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

AB 851 (McKinnor)

Version: March 27, 2025 Hearing Date: July 1, 2025

Fiscal: Yes Urgency: Yes

ID

SUBJECT

Real property transactions: County of Los Angeles wildfires: unsolicited offers

DIGEST

This bill prohibits a buyer of residential real property in specified ZIP codes from making an unsolicited offer to purchase the property, requires that the buyer and seller execute a specified written attestation affirming that the contract was not entered into as a result of an unsolicited offer, and provides various civil and criminal enforcement provisions.

EXECUTIVE SUMMARY

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the worst wildfires in state history: the Palisades and Eaton fires. The fires burned 37,469 acres and damaged or destroyed almost 18,000 structures, including 373 mobilehomes, and resulted in 29 fatalities. Many homeowners were significantly affected by the wildfires, because their properties were covered by hazardous debris and ash, significantly damaged, or completely destroyed by the blazes. For those whose homes were damaged and destroyed, the process of rebuilding will be a long and arduous one. In the aftermath of this tragedy, there have been reports of predatory buyers contacting property owners affected by the fires to make unsolicited offers to purchase their properties, often at prices much lower than the property's fair market value. To protect vulnerable homeowners, the Governor issued an executive order prohibiting buyers from making unsolicited offers to purchase residential properties for below their fair market value; however, this prohibition ends on July 1, 2025. AB 851 would create a statutory prohibition against unsolicited offers to purchase residential real property in ZIP codes affected by the fires, and requires a buyer and seller to sign and record a written attestation affirming that the sale was not the result of an unsolicited offer. AB 851 would permit the Attorney General, a county counsel, city attorney, or district attorney to enforce its provisions, and would make a buyer who violates these provisions liable for a civil penalty of up to \$25,000 per violation. In

addition, AB 851 makes a violation of its provisions a misdemeanor punishable by a fine of \$1,000 or imprisonment for no more than six months. AB also provides a seller the right to cancel the real estate sales contract within four months if these provisions are violated. AB 851 is an urgency measure to take effect immediately upon enactment, and would repeal its provisions on January 1, 2027. AB 851 is sponsored by the California Community Land Trust Network, and is supported by the County of Los Angeles. The Committee has received no timely letters of opposition. Should it pass this Committee, it will be next be referred to the Senate Public Safety Committee.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Prohibits unfair, fraudulent, and deceptive practices in contracting, including for real estate transactions. (Civ. Code §§ 1573, 1709, 1710.)
- 2) Specifies that a person defrauded in the purchase, sale, or exchange of property is entitled to recover damages from the fraud, as specified. (Civ. Code § 3343.
- 3) Protects homeowners from certain predatory practices when the homeowner is being foreclosed upon. (Civ. Code §§ 2945 et seq.)
- 4) Places specific duties upon real estate brokers or salespersons, and requires various disclosures and verifications for certain real estate transactions. (Civ. Code §§ 20179 et seq.; Civ. Code §§ 1102 et seq.; Gov. Code §§ 27201 et seq.)
- 5) Establishes the Real Estate Law to provide for the licensure and regulation of real estate brokers and realtors and prohibits fraudulent, dishonest, or misleading conduct in real estate transactions. (Bus. & Prof. Code §§ 10000 et seq.)

This bill:

- 1) Prohibits a buyer from making an unsolicited offer to purchase residential real property in specified ZIP codes.
- 2) Requires, prior to the transfer of title, that the buyer and seller of residential real property execute a written attestation affirming that the real property sales contract was not entered into as a result of an unsolicited offer.
- 3) Requires the county recorder to require the signed written attestation required by (2), above, to be attached to the deed of the property as a condition of recording the transfer of title.

- 4) Specifies that the signed attestation required by (2), above, creates a presumption that the accepted offer was solicited by the seller of the property, unless there is clear and convincing evidence to the contrary.
- 5) Specifies that a licensed real estate agent or broker who makes an unsolicited written offer on behalf of a buyer in violation of (2), above, is deemed to have violated their licensing law.
- 6) Permits the Attorney General, county counsel, city attorney, or a district attorney to bring a civil action to enforce these provisions.
- 7) Provides a seller of residential real property the right to cancel a real property sales contract that was entered into in violation of these provisions within four months after the execution of the contract.
- 8) Permits the assessment of a civil penalty of up to \$25,000 per violation against a person who violates these provisions, to be assessed and recovered in a civil action.
- 9) Specifies that a person who violates these provisions is guilty of a misdemeanor punishable by a fine of not more than \$1,000 or imprisonment for up to six months.
- 10) Specifies that the remedies described in (7) through (9), above, are nonexclusive and in addition to any other remedies or penalties available under law.
- 11) Repeals its provisions on January 1, 2027.
- 12) Specifies that this bill is an urgency statute to take immediate effect.

COMMENTS

1. Author's statement

According to the author:

Many homeowners in Los Angeles County who were affected by the January 2025 fires have reported being targeted by unscrupulous businesses, scam artists and predatory buyers. Some of these bad actors engaged in illegal price gouging in the rental market and made unsolicited offers to property owners who lost their homes.

In response, Governor Newsom issued an Executive Order to prohibit buyers from making unsolicited below market offers on residential properties in specified Los Angeles County zip codes for less than their fair market value as of January 6, 2025.

AB 851 would codify Governor Newsom's Executive Order and extend impacted homeowner protections from unsolicited offers on residential properties and allow a seller in the affected zip codes to rescind the sale of their residential property for up to four months after the close of escrow, in the case of an unsolicited offer. These additional protections would expire in January 2027.

Fire survivors in LA County have experienced unimaginable trauma and need additional time to make an informed decision whether to rebuild their home or sell their property. These protections will prevent predatory real estate practices and give owners a reasonable amount of time to rescind the sale of their residential property.

2. The Palisades and Eaton fires

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the most destructive wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of West Los Angeles. That same day, another major fire also broke out in the greater Los Angeles area: the Eaton fire. The Eaton fire consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena. About half of all properties in the Pacific Palisades and Altadena were destroyed by the Palisades and Eaton fires, and both fires together tragically took the lives of 29 civilians and injured a dozen firefighters. Real estate losses have been estimated to be as high as \$30 billion, and just under 13,000 households were displaced by the Palisades and Eaton fires. An estimated 9,592 single family homes and condominiums, 678 apartment units, 2,210 duplex and bungalow courts, and 373 mobilehomes were either heavily damaged or destroyed. All told, the January wildfires in Los Angeles were some of the most tragic and destructive wildfires in state history.

Many homeowners were significantly affected by the wildfires. Many had their properties covered by hazardous debris and ash, significantly damaged, or completely destroyed by the blazes. The wildfires also interrupted numerous businesses and many people's jobs. Homeowners whose homes were damaged or destroyed found themselves searching for temporary housing as they worked to rebuild or clean up their properties, all while still having mortgage payments due and possibly also experiencing

¹ CalFire, "Palisades Fire," (3/27/2025) https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire.

² CalFire, "Eaton Fire," (3/04/2025) https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire.

³ Doug Smith and Sandhya Kambhampati, "Real Estate losses from fires may top \$30 billion, from old mobile homes to \$23-million mansions," Los Angeles Times (Feb. 21, 2025)

https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-fires-top-30-

 $[\]frac{billion\#:\sim:text=Los\%20Angeles\%20Housing\%20Department\%20records, the\%20city's\%20rent\%20stabilization\%20ordinance.$

interruptions in their employment or income. For homeowners who were uninsured or underinsured, the financial strain of the fires have been even more significant.

3. The spectre of predatory buyers after the fire and Governor Newsom's executive order

In the aftermath of this tragedy, affected property owners are incredibly vulnerable to further victimization and harm. This is the exact vulnerability that some have attempted to capitalize upon. Residents within the affected areas of the fires - particularly in Altadena - have reported being solicited almost immediately after the fires to sell their properties.⁴ Sometimes, these solicitors try to entice wildfire victims by offering cash for their property, warning that home values will only go down due to the fires or that they will be unable to obtain insurance, or by offering to buy the property in any condition. However, these enticements come with a trade-off: the offers are often far below the market value of the property. Vulnerable homeowners facing the daunting task of rebuilding and additional financial strains from the wildfires may be easily convinced to take these unscrupulous buyers' offers for the promise of a quick solution or quick cash. When they do, they may lose out on a significant amount of accumulated equity in their homes and the fair market value of the property, and they may be forced ultimately to move out of the community. For the city of Altadena, a historically African American and working-class city with a strong sense of community, the effects of these predatory property sales may significantly change the community's identity and result in the displacement of families that have resided in Altadena for generations. These concerns caused some in Altadena to start a movement after the wildfires, the "Altadena Not for Sale" movement, to advocate against the predatory buying up of properties in the city that were impacted by the Eaton fire.⁵

In light of these concerns, the Department of Real Estate issued a consumer alert warning homeowners affected by the wildfires of the risks of predatory buyers.⁶ In addition, Governor Newsom issued an Executive Order prohibiting unsolicited offers to buy the property of victims of the wildfires.⁷ The Governor's order prohibits unsolicited offers to purchase property for below the property's fair market value in zip codes affected by the Los Angeles fires for a period of three months from the order's issuance. The Governor extended this order to include additional zip codes on February 4th, and

⁴ Amanda Del Cid Lugo, "Altadena residents sift through calls to sell – but the soul is not for sale," Los Angeles Public Press (Feb. 12, 2025), https://lapublicpress.org/2025/02/altadena-real-estate-not-for-sale-eaton-property/.

⁵ *Id*.

⁶ Cal. Dept. of Real Estate, "Public Notice: Los Angeles property owners near wildfires urged to report unsolicited offers to buy their properties under fair market value," (Jan. 17, 2025), https://www.dre.ca.gov/Consumers/PublicNotice_01172025_LA_Wildfires.html#:~:text=An%20unsolicited%20offer%20is%20an,%2C%20phone%20call%2C%20or%20mail.

⁷ Governor Gavin Newsom, Executive Order N-7-25 (Jan. 14, 2025).

in April the timeline for the prohibition was extended to July 1, 2025.8 In support of his Executive Order, Governor Newsom stated:

[...] as families mourn, the last thing they need is greedy speculators taking advantage of their pain. I have heard first-hand from community members and victims who have received unsolicited and predatory offers from speculators offering cash far below market value – some while their homes were burning. We will not allow greedy developers to rip off these working-class communities at a time when they need more support than ever before.⁹

4. AB 851 proposes to prohibit a seller from making an unsolicited offer to buy a property of a homeowner affected by the LA wildfires

Considering that the Governor's Executive Order expires on July 1st of this year, and the continuing risk to Los Angeles residents who are still trying to recover and rebuild, AB 851 proposes to place a prohibition against unsolicited offers to purchase properties in zip codes affected by the wildfires into statute. Specifically, AB 851 prohibits a buyer from making an unsolicited offer to purchase residential real property in specified zip codes, and requires a buyer and seller in the listed zip codes to execute a written attestation affirming that the property sales contract entered into was not entered into as a result of an unsolicited offer. This attestation would be required to be recorded with the county recorder and attached to the deed of the property. AB 851 would create a presumption that the accepted purchase offer was not unsolicited if this signed attestation is obtained.

AB 851 includes a number of enforcement provisions. First, it provides that, if a licensed real estate agent makes a written unsolicited offer on behalf of a buyer in violation of the bill, they will be deemed to have violated their real estate license. AB 851 also permits the Attorney General, county counsel, a city attorney, or a district attorney to bring a civil action to enforce the bill's provisions, and provides that a person who violates the bill's provisions may be assessed a civil penalty of up to \$25,000 per violation. In addition, AB 851 provides a seller the right to cancel a real estate sales contract entered into in violation of the bill's provisions, as can be done with unsolicited offers, within four months of the execution of the sales contract. Lastly, the bill makes a violation of its provisions a misdemeanor punishable by a fine of up to \$1,000 or imprisonment of up to six months. While AB 851 would be enacted as an urgency statute to take effect immediately, its provisions would be repealed on January 1, 2027.

⁸ See Governor Gavin Newsom, Executive Order N-17-25 (Feb. 4, 2025); Governor Gavin Newsom, Executive Order N-26-25 (Apr. 14, 2025).

⁹ Office of the Governor, "Governor Newsom issues order to protect fire victims from predatory real estate speculators" (Jan. 14, 2025), https://www.gov.ca.gov/2025/01/14/governor-newsom-issues-order-to-protect-fire-victims-from-predatory-real-estate-speculators/.

A property owner whose property was destroyed or otherwise affected by the Los Angeles wildfires may well wish to sell their property. This may be the easiest way for the property owner to recover their losses and move to another home immediately. Undoubtedly, the other option – staying and rebuilding on their property – could take many years before the property owner can use their property again. If a homeowner is underinsured, selling and moving may be even more appealing, since the costs to rebuild would be significant without insurance proceeds to cover the loss. Thus, many Angelenos affected by the wildfire may actually wish to sell their properties, whether or not the person to whom they finally sell their property to solicited them first.

However, at the same time, when a homeowner has lost their home to a disaster, they are vulnerable to being taken advantage of by unscrupulous buyers. Selling may appear to be the easiest option: any amount of immediate cash that a would-be buyer offers may seem quite appealing, if a homeowner is facing the uncertainty of rebuilding and is experiencing financial insecurity because of the wildfires. But the seller and the buyer in such cases are not negotiating from equal positions of power, given the distress and financial strain that the seller may be experiencing due to their property loss. Predatory buyers know this, and try to use it to their advantage in order to convince property owners to sell on the buyers' terms. But, as previously mentioned, those terms could seriously deprive the homeowner of the true value of their home, the equity they have built in their home over time, and their ability to actually financially recover from the fire. Thus, a tension exists at the heart of AB 851, in which the need to protect vulnerable homeowners against the predatory activities of unscrupulous actors conflicts with the homeowner's need to recover quickly from the wildfire, and with parties' freedom to contract. Yet despite that tension, the risk of harm to vulnerable homeowners is real and significant, and AB 851 strikes a balance by limiting its applicability to properties affected by the wildfires and setting a sunset date of January 1, 2027. Additionally, by requiring an attestation that the sale was not from an unsolicited offer, AB 851 provides a process to ensure non-predatory, law-abiding buyers reasonable protection against later lawsuits challenging the sale.

It is still possible, even with AB 851's prohibition on unsolicited offers, that affected homeowners will be take advantage of, as homeowners actively seeking buyers may still be in a vulnerable financial situation and willing to sell their property for below its actual market value. AB 851 would not stop such transactions. If a homeowner makes the decision to sell upon their own free will, they will be able to do so. However, in that situation, the homeowner already has made a conscious decision to sell their property before they received any actual offers. They therefore retained their agency, and made the decision to sell without the undue influence of a predatory buyer.

5. Legal considerations

The First Amendment of the United States Constitution protects an individual's freedom of speech. Under the First Amendment, any restriction on speech that is based

on the content of the speech is presumptively unconstitutional and subject to strict scrutiny. (*Reed v. Town of Gilbert* (2015), 576 U.S. 155, 163.) However, when the speech involved is commercial speech, in that it solely relates to the economic interests of the speaker and its audience, it is less protected than other forms of speech. (*Central Hudson v. Public Svn. Comm'n* (1980) 447 U.S. 557, 562.) For government regulation of commercial speech to be constitutional, it must meet a four-part test first established in *Central Hudson*. First, it must be determined that the commercial speech is protected, which will be the case if it concerns lawful activity and is not misleading. Next, the government's interest in regulating the commercial speech must be substantial. Third, the regulation must directly advance the governmental interest asserted, and finally, the regulation must not be more extensive than is necessary to serve the government's interest. (*Central Hudson* 447 U.S. 566.)

Because AB 851 prohibits a seller's free speech in making unsolicited offers, concerns may arise that it violates the First Amendment. However, AB 851's provisions would clearly be considered commercial speech, and thus be given lesser protection than other forms of speech. Furthermore, under the four-part test for regulations of commercial speech, the regulation in AB 851 would likely be constitutional. Specifically, the government's interest in regulating unsolicited offers is substantial, given the extent of destruction caused by the Los Angeles wildfires and the risk that vulnerable, financially-stressed homeowners would be defrauded out of the value of the property by an unscrupulous buyer is a significant concern. Moreover, the speech may not even be protected if it is misleading. A prohibition against unsolicited offers arguably directly advances the government's interest in protecting homeowners, and is designed to only limit the unsolicited offers in areas affected by the recent LA wildfires. Thus, while AB 851's provisions may raise concerns that it abridges free speech, AB 851 is likely within the constitutional authority of the government, since it governs commercial speech and likely can satisfy the lessened constitutional standards for commercial speech.

6. Amendments

The author has agreed to amendments that will provide a definition of "unsolicited offer." The definition would define an unsolicited offer as an offer to purchase the property in which there is no public indicia that the seller is willing to sell the property at or before the time of the offer. A full mock-up of those amendments is attached at the end of this analysis.

7. Arguments in support

According to the California Community Land Trust Network, which is the sponsor of AB 851:

Many homeowners in Los Angeles County who were affected by the January 2025 fires have reported being targeted by unscrupulous businesses, scam artists and predatory buyers. Some of these bad actors engaged in illegal price gouging in the rental market and made unsolicited offers to property owners who lost their homes.

In response, Governor Newsom issued Executive Order No. N-7-25, which prohibits buyers from making unsolicited below market offers on residential properties in specified Los Angeles County zip codes for less than their fair market value as of January 6, 2025. The Governor later expanded this restriction through Executive Order No. N-17-25, adding more zip codes to the list. Executive Order No. N-7-25 enforces this prohibition and has now been extended by the Governor beyond the former expiration date.

We are working with the Department of Justice and Department of Real Estate representatives to assist with a precise definition section for this bill. These amendments are forthcoming and we are confident that the definition of an unsolicited offer will meet everyone's needs.

As recovery efforts continue, affected homeowners will need to make informed decisions about rebuilding their home or selling their property. These survivors should be protected from predatory practices as the recovery process is taking place.

AB 851 would codify Governor Newsom's Executive Order and extend impacted homeowner protections from unsolicited offers on residential properties. Should a seller receive an unsolicited offer and sell their home to a predatory actor, a seller in the affected zip codes could rescind the sale of their residential property for up to four months after the close of escrow. These additional protections would expire in January 2027.

Fire survivors in LA County have experienced unimaginable trauma and need to make an informed decision whether to rebuild their home or sell their property. These protections will prevent predatory unsolicited offers. If the homeowner does fall victim to an unsolicited offer, AB 851 would give owners a reasonable amount of time to rescind the sale of their residential property.

SUPPORT

California Community Land Trust Network (sponsor) County of Los Angeles Board of Supervisors

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation:

SB 641 (Ashby, 2025) authorizes the Real Estate Commissioner to revoke the real estate license of any realtor who makes an unsolicited offer to an owner of real property to purchase the property for an amount less than the fair market value if the property is located in a declared disaster area, and would make a violation of that provision a misdemeanor. SB 641 is currently pending before the Assembly Business and Professions Committee.

SB 610 (Pérez, 2025) requires, among other things, that the Commissioner of Financial Protection and Innovation of the Department of Financial Protection and Innovation to coordinate with mortgage lenders and servicers operating in the state to facilitate and monitor the implementation and promotion of mortgage forbearance, foreclosure prevention, and loss mitigation programs available to borrowers who experience a material decrease in household income or an increase in household expenses due to a wildfire, upon the declaration of a state of emergency due to wildfire. AB 610 is currently pending before the Assembly Housing and Community Development Committee.

AB 493 (Harabedian, 2025) requires mortgage lenders that make loans secured by property containing one- to four-family residences pay two percent interest on any insurance proceeds following property damage or loss that is held by the mortgage lender. AB 493 is currently pending before the Senate Appropriations Committee.

AB 238 (Harabedian, 2025) authorizes a borrower experiencing financial hardship due to the wildfire disasters in Los Angeles County in January 2025 to request forbearance on their residential mortgage loan, and requires a mortgage servicer to offer mortgage payment forbearance of up to an initial 90 days, up to 12 months. AB 238 is currently pending before the Senate Appropriations Committee.

Prior Legislation:

SB 455 (McGuire, Ch. 873, Stats. 2023) required that, when a mortgage on a property located within the geographic area of a declared state of emergency or local emergency is transferred to a new mortgage servicer, the transferor mortgage servicer provide the new mortgage servicer with any written records between the borrower and the mortgage servicer relating to the borrower's use of insurance proceeds to repair or replace property damaged or destroyed by the disaster, and required the new mortgage

AB 851 (McKinnor) Page 11 of 14

servicer to honor any previous written agreements between the borrower and the previous mortgage servicer.

PRIOR VOTES:

Mock-up of Amendments for 2025-2026 AB-851 (McKinnor (A))

(Amendments may be subject to technical changes by Legislative Counsel)

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 County of Los Angeles
- **2079.26.** (a) A buyer shall not make an unsolicited offer to purchase residential real property in the 90019, 90041, 90049, 90066, 90265, 90272, 90290, 90402, 91001, 91024, 91040, 91103, 91104, 91106, 91107, 91367, 93535, or 93536 ZIP Codes.
- (b) (1) Prior to the transfer of title, the buyer and seller shall execute a written attestation affirming that the real property sales contract 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) A county recorder shall require the signed attestation described in paragraph (1) to be attached to the deed or other conveyance of title as a condition of recording the transfer of title.
- (c) A person licensed pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code who makes a written offer on behalf of a buyer 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 real property sales contract entered in violation of this section, exercisable until four months after the date of execution of the contract.

- (2) A person who violates this section 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 this section 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, an "unsolicited offer to purchase" shall mean any offer to purchase a property made by any person by text, email, phone call, mail or other means of communication, unless one of the following conditions are met:
- (1) At or before the time that the offer is made, there is public indicia that the owner is willing to sell the property, including, but not limited to:
- (A) The property is listed for sale by the owner or their agent on a multiple listing service or in any publicly available marketing platform for the sale of the property
- (B) The owner placed a for-sale sign on the property, posted in a public place a flyer listing the property for sale, or advertised the property in a print publication
- (2) The offer was made prior to the enactment of these provisions
- (h) For purposes of this section, "person" includes corporations, firms, partnerships and associations existing under or authorized by the laws of this State or any other State, or any foreign country.
- (f) (g) 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 County of Los Angeles 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 a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because 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

AB 851 (McKinnor) Page 14 of 14

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. 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 County of Los Angeles from exploitative practices.