

Fall 2026 Legal Update

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2027 New Laws

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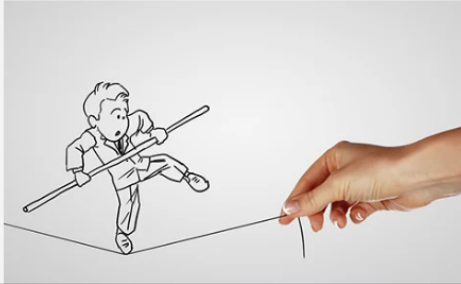
HELPLINES

CLOSE X

SUPPORT

Risk Management

Q: Where do I go to get legal questions answered? A: Easy, look to the right!



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Legal Q&As, **New Laws,** and Disclosure Charts

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The Legal Action Fund advocates the REALTOR® point of view and assists in lawsuits pivotal to the real estate industry. Learn more about how the Legal Action Fund supports you in your business.

Legal Resources

Important industry cases, resources and information

2027 New Law – AB 2025

Digitally Altered Images in Advertising

- Rules for advertising with digitally altered images now apply to properties being advertised for lease/rental
- Requires Disclosure/Disclaimer and place for consumer to view original, unaltered image
- Applies to digital staging, modifications to property, and modifications to area around or visible from property
- Doesn't apply to “standard photo editing techniques”

2027 New Law – SB 1050

False Advertising – Synthetic Performers

- Requires a clear and conspicuous disclosure if advertisement prominently includes synthetic performers
 - “Synthetic performer” means a digital figure, voice, or representation created in whole or in part using generative artificial intelligence that creates the realistic impression of the audio, audiovisual, or visual performance of a human performer who is not recognizable as any identifiable natural person.
 - “Clear and conspicuous disclosure” means a disclosure that is difficult to miss, easily understandable, and presented in a manner that a reasonable consumer would notice, read, and comprehend, taking into account the medium, format, and context in which the advertisement appears.
 - “Prominently” means the synthetic performer is any of the following:
 - (A) In the foreground and demonstrating or illustrating the product or service.
 - (B) **Providing or voicing the on- or off-camera narration or commercial message.**
 - (C) Illustrating or reacting to the on- or off-camera narration or commercial message.

2027 New Law – SB 1365

- Modifies Penal Code 396 – Price Gouging Laws
- Housing now means **any** rental housing, even leases exceeding one year
- Expands exemptions/affirmative defenses
 - If LL & T agreed in writing to increase prior to declaration of emergency
 - If LL can prove that >10% increase is directly tied to improvements made to the property
 - Either while being leased or in anticipation of being leased

2027 New Law - SB 1296

- Landlords must provide written pet policy or addendum with application, and have a place for the tenant to acknowledge receipt
 - C.A.R. Form Animal Terms and Conditions Addendum (ATCA)
- Also must be linked on digital advertising when possible
- If T pays for screening before receiving policy, they can ask for a refund
- Does not impact or affect service and support animal rules
- Effective April 1, 2027

Fair Housing – Support Animals

- May 2026 - HUD withdrew a 13-year-old guidance on ESAs, and replaced it with new guidance that stated ESAs are required to be trained to perform a disability-related task, just like service animals. Agency guidance is not law but an enforcement policy.
- NO CHANGE to California or Federal Law.
- Only change is no HUD enforcement. Private parties may still enforce federal fair housing laws. CRD has reaffirmed commitment to California enforcement

2027 New Law – SB 747

The Service of Process Accountability, Reform, and Equity (SPARE) Act

- Stricter standards for service of notices and other documents relating to Unlawful Detainer actions
- Requires the complaint for UD to include information describing the date, time, and location of effected service of the termination notice
- Requires more effort before utilizing “substituted service” and proof of service requirements including GPS-tagged photographs
- Makes it easier to overturn a default judgment based on lack of proper service

2027 New Law – SB 1267

- Existing law requires HOAs to allow an owner of a separate interest to install an electric vehicle charging station in a common area for the exclusive use of the owner under specified circumstances and subject to certain requirements
- What's new:
 - Owner is responsible for costs resulting from use of charging station
 - Installer must indemnify or reimburse HOA for loss and damage caused by the installation
 - *“Except in the case of gross negligence by the association, it is the intent of the Legislature to provide an association that has complied with this section with civil liability protection for injuries and damages emanating from an electric vehicle charging station or its use that the association does not own”*

2027 New Law – AB 501

- Increases the limit for a **civil penalty up to \$15,000** for any person who files or records a lawsuit, lien, financing statement, or other encumbrance (**like a Lis Pendens**) with the intent to harass and for which no reasonable basis or legal cause exists.
 - Can also recover costs and reasonable attorney's fees





December Forms Preview

AI Advisory

COP

FHDS

TC Forms (Advisory, Interview Questionnaire)

Other Issues



Watch out for RE Fraud and Scams



Zone Zero Regulations



Responsible AI Use

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today's presentation and
how C.A.R. can better
serve you!



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