

Assembly Bill No. 851

CHAPTER 535

An act to add and repeal Article 3 (commencing with Section 2079.26) of Chapter 3 of Title 6 of Part 4 of Division 3 of the Civil Code, relating to real estate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 10, 2025. Filed with Secretary
of State October 10, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 851, McKinnor. Real property transactions: Counties of Los Angeles and Ventura wildfires: unsolicited offers.

Existing law regulates sale transactions of real property. On January 7, 2025, the Governor proclaimed a state of emergency to exist in the Counties of Los Angeles and Ventura due to fire and windstorm conditions that caused multiple fires. Executive Order No. N-7-25, signed by the Governor on January 14, 2025, prohibited a buyer from making an unsolicited offer to an owner of real property located in specified ZIP Codes in the County of Los Angeles to purchase the real property for an amount less than what the fair market value of the property was on January 6, 2025. Executive Order No. N-17-25 expanded that prohibition to include real properties in additional specified ZIP Codes. Subsequent executive orders extended the prohibition until July 1, 2025. Existing law makes a violation of the executive order a misdemeanor, as specified.

Existing law, the Real Estate Law, provides for the licensure and regulation of real estate brokers and salespersons by the Real Estate Commissioner, the chief officer of the Department of Real Estate within the Business, Consumer Services, and Housing Agency. Existing law makes a willful violation of the Real Estate Law a crime.

This bill would prohibit a person, as defined, from making an unsolicited offer to purchase residential real property in certain ZIP Codes in the County of Los Angeles covered by the above-described executive orders and other specified ZIP Codes in the Counties of Los Angeles and Ventura. The bill would define "unsolicited offer to purchase" for this purpose. The bill would require the buyer and seller, before the transfer of title in the purchase of residential real property subject to the above-described prohibition, to execute a written attestation affirming compliance with that prohibition, which, if signed, would create a presumption that the accepted offer was solicited by the seller, as specified. The bill would require the buyer to record the signed attestation as an attachment to the deed or other conveyance of title when recording the transfer of title, as specified. Because the bill would expand the crime of perjury, the bill would impose a state-mandated local program.

This bill would make a written offer in violation of these provisions by a licensed person under the Real Estate Law on their own behalf, or on behalf of another person while conducting licensed activity, a violation of the person's licensing law, unless SB 641 is enacted and becomes operative, in which case the offer would be a violation of a provision added by SB 641. The bill would authorize the Attorney General, a county counsel, city attorney, or a district attorney to bring a civil action to enforce these provisions. In addition to any other available remedies or penalties, the bill would grant a seller the right to cancel a purchase agreement entered into in violation of these provisions, as specified. The bill would subject a person who violates the above-described prohibition on making an unsolicited offer to purchase real property in those ZIP Codes to an assessment of a civil penalty, and would make the violation a misdemeanor, as specified. By creating new crimes, this bill would impose a state-mandated local program.

This bill would make these provisions severable, would make these provisions operative 30 days after the effective date of the bill, and would repeal these provisions on January 1, 2027.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Los Angeles and Ventura.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Article 3 (commencing with Section 2079.26) is added to Chapter 3 of Title 6 of Part 4 of Division 3 of the Civil Code, to read:

Article 3. Unsolicited Offers to Purchase Real Property Affected by January 2025 Fires in the Counties of Los Angeles and Ventura

2079.26. (a) A person shall not make an unsolicited offer to purchase residential real property in the 90049, 90263, 90265, 90272, 90290, 90402, 91001, 91024, 91103, 91104, 91106, 91107, 91301, 91302, or 91320 ZIP Codes.

(b) (1) Prior to the transfer of title in the purchase of residential real property described in subdivision (a), the buyer and seller shall execute a written attestation affirming that the purchase agreement was not entered into as a result of an unsolicited offer in violation of subdivision (a).

(2) The signed attestation described in paragraph (1) shall create a presumption that the accepted offer was solicited by the seller of the property, unless there is clear and convincing evidence to the contrary.

(3) The buyer shall record the signed attestation described in paragraph (1) as an attachment to the deed or other conveyance of title when recording the transfer of title.

(4) Failure to record the signed attestation described in paragraph (1) as an attachment to the deed or other conveyance of title shall not affect any constructive notice imparted by proper recordation of the deed or other conveyance and shall not affect the rights of any subsequent bona fide purchaser or encumbrancer.

(c) A person licensed pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code who makes a written offer on their own behalf, or on behalf of another person while conducting licensed activity, in violation of this section shall be deemed to have violated that person's licensing law.

(d) The Attorney General, a county counsel, city attorney, or a district attorney may bring a civil action to enforce this section.

(e) (1) A seller shall have the right to cancel a purchase agreement entered into in violation of this section, exercisable until four months after the date of execution of the contract.

(2) A person who violates subdivision (a) may be assessed a civil penalty not to exceed twenty-five thousand dollars (\$25,000) per violation. The civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(3) A person who violates subdivision (a) shall be guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment not to exceed six months.

(4) The remedies and penalties provided by this subdivision are nonexclusive and are in addition to any other remedies or penalties available under other laws.

(f) For purposes of this section:

(1) "Person" includes a corporation, firm, partnership, or association existing under or authorized by the laws of this state or any other state, or any foreign country.

(2) "Unsolicited offer to purchase" means any offer to purchase a property made by any person by text message, email, telephone call, mail, or other means of communication, unless either of the following conditions are met:

(A) At or before the time that the offer is made, there is public indication that the owner is willing to sell the property, including, but not limited to:

(i) The property is listed for sale by the owner or their agent on a multiple listing service or in any publicly available marketing platform.

(ii) The owner placed a "for sale" sign on the property or advertised the property for sale in a print publication or a flyer posted in a public place.

(B) The offer was made prior to the enactment of this section.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(h) This article shall become operative 30 days after the effective date of the act that added this section.

(i) This article shall be repealed on January 1, 2027.

SEC. 1.5. Article 3 (commencing with Section 2079.26) is added to Chapter 3 of Title 6 of Part 4 of Division 3 of the Civil Code, to read:

Article 3. Unsolicited Offers to Purchase Real Property Affected by January 2025 Fires in the Counties of Los Angeles and Ventura

2079.26. (a) A person shall not make an unsolicited offer to purchase residential real property in the 90049, 90263, 90265, 90272, 90290, 90402, 91001, 91024, 91103, 91104, 91106, 91107, 91301, 91302, or 91320 ZIP Codes.

(b) (1) Prior to the transfer of title in the purchase of residential real property described in subdivision (a), the buyer and seller shall execute a written attestation affirming that the purchase agreement was not entered into as a result of an unsolicited offer in violation of subdivision (a).

(2) The signed attestation described in paragraph (1) shall create a presumption that the accepted offer was solicited by the seller of the property, unless there is clear and convincing evidence to the contrary.

(3) The buyer shall record the signed attestation described in paragraph (1) as an attachment to the deed or other conveyance of title when recording the transfer of title.

(4) Failure to record the signed attestation described in paragraph (1) as an attachment to the deed or other conveyance of title shall not affect any constructive notice imparted by proper recordation of the deed or other conveyance and shall not affect the rights of any subsequent bona fide purchaser or encumbrancer.

(c) A person licensed pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code who makes a written offer on their own behalf, or on behalf of another person while conducting licensed activity, in violation of this section shall be deemed to have violated subdivision (n) of Section 10176 of the Business and Professions Code.

(d) The Attorney General, a county counsel, city attorney, or a district attorney may bring a civil action to enforce this section.

(e) (1) A seller shall have the right to cancel a purchase agreement entered into in violation of this section, exercisable until four months after the date of execution of the contract.

(2) A person who violates subdivision (a) may be assessed a civil penalty not to exceed twenty-five thousand dollars (\$25,000) per violation. The civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(3) A person who violates subdivision (a) shall be guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment not to exceed six months.

(4) The remedies and penalties provided by this subdivision are nonexclusive and are in addition to any other remedies or penalties available under other laws.

(f) For purposes of this section:

(1) “Person” includes a corporation, firm, partnership, or association existing under or authorized by the laws of this state or any other state, or any foreign country.

(2) “Unsolicited offer to purchase” means any offer to purchase a property made by any person by text message, email, telephone call, mail, or other means of communication, unless either of the following conditions are met:

(A) At or before the time that the offer is made, there is public indication that the owner is willing to sell the property, including, but not limited to:

(i) The property is listed for sale by the owner or their agent on a multiple listing service or in any publicly available marketing platform.

(ii) The owner placed a “for sale” sign on the property or advertised the property for sale in a print publication or a flyer posted in a public place.

(B) The offer was made prior to the enactment of this section.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(h) This article shall become operative 30 days after the effective date of the act that added this section.

(i) This article shall be repealed on January 1, 2027.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the immediate need to protect those impacted by the wildfires that began on January 7, 2025, in the Counties of Los Angeles and Ventura from exploitative practices.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 4. Section 1.5 of this bill shall only become operative if (1) both this bill and Senate Bill 641 are enacted and become effective on or before January 1, 2026, and (2) Senate Bill 641 amends Section 10176 of the Business and Professions Code, in which case Section 1 of this bill shall not become operative.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is an immediate need to protect those impacted by the wildfires that began on January 7, 2025, in the Counties of Los Angeles and Ventura from exploitative practices.

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