable tenants to come up with the rent, whereas many tenants could do so in 14 days. The bill is opposed by groups representing landlords and property owners, who contend that the bill will only further delay an already lengthy eviction process.

SUMMARY: Provides that a notice to terminate a tenancy, or the notice to “pay rent or quit,” shall permit the tenant at least 14 days (instead of the current three days) to pay the amount that is due or vacate the premises.

EXISTING LAW:

- 1) Establishes procedures for obtaining possession of real property, including an unlawful detainer action against a tenant who unlawfully remains in possession of rental property, and sets timelines regarding the filing of a complaint and the defendant’s response, including a demurrer or motion to strike, as specified. (Code of Civil Procedure Section 1159 *et seq.*; subsequent citations refer to this code unless otherwise specified.)
- 2) Provides that a tenant has committed unlawful detainer when they continue in possession of the property without the landlord's permission after the tenant's nonpayment of rent and service of a 3-day notice to pay or quit, stating the amount that is due. (Section 1161 (2).)

- 3) Provides that a tenant has committed unlawful detainer when he or she continues in possession of the property without the landlord's permission after 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. (Section 1161 (3).)
- 4) Requires, in an unlawful detainer action, that the landlord serve upon the tenant a copy of the complaint. Specifies that the complaint must contain certain information, including the facts upon which the landlord is seeking recovery of the premises and the method used to serve the tenant with notice. Provides that this latter requirement may be satisfied by using and completing all items relating to service of notice in the appropriate judicial form complaint, or by attaching a proof of service of the notice or notices. (Section 1166.)
- 5) Requires a plaintiff in a civil action, except as otherwise required by statute, to serve upon the defendant a summons that is signed by the clerk and under the seal of the court in which the action is pending. Requires the summons to include specified information, including directions to the defendant as to the time for responding and the consequences for failing to respond. (Section 412.20.)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: According the author, SB 436 “will extend the notice period for renters to pay or move out from three days to 14 days, bringing California in line with Massachusetts, Minnesota, New York, Tennessee, Vermont, Virginia, and Washington. This policy intervention is a critical tool to prevent unnecessary evictions. . . By extending the notice period to pay rent or move out, SB 436 will allow both parties to avoid the expense and burden of court proceedings by providing a renter with additional time to pay.” In addition, the author also argues that this bill is “crucial to maximize the efficiency of emergency rental assistance. Expanding the window of time during which an infusion of rental funds can rescue a tenant will mean fewer evictions and landlords will receive rent that would otherwise go uncollected.”

Existing eviction process for failure to pay rent. Eviction of a tenant for failure to pay rent typically begins when the landlord serves the tenant with a three-day notice to “pay or quit” (that is, pay the amount of rent due or vacate the premises). If the tenant fails to pay or move out within the three days, the landlord may file an unlawful detainer (UD) complaint with the court for recovery of the property. The landlord must simultaneously serve a copy of the complaint and a summons on the tenant. Because the UD action is considered a “summary” proceeding, timelines are accelerated. The tenant has only 10 days to file an answer to the UD complaint. If the tenant does not respond within 10 days, the court may grant a default judgment to the landlord. If the tenant responds on time, however, then the court must hear the matter within 20 days (subject to certain delays). If, after trial, the judge decides in the landlord’s favor, the landlord is provided with a “writ of possession” that authorizes a sheriff’s deputy to remove the tenant and their property from the premises. The deputy will post a notice on the property, warning the tenant that they have five days to vacate the premises or be physically removed.

Under current law, once a UD action begins the eviction process, a renter can be evicted even if they are able to pay all of the rent due at some point before the eviction process is complete. For example, even if the tenant came up with the amount of rent owed on the fourth day after receiving a notice, the landlord could refuse to accept payment and the tenant could still be evicted. According to the author and co-sponsors, three days is simply not enough time for many low-income Californians to obtain the necessary funds, whether those funds come from family

members, advance pay from an employer, a commercial loan, or an emergency rental assistance program.

This bill, therefore, would extend the three-day notice to “pay or quit” to a 14-day notice, giving tenants additional time to acquire the necessary funds and thereby avoid an unnecessary eviction, saving the time and resources of landlords, tenants, and courts. The primary objective of this bill is to give the tenant facing a temporary financial hardship, because of some unforeseen circumstance, eleven extra days to raise the necessary amount. It should be noted that, under earlier versions, the bill would have required a court handling a UD case to restore possession to the tenant so long as the tenant (1) pays the full amount of rent in arrears, and any applicable fees, or (2) submits documentation of approval for rental assistance funds in an amount that would cover the full amount owed. The same groups that oppose the bill in print opposed that earlier version of the bill; and the author amended the bill to extend the notice period and thereby provide the tenant a few more days to pay the rent before the landlord could initiate the eviction process. In short, as this legislative history suggests, the bill’s primary purpose is not to delay an eviction, but to address the harsh provisions in current law that force an eviction even if the tenant can come up with money. Three days is a very short period of time, especially for persons with fixed or limited incomes who faced an unexpected expense. And the consequences are dire, often resulting in homelessness.

Significantly, this bill only extends the notice period for UD actions if they are based on failure to pay rent. The extended period does *not* apply to any of the other grounds for eviction; the bill does not change the three-day notice if the UD action is based on failure to perform any other condition of the lease.

Opposition arguments may be overstated. One of the primary arguments made by all of the opponents of this bill is that it will create significant delays to an already drawn out eviction process. The opposition is certainly correct, as one letter puts it, that a “3-day notice is not an eviction notice,” but rather a reminder to pay by a certain date so that the landlord does not need to begin the eviction process. The opponents are also correct that the eviction process usually takes at a *minimum* one month just to get to trial, and that is assuming the landlord takes all required steps as soon as possible, the court is able to schedule a trial within 20 day prescribed in the statutes, and the tenant does not successfully seek a delay or continuance. Indeed, some of the opponents claim that the process “can already take 4-6 months, or even longer.” However, even if this is true, these delays occur in the stages *after* the three days in the notice to pay or quit has elapsed and the landlord has filed the UD action. This bill would only delay the landlord’s ability to file the UD action by eleven days. The delays that stretch the process out from one to several months will still occur. If, as the opposition claims, the process already takes 4-6 months, this bill would only add a relatively minor eleven days to that timeframe. Indeed, one could argue that because of the delays that occur *after* the UD action has been filed, delaying the filing of the UD action by eleven days will increase the likelihood that the tenant will come up with the rent money *before* the UD action is filed, thereby saving both the landlord and the tenant (not to mention the courts) the time and expense of drawn out litigation. The author’s purpose, as noted above, is to give the tenant a few more days to raise the rent money so that the potentially lengthy eviction process will never start.

In addition, the opposition claims that the bill provides “no incentive for timely payments,” suggesting that the bill effectively creates a 14-day grace period that constitutes “an interest free loan” from the landlord to the tenant. However, nothing in this bill prevents the landlord from

charging late fees to the extent that is reasonable and authorized by the rental agreement. Although they are not required by law to do so, most landlords provide a three-day grace period before imposing any fee. A tenant who repeatedly ignores a notice to pay or quit and does not pay the rent until the 14th day will still be subject to late fees. If it is a “loan” it is not exactly “free.”

Finally, a joint letter by several regional associations representing rental property owners claims that the bill compromises the “safety and well-being of other residents” by preventing the landlord from swiftly addressing “nuisance behavior or illegal activity.” However, as noted above, this bill only extends the time frame for notices if they are based only upon failure to pay rent. All of the other grounds for issuing a notice to quit, including nuisance and illegal activity, will continue to be governed by existing law and the three-day notice.

ARGUMENTS IN SUPPORT: This bill is co-sponsored by Tenants Together, Public Advocates, and the Western Center on Law and Poverty. They write:

This bill will protect tenants who fall behind on rent due to a missed paycheck, fixed-income payment, late rental assistance, or other financial setback by giving them a 14-day period to resolve a “pay or quit” notice. This critical measure will help prevent displacement and homelessness and spare both tenants and landlords from spending unnecessary time and resources in court. . .

Nonpayment of rent is the leading cause of eviction, and for many Californians, a single financial emergency can mean losing their home. For example, a review of the eviction notices filed with the City of Los Angeles Housing Department from February 2023 through mid-November 2024 revealed that of the over 165,000 eviction notices filed, 94% were for nonpayment of rent.

During the COVID-19 pandemic, emergency rental assistance programs were a powerful tool in preventing evictions, but three days is not enough time for rental assistance providers to approve applications and distribute funds to landlords, undermining the effectiveness of these programs today. Even before the federal government invested \$46 billion into rental assistance during the COVID-19 pandemic, cities, counties, philanthropic organizations, and neighborhood agencies provided funds to tenants in need of stop-gap help to prevent eviction. These agencies have remained in place in California communities since the pandemic. In this resource-scarce environment, it is crucial that qualified tenants have the time they need to obtain these funds and that taxpayer dollars accomplish their intended purpose of keeping Californians housed.

These reforms benefit both tenants and landlords, ensuring rent is collected while keeping families housed. Providing additional time for the renter to become current on rent benefits both parties. As we learned during the pandemic, giving renters additional time to obtain funds, in fact, puts money in landlords’ pockets that they would not receive otherwise, as the costs often outweigh the benefits of pursuing money judgments against evicted former tenants. In addition, receiving funds to protect an existing tenancy spares a landlord from the costs of turning over a unit.

Providing renters who experience a temporary economic setback with the time they need to intervene before they are taken to court is equitable and essential. We urge you

to support this critical legislation to protect renters and address California's housing and homelessness crisis.

The California Housing Partnership (CHP) supports this bill because, under existing law, "California tenants only receive three days' notice to pay overdue rent before a landlord may initiate expedited eviction proceedings in court. Even if the tenant pays all the rent due of the fourth day, landlords may legally proceed with eviction. SB 436 extends the period from three days to fourteen. SB 436 protects tenants and ensures that they are not unreasonably forced out of their home." Several other organizations support the bill for the same reasons as CHP, pointing out that any number of unpredictable circumstances can cause a tenant to fall temporarily behind on rent, especially those who live on fixed, or subsistence-level, incomes.

ARGUMENTS IN OPPOSITION: The California Apartment Association (CAA) opposes this bill because it "would allow tenants to unilaterally delay their rent payments until the middle of each month, regardless of financial need or mutual agreement with the housing provider." CAA adds that this "measure effectively recasts rental housing providers as involuntary creditors, forcing them to provide housing without receiving payment on time, even when tenants are not facing financial hardship. This is an arbitrary shift of financial burden from the tenant to the housing provider."

A letter signed by several regional rental property associations opposes this bill for substantially similar reasons as those articulated by CAA. Their letter additionally raises a number of issues, claiming, for example, that the bill will create "massive delays," promote "financial hardship, especially for 'Mom-and-Pop' landlords," and provide "no incentive for tenants to make timely payments." They also claim that the bill will ultimately drive up housing costs for all renters because it "will increase financial risks for housing providers," who will then be forced to raise rents "to compensate for the extension of the eviction process timeline." Finally, the several regional associations claim that the bill compromises the safety and well-being of other residents, as it will take longer will address "nuisance behavior or illegal activity."

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA
Affordable Housing Alliance
Aids Healthcare Foundation
Asian Americans Advancing Justice-Southern California
Bay Area Legal Aid
Bet Tzedek Legal Services
Bill Sorro Housing Program
California Federation of Labor Unions
California Housing Partnership
California Women's Law Center
Child Care Law Center
City of Sunnyvale
Community Legal Aid-Southern California
Disability Rights Education & Defense Fund
East Bay Housing Organizations
Eviction Defense Collaborative

Good Seed Community Development Corporation
Healing and Justice Center
Housing Rights Committee of San Francisco
Inner City Law Center
Justice in Aging
Law Foundation of Silicon Valley
Legal Aid Association of California
Legal Aid of Sonoma County
Monument Impact
Oakland Tenants Union
Public Law Center
San Francisco Anti-displacement Coalition
Santa Barbara County Action Network
Strategic Actions for a Just Economy
Tenants United Anaheim
Union Station Homeless Services
United Way Bay Area
Western Center on Law & Poverty

Opposition

Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Apartment Association, California Southern Cities
Berkeley Property Owner's Association
Building Owners and Managers Association of California
California Apartment Association
California Association of Mortgage Professionals
California Association of Realtors
California Building Industry Association (CBIA)
California Business Properties Association
California Chamber of Commerce
California Mortgage Bankers Association
California Rental Housing Association
East Bay Rental Housing Association
Institute of Real Estate Management (IREM)
NAIOP of California
Nor Cal Rental Property Association
North Valley Property Owners Association
Orange County Business Council
Santa Barbara Rental Property Association
Southern California Rental Housing Association
Southern California Rental Property Association

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