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SB 761 (Hall) Internet Advertising Disclosure
FACT SHEET

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ISSUE

Over the past few years, there has been significant growth in online Web site companies that allow people to rent a room or an entire unit on a short-term basis. These companies, such as Airbnb, VRBO, Homeaway, Flipkey, and others, allow not only property owners to list rooms or units, but tenants who rent apartments as well. Unlike homeowners, however, tenants who list their rooms or units create a host of potential problems for the property owner and neighboring tenants, while at the same time, jeopardizing their own tenancy. The risk of liability is significant for both tenants and owners.

In California, the majority of rental leases contain a prohibition against subletting. Under current law, landlords have the right to evict tenants for subletting and for violating the rental agreement. Unfortunately, many tenants are not aware of these prohibitions. Standard leases include many legally required disclosures that can make the lease as long as 25 pages and many tenants may not have reviewed their lease in years.

Short-term rental websites provide little or no disclosure to tenants who list their rooms or units for rent. By providing no information to tenants, short-term rental websites are putting unsuspecting tenants in a position where they can face eviction.

SOLUTION

SB 761 will require short-term rental companies to disclose very clearly that listing a room or unit may be a violation of a lease and may subject the tenant to eviction. It will also require tenants to acknowledge the disclosure prior to listing online.

This bill protects and educates tenants about the risks of listing their room or unit on short-term rental Web sites without first reviewing their lease or contacting the property owner. Short-term rental websites are a great and valuable tools, but they must be used responsibly in accordance with existing laws and contractual agreements.

SUPPORT

California Apartment Association (Sponsor)

California Association of Realtors

San Diego County Apartment Association