

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 246 (Bryan) – As Amended May 1, 2025

Policy Committee: Judiciary

Vote: 8 - 3

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill establishes a system for declaring a social security benefit payment interruption and prohibits an unlawful detainer action on the basis of a renter's nonpayment of rent if the renter cannot pay due to a declared payment interruption.

Specifically, among other provisions, this bill:

- 1) Requires the Department of Finance (DOF) to monitor the status of social security benefit payments and notify the Joint Legislative Budget Committee (JLBC), other relevant legislative committees, and the Judicial Council of any interruption or restoration of social security benefit payments. Specifies a declared social security benefit payment interruption ("declared interruption") begins once JLBC receives notice from DOF of an interruption.
- 2) Prohibits a court from issuing a summons on a complaint for unlawful detainer based on nonpayment of rent or other charges if the defendant experiences a loss of income due to a declared interruption.
- 3) Requires a landlord's notice to pay rent or quit the premises issued during a declared interruption to, among other things, notify the tenant that if they cannot pay rent because of a declared interruption, they cannot be evicted if they give the landlord a declaration of social security-related financial distress. Requires the landlord to provide the tenant a blank copy of such a declaration along with the notice to pay rent or quit the premises.
- 4) Provides that a tenant who delivers a declaration of social security-related financial distress to their landlord within 15 business days shall not be deemed to be in default of rental debt during the declared interruption.
- 5) Prohibits a court from finding a tenant guilty of unlawful detainer during a declared payment interruption unless the tenant was guilty of the unlawful detainer before the declared payment interruption or the tenant failed to respond to service of notice as required.
- 6) Prohibits a landlord from applying a security deposit or monthly rental payment to satisfy covered rental debt during a declared interruption, unless the tenant agrees in writing.
- 7) Includes a sunset date of January 20, 2029.

FISCAL EFFECT:

- 1) Costs (General Fund) of an unknown but potentially significant amount to DOF to monitor social security payments and make required notifications upon interruption and restoration of benefits, possibly in the hundreds of thousands of dollars annually depending on DOF's staffing needs.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts. Actual costs will likely depend on the number and duration of declared interruptions. Frequent and sustained eviction moratoriums may make it difficult for courts to calendar and adjudicate unlawful detainer proceedings, resulting in cost pressures. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2024-25 state budget provides \$37.3 million ongoing General Fund to backfill declining revenue to the Trial Court Trust Fund.

COMMENTS:

- 1) **Purpose.** This bill is co-sponsored by SEIU California, Disability Rights California, and Californians for SSI. According to the author:

Mass firings and shuttering Social Security offices have left seniors and people with disabilities terrified they'll have nowhere to turn if their checks don't arrive on time. Seniors are already the fastest growing population of people experiencing homelessness. We cannot stand idly by while Trump forces our grandparents onto the streets. AB 246 is a precautionary measure that will protect seniors and people with disabilities from unjust evictions if there is a declared interruption in their SSA payments.

- 2) **Background.** In March 2025, the Associated Press reported that the federal government planned to close 47 Social Security Administration (SSA) offices, 26 by the end of the year. This year, about 2,000 employees of the SSA have accepted buyouts and left their jobs, and the SSA plans to eliminate another 7,000 positions, or about 12% of its workforce. Although there have been no major interruptions to social security payments yet, these facility closures and staff reductions may portend future payment interruptions and reduced levels of service for people who receive social security benefits.

This bill creates a state system for declaring social security benefit payment interruption and restricts a landlord's ability to initiate an unlawful detainer case for a renter's failure to pay rent during a declared interruption. Unlawful detainer cases are eviction proceedings. In other words, the bill imposes an eviction moratorium during a declared interruption for people who can't pay their rent due to the interruption. The author intends this bill as a "precautionary" measure that establishes a system to govern social security-related eviction moratoriums before payment interruptions occur. Since the committee does not know the number or frequency of future declared interruptions, it is difficult to predict with certainty the impact on the courts from this bill. The more interruptions are declared, the more significant the impact will be on court calendars, resulting in higher overall operational costs.