



AB-2471 Senior citizens: rescission of contracts. (2019-2020)

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Assembly Bill No. 2471

CHAPTER 158

An act to amend Sections 7150, 7159, and 7159.10 of the Business and Professions Code, to amend Sections 1689.5, 1689.6, 1689.7, 1689.13, 1689.20, 1689.21, and 1689.24 of the Civil Code, and to amend Sections 5898.16 and 5898.17 of the Streets and Highways Code, relating to contracts.

[Approved by Governor September 25, 2020. Filed with Secretary of State September 25, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2471, Maienschein. Senior citizens: rescission of contracts.

Existing law provides that a contract is extinguished by its rescission and sets forth methods for the rescission of a contract. Existing law authorizes a buyer to cancel certain home solicitation contracts or offers until midnight of the 3rd business day after the day on which the buyer signs an agreement or offer to purchase which complies with specified requirements. Existing law authorizes a buyer to cancel a home solicitation contract written for certain home improvement work until midnight of the 3rd business day after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with specified requirements. Existing law requires contracts for a home solicitation contract or offer to include a notice of cancellation form with specified statement's as to the buyer's right to cancel. Existing law permits a buyer to provide a seller an express waiver to this right to cancel, if the contract meets other specified requirements. Existing law also provides a buyer a similar right to cancel a seminar sales solicitation contract or offer and imposes similar requirements to provide a notice of cancellation to the buyer.

Existing law requires specific provisions and requirements for home improvement contracts, as defined, that are not governed by the provisions described above, and service and repair contracts. Existing law requires these contracts to include a notice regarding the buyer's 3-day right to cancel.

Existing law authorizes the legislative body of a public agency, as defined, to determine that it would be convenient, advantageous, and in the public interest to designate an area within which authorized public agency officials and property owners may enter into voluntary contractual assessments to finance certain improvements. Existing law prohibits a public agency from permitting a property owner meeting certain criteria to participate in any program established pursuant to these provisions for specified purposes unless the property owner is given the right to cancel the contractual assessment without penalty or obligation before midnight on the 3rd business day after a specified date. Existing law also requires a financing estimate and disclosure document to be provided to the property owner prior to entering into the voluntary contractual assessment. Existing law requires the document to include, among other things, a description of the property

owner's right to cancel.

This bill would extend the period of time to cancel the contracts or offers described above from 3 to 5 business days if the buyer or property owner is a senior citizen, as defined, for contracts entered into, or offers to purchase conveyed, on or after January 1, 2021. The bill would also make conforming changes.

This bill would incorporate additional changes to Section 5898.17 of the Streets and Highways Code proposed by AB 1551 to be operative only if this bill and AB 1551 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7150 of the Business and Professions Code is amended to read:

7150. (a) "Person" as used in this article is limited to natural persons, notwithstanding the definition of person in Section 7025.

(b) "Senior citizen" means an individual who is 65 years of age or older.

SEC. 2. Section 7159 of the Business and Professions Code is amended to read:

7159. (a) (1) This section identifies the projects for which a home improvement contract is required, outlines the contract requirements, and lists the items that shall be included in the contract, or may be provided as an attachment.

(2) This section does not apply to service and repair contracts that are subject to Section 7159.10, if the contract for the applicable services complies with Sections 7159.10 to 7159.14, inclusive.

(3) This section does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in Section 7590.1, if all costs attributable to making the fire alarm system operable, including sale and installation costs, do not exceed five hundred dollars (\$500), and the licensee complies with the requirements set forth in Section 7159.9.

(4) This section does not apply to any costs associated with monitoring a burglar or fire alarm system.

(5) Failure by the licensee, their agent or salesperson, or by a person subject to be licensed under this chapter, to provide the specified information, notices, and disclosures in the contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

(b) For purposes of this section, "home improvement contract" means an agreement, whether oral or written, or contained in one or more documents, between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement, as defined in Section 7151, and includes all labor, services, and materials to be furnished and performed thereunder, if the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500). "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not they are a home improvement salesperson, and an owner or a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

(c) In addition to the specific requirements listed under this section, every home improvement contract and any person subject to licensure under this chapter or their agent or salesperson shall comply with all of the following:

(1) The writing shall be legible.

(2) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(3) (A) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy of the contract initiates the buyer's rights to cancel the contract pursuant to Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

(B) The contract shall contain on the first page, in a typeface no smaller than that generally used in the body of the document, both of the following:

(i) The date the buyer signed the contract.

(ii) The name and address of the contractor to which the applicable "Notice of Cancellation" is to be mailed, immediately preceded by a statement advising the buyer that the "Notice of Cancellation" may be sent to the contractor at the address noted on the contract.

(4) The contract shall include a statement that, upon satisfactory payment being made for any portion of the work performed, the contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any potential lien claimant claim or mechanics lien authorized pursuant to Sections 8400 and 8404 of the Civil Code for that portion of the work for which payment has been made.

(5) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract only if it is in writing and signed by the parties prior to the commencement of any work covered by a change order.

(6) The contract shall contain, in close proximity to the signatures of the owner and contractor, a notice stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(7) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(8) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

(d) A home improvement contract and any changes to the contract shall be in writing and signed by the parties to the contract prior to the commencement of work covered by the contract or an applicable change order and, except as provided in paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all of the following:

(1) The name, business address, and license number of the contractor.

(2) If applicable, the name and registration number of the home improvement salesperson that solicited or negotiated the contract.

(3) The following heading on the contract form that identifies the type of contract in at least 10-point boldface type: "Home Improvement."

(4) The following statement in at least 12-point boldface type: "You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

(5) The heading: "Contract Price," followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge," followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) The heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and a description of the significant materials to be used and equipment to be installed. For swimming pools, the project description required under this paragraph also shall include a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:

"THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

(9) If payments, other than the downpayment, are to be made before the project is completed, the details of these payments, known as progress payments, shall be expressed in substantially the following form, and shall include the text of the statement as specified in subparagraph (C):

(A) A schedule of progress payments shall be preceded by the heading: "Schedule of Progress Payments."

(B) Each progress payment shall be stated in dollars and cents and specifically reference the amount of work or services to be performed and materials and equipment to be supplied.

(C) The section of the contract reserved for the progress payments shall include the following statement in at least 12-point boldface type:

"The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT."

(10) The contract shall address the commencement of work to be performed in substantially the following form:

(A) A statement that describes what constitutes substantial commencement of work under the contract.

(B) The heading: "Approximate Start Date."

(C) The approximate date on which work will be commenced.

(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

(A) The heading: "Approximate Completion Date."

(B) The approximate date of completion.

(12) If applicable, the heading: "List of Documents to be Incorporated into the Contract," followed by the list of documents incorporated into the contract.

(13) The heading: "Note About Extra Work and Change Orders," followed by the following statement:

"Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments."

(e) Except as provided in paragraph (8) of subdivision (a) of Section 7159.5, all of the following notices shall be provided to the owner as part of the contract form as specified or, if otherwise authorized under this subdivision, may be provided as an attachment to the contract:

(1) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the following statement: "A notice concerning commercial general

liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)," followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call (the insurance company) at _____ to check the contractor's insurance coverage."

(C) "(The name on the license or 'This contractor') is self-insured."

(D) "(The name on the license or 'This contractor') is a limited liability company that carries liability insurance or maintains other security as required by law. You may call (the insurance company or trust company or bank) at ____ to check on the contractor's insurance coverage or security."

(2) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement: "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(3) A notice that provides the buyer with the following information about the performance of extra or change-order work:

(A) A statement that the buyer may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order.

(B) A statement informing the buyer that extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order:

(i) The scope of work encompassed by the order.

(ii) The amount to be added or subtracted from the contract.

(iii) The effect the order will make in the progress payments or the completion date.

(C) A statement informing the buyer that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(4) A notice with the heading "Mechanics Lien Warning" written as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if they are not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's internet website at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5) The following notice shall be provided in at least 12-point typeface:

"Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions, and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's internet website at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(6) (A) The notice set forth in subparagraph (B) and entitled "Three-Day Right to Cancel," or entitled "Five-Day Right to Cancel" for contracts with a senior citizen, shall be provided to the buyer unless the contract is:

(i) Negotiated at the contractor's place of business.

(ii) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

(iii) Subject to licensure under the Alarm Company Act (Chapter 11.6 (commencing with Section 7590)), provided the alarm company licensee complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(B) (i) "Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by

midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(ii) References to "three" and "third" in the notice set forth in clause (i) shall be changed to "five" and "fifth," respectively, for a buyer who is a senior citizen.

(C) The notice required by this paragraph shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner's signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with one of the following statements, as applicable:

(I) For a contract with a senior citizen: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Five-Day Right to Cancel.'"

(II) For all other contracts: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Three-Day Right to Cancel.'"

(vi) (I) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which also shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/
(Date)

"You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If

you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.”

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller’s place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer’s signature)

(II) The reference to “three” in the statement set forth in subclause (I) shall be changed to “five” for a buyer who is a senior citizen.

(7) (A) The following notice entitled “Seven-Day Right to Cancel” shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

“Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on how to return the goods at the contractor’s expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.”

(B) The “Seven-Day Right to Cancel” notice required by this subdivision shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner’s signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: “The law requires that the contractor give you a notice explaining your

right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Seven-Day Right to Cancel.'"

(vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/
(Date)

"You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller's place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

(f) The five-day right to cancel added by the act that amended paragraph (6) of subdivision (e) shall apply to contracts entered into on or after January 1, 2021.

SEC. 3. Section 7159.10 of the Business and Professions Code is amended to read:

7159.10. (a) (1) "Service and repair contract" means an agreement between a contractor or salesperson for a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction, and a homeowner or a tenant, for the performance of a home improvement as defined in Section 7151, that conforms to the following requirements:

(A) The contract amount is seven hundred fifty dollars (\$750) or less.

(B) The prospective buyer initiated contact with the contractor to request the work.

(C) The contractor does not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.

(D) No payment is due, or accepted by the contractor, until the work is completed.

(2) As used in this subdivision, "the work is completed" means that all of the conditions that caused the buyer to contact the contractor for service and repairs have been fully corrected and, if applicable, the building department has accepted and approved the corrective work.

(b) For any contract written pursuant to subdivision (a) or otherwise presented to the buyer as a service and repair contract, unless all of the conforming requirements for service and repair contracts specified in subdivision (a) are met, the contract requirements for home improvements set forth in subdivisions (c), (d), and (e) of Section 7159 shall be applicable, including any rights to rescind the contract as set forth in Section 1689.6 or 1689.7 of the Civil Code, regardless of the aggregate contract price.

(c) If all of the requirements of subdivision (a) are met, only those notices and other requirements set forth in this section are applicable to the contract.

(d) Every service and repair contract described in subdivision (a) shall include, or otherwise comply with, all of the following:

(1) The contract, any changes to the contract, and any attachments shall be in writing and signed or acknowledged by the parties as set forth in this section, and shall be written in the same language (for example Spanish) as principally used in the oral sales presentation.

(2) The writing shall be legible.

(3) Any printed form shall be readable. Unless a larger typeface is specified in this article, the text shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(4) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by the buyer and by the contractor or the contractor's representative.

(5) The name, business address, and license number of the contractor.

(6) The date the contract was signed.

(7) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)" followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at ____ to check the contractor's insurance coverage."

(C) "(The name on the license or 'This contractor') is self-insured."

(D) "(The name on the license or 'This contractor') is a limited liability company that carries liability insurance or maintains other security as required by law. You may call (the insurance company or trust company or bank) at ____ to check on the contractor's insurance coverage or security."

(8) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(e) Every service and repair contract described in subdivision (a) shall provide the following information, notices, and disclosures in the contract:

(1) Notice of the type of contract in at least 10-point boldface type: "Service and Repair."

(2) A notice in at least 12-point boldface type, signed and dated by the buyer: "Notice to the Buyer: The law requires that service and repair contracts must meet all of the following requirements:

(A) The price must be no more than seven hundred and fifty dollars (\$750).

(B) You, the buyer, must have initiated contact with the contractor to request the work.

(C) The contractor must not sell you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.

(D) No payment is due and the contractor may not accept any payment until the work is completed."

(3) The notice in at least 12-point boldface type: "Notice to the Buyer: You are entitled to a completely filled in and signed copy of this agreement before any work may be started."

(4) If applicable, the heading "List of Documents to be Incorporated into the Contract," followed by the list of documents to be incorporated into the contract.

(5) Where the contract is a fixed contract amount, the heading: "Contract Price" followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge" followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) Where the contract is estimated by a time and materials formula, the heading "Estimated Contract Price" followed by the estimated contract amount in dollars and cents. The contract must disclose the set rate and the estimated cost of materials. The contract must also disclose how time will be computed, for example, in increments of quarter hours, half hours, or hours, and the statement: "The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer."

(8) The heading: "Description of the Project and Materials to be Used and Equipment to be Installed" followed by a description of the project and materials to be used and equipment to be installed.

(9) The statement: "The law requires that the contractor offer you any parts that were replaced during the service call. If you do not want the parts, initial the checkbox labeled 'OK for contractor to take replaced parts.'"

(10) A checkbox labeled "OK for contractor to take replaced parts."

(11) If a service charge is charged, the heading "Amount of Service Charge" followed by the service charge, and the statement "You may be charged only one service charge, including any trip charge or inspection fee."

(12) (A) (i) The contract, or an attachment to the contract as specified under subparagraph (C) of this paragraph, must include, in immediate proximity to the space reserved for the buyer's signature, the following statement, in at least 12-point boldface type, which shall be dated and signed by the buyer:

"YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

(A) You, the buyer, have the right to cancel this contract until:

1. You receive a copy of this contract signed and dated by you and the contractor; and

2. The contractor starts work.

(B) However, even if the work has begun you, the buyer, may still cancel the contract for any of the reasons specified in items 1 through 4 of this paragraph. If any of these reasons occur, you may cancel the contract within three business days of signing the contract for normal service and repairs, or within seven business days of signing a contract to repair or correct conditions resulting from any sudden or catastrophic event for

which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

1. You may cancel the contract if the price, including all labor and materials, is more than seven hundred fifty dollars (\$750).
2. You may cancel the contract if you did not initiate the contact with the contractor to request the work.
3. You may cancel the contract if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.
4. You may cancel the contract if the payment was due or the contractor accepted any money before the work was complete.

(C) If any of these reasons for canceling occurred, you may cancel the contract as specified under paragraph (B) above by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days or, if applicable, seven business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(ii) References to "three" in the statement set forth in clause (i) shall be changed to "five" for a buyer who is a senior citizen.

(iii) The five-day right to cancel added by the act that added clause (ii) to this subparagraph shall apply to contracts entered into on or after January 1, 2021.

(B) This paragraph does not apply to home improvement contracts entered into by a person who holds an alarm company operator's license issued pursuant to Chapter 11.6 (commencing with Section 7590), provided the person complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(C) The notice required in this paragraph may be incorporated as an attachment to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(i) "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.' "

(ii) "The law requires that the contractor give you a notice explaining your right to cancel contracts for the repair or restoration of residential premises damaged by a disaster. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.' "

(f) A bona fide service repairperson employed by a licensed contractor or subcontractor hired by a licensed contractor may enter into a service and repair contract on behalf of that contractor.

(g) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

SEC. 4. Section 1689.5 of the Civil Code is amended to read:

1689.5. As used in Sections 1689.6 to 1689.11, inclusive, and in Section 1689.14, all of the following definitions apply:

(a) "Home solicitation contract or offer" means any contract, whether single or multiple, or any offer which is

subject to approval, for the sale, lease, or rental of goods or services or both, made at other than appropriate trade premises in an amount of twenty-five dollars (\$25) or more, including any interest or service charges. "Home solicitation contract" does not include any contract under which the buyer has the right to rescind pursuant to Title 1, Chapter 2, Section 125 of the Federal Consumer Credit Protection Act (P.L. 90-321) and the regulations promulgated pursuant thereto.

(b) "Appropriate trade premises," means premises where either the owner or seller normally carries on a business, or where goods are normally offered or exposed for sale in the course of a business carried on at those premises.

(c) "Goods" means tangible chattels bought for use primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods, and including goods that, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of the real property whether or not severable therefrom, but does not include any vehicle required to be registered under the Vehicle Code, nor any goods sold with this vehicle if sold under a contract governed by Section 2982, and does not include any mobilehome, as defined in Section 18008 of the Health and Safety Code, nor any goods sold with this mobilehome if either are sold under a contract subject to Section 18036.5 of the Health and Safety Code.

(d) "Services" means work, labor and services, including, but not limited to, services furnished in connection with the repair, restoration, alteration, or improvement of residential premises, or services furnished in connection with the sale or repair of goods as defined in Section 1802.1, and courses of instruction, regardless of the purpose for which they are taken, but does not include the services of attorneys, real estate brokers and salesmen, securities dealers or investment counselors, physicians, optometrists, or dentists, nor financial services offered by banks, savings institutions, credit unions, industrial loan companies, personal property brokers, consumer finance lenders, or commercial finance lenders, organized pursuant to state or federal law, that are not connected with the sale of goods or services, as defined herein, nor the sale of insurance that is not connected with the sale of goods or services as defined herein, nor services in connection with the sale or installation of mobilehomes or of goods sold with a mobilehome if either are sold or installed under a contract subject to Section 18036.5 of the Health and Safety Code, nor services for which the tariffs, rates, charges, costs, or expenses, including in each instance the time sale price, is required by law to be filed with and approved by the federal government or any official, department, division, commission, or agency of the United States or of the state.

(e) "Business day" means any calendar day except Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

(f) "Senior citizen" means an individual who is 65 years of age or older.

SEC. 5. Section 1689.6 of the Civil Code is amended to read:

1689.6. (a) (1) Except for a contract written pursuant to Section 7151.2 or 7159.10 of the Business and Professions Code, in addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer until midnight of the third business day, or until midnight of the fifth business day if the buyer is a senior citizen, after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7.

(2) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code until midnight of the third business day, or until midnight of the fifth business day if the buyer is a senior citizen, after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with Section 1689.7 of this code.

(3) (A) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer to purchase written pursuant to Section 7159.10 of the Business and Professions Code, until the buyer receives a signed and dated copy of a service and repair contract that complies with the contract requirements specified in Section 7159.10 of the Business and Professions Code and the work commences.

(B) For any contract written pursuant to Section 7159.10 of the Business and Professions Code, or otherwise presented to the buyer as a service and repair contract, unless all of the conforming requirements listed under subdivision (a) of that section are met, the requirements set forth under Section 7159 of the Business and

Professions Code shall be applicable, regardless of the aggregate contract price, including the right to cancel as set forth under this section.

(4) The five-day right to cancel added by the act that amended paragraphs (1) and (2) shall apply to contracts entered into, or offers to purchase conveyed, on or after January 1, 2021.

(b) In addition to any other right to revoke an offer, any buyer has the right to cancel a home solicitation contract or offer for the purchase of a personal emergency response unit until midnight of the seventh business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7. This subdivision shall not apply to a personal emergency response unit installed with, and as part of, a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, which shall instead be subject to subdivision (a).

(c) In addition to any other right to revoke an offer, a buyer has the right to cancel a home solicitation contract or offer for the repair or restoration of residential premises damaged by a disaster that was not void pursuant to Section 1689.14, until midnight of the seventh business day after the buyer signs and dates the contract unless the provisions of Section 1689.15 are applicable.

(d) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement or offer.

(e) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(f) Notice of cancellation given by the buyer need not take the particular form as provided with the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the home solicitation contract or offer.

(g) "Personal emergency response unit," for purposes of this section, means an in-home radio transmitter device or two-way radio device generally, but not exclusively, worn on a neckchain, wrist strap, or clipped to clothing, and connected to a telephone line through which a monitoring station is alerted of an emergency and emergency assistance is summoned.

SEC. 6. Section 1689.7 of the Civil Code is amended to read:

1689.7. (a) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, in a home solicitation contract or offer, the buyer's agreement or offer to purchase shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation, shall be dated, shall be signed by the buyer, and except as provided in paragraph (2), shall contain in immediate proximity to the space reserved for the buyer's signature, a conspicuous statement in a size equal to at least 10-point boldface type, as follows:

(A) For a buyer who is a senior citizen: "You, the buyer, may cancel this transaction at any time prior to midnight of the fifth business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(B) For all other buyers: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(2) The statement required pursuant to this subdivision for a home solicitation contract or offer for the purchase of a personal emergency response unit, as defined in Section 1689.6, that is not installed with and as part of a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) that has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, is as follows: "You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(3) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, the statement required pursuant to this subdivision for the repair or restoration of residential premises damaged by a disaster pursuant to subdivision (c) of Section 1689.6 is as follows: "You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(4) (A) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that is subject to Section 7159 of the Business and Professions Code shall include in immediate proximity to the space reserved for the buyer's signature, the following statement in a size equal to at least 12-point boldface type, which shall be dated and signed by the buyer:

"Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(B) References to "three" and "third" in the statement set forth in subparagraph (A) shall be changed to "five" and "fifth," respectively, for a buyer who is a senior citizen.

(b) The agreement or offer to purchase shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the following: (1) the name and address of the seller to which the notice is to be mailed, and (2) the date the buyer signed the agreement or offer to purchase.

(c) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, or except as provided in subdivision (d), the agreement or offer to purchase shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation" which shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain in type of at least 10-point the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If

you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.”

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____ /name of seller/ _____ ,

at _____ /address of seller’s place of business/ _____

not later than midnight of(Date).

I hereby cancel this transaction. _____ (Date) _____

_____ (Buyer’s signature)

(2) The reference to “three” in the statement set forth in paragraph (1) shall be changed to “five” for a buyer who is a senior citizen.

(d) Any agreement or offer to purchase a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, shall be subject to the requirements of subdivision (c), and shall be accompanied by the “Notice of Cancellation” required by subdivision (c), except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(e) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that is subject to Section 7159 of the Business and Professions Code shall include, in immediate proximity to the space reserved for the buyer’s signature, the following statement in a size equal to at least 12-point boldface type, which shall be signed and dated by the buyer:

“Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on how to return the goods at the contractor’s expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.”

(f) The seller shall provide the buyer with a copy of the contract or offer to purchase and the attached notice of cancellation, and shall inform the buyer orally of the buyer’s right to cancel and the requirement that cancellation be in writing, at the time the home solicitation contract or offer is executed.

(g) Until the seller has complied with this section the buyer may cancel the home solicitation contract or offer.

(h) “Contract or sale” as used in subdivision (c) means “home solicitation contract or offer” as defined by Section 1689.5.

(i) The five-day right to cancel added by the act that added subparagraph (A) to paragraph (1) and subparagraph (B) to paragraph (3) of subdivision (a), and paragraph (2) to subdivision (c) shall apply to contracts, or offers to purchase conveyed, entered into, on or after January 1, 2021.

SEC. 7. Section 1689.13 of the Civil Code is amended to read:

1689.13. Sections 1689.5, 1689.6, 1689.7, 1689.10, 1689.12, and 1689.14 do not apply to a contract that meets all of the following requirements:

(a) The contract is initiated by the buyer or the buyer's agent or insurance representative.

(b) The contract is executed in connection with making of emergency or immediately necessary repairs that are necessary for the immediate protection of persons or real or personal property.

(c) (1) The buyer gives the seller a separate statement that is dated and signed that describes the situation that requires immediate remedy, and expressly acknowledges and waives the right to cancel the sale within three, five, or seven business days, whichever applies.

(2) The waiver of the five-day right to cancel added by the act that amended paragraph (1) shall apply to contracts entered into, or offers to purchase conveyed, on or after January 1, 2021.

SEC. 8. Section 1689.20 of the Civil Code is amended to read:

1689.20. (a) (1) In addition to any other right to revoke an offer, the buyer has the right to cancel a seminar sales solicitation contract or offer until midnight of the third business day, or until midnight of the fifth business day if the buyer is a senior citizen, after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.21.

(2) The five-day right to cancel added by the act that amended paragraph (1) shall apply to contracts entered into, or offers to purchase conveyed, on or after January 1, 2021.

(b) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement or offer.

(c) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(d) Notice of cancellation given by the buyer need not take the particular form as provided with the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the seminar sales solicitation contract or offer.

SEC. 9. Section 1689.21 of the Civil Code is amended to read:

1689.21. (a) In a seminar sales solicitation contract or offer, the buyer's agreement or offer to purchase shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation, shall be dated, signed by the buyer, and shall contain in immediate proximity to the space reserved for the buyer's signature, a conspicuous statement in a size equal to at least 10-point bold type, as follows:

(1) For a buyer who is a senior citizen: "You, the buyer, may cancel this transaction at any time prior to midnight of the fifth business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(2) For all other buyers: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(b) The agreement or offer to purchase shall contain on the first page, in a type size no smaller than that generally used in the body of the document, each of the following:

(1) The name and address of the seller to which the notice is to be mailed.

(2) The date the buyer signed the agreement or offer to purchase.

(c) (1) The agreement or offer to purchase shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain in type of at least 10-point, the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/ _____

(Date) _____

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to

_____at

/name of seller//Address of sellers place of business/

not later than midnight of

_____ (Date)

I hereby cancel this transaction

_____ (Date)

(Buyer's signature) _____

(2) The reference to "three" in the statement set forth in paragraph (1) shall be changed to "five" for a buyer who is a senior citizen.

(d) The seller shall provide the buyer with a copy of the contract or offer to purchase and the attached notice of cancellation, and shall inform the buyer orally of the buyer's right to cancel at the time the seminar sales solicitation contract or offer is executed.

(e) Until the seller has complied with this section, the buyer may cancel the seminar sales solicitation contract or offer.

(f) "Contract or sale" as used in subdivision (c), means "seminar sales solicitation contract or offer" as defined by Section 1689.24.

(g) The five-day right to cancel added by the act that added paragraph (1) to subdivision (a) and added paragraph (2) to subdivision (c) shall apply to contracts entered into or offers to purchase conveyed on or after January 1, 2021.

SEC. 10. Section 1689.24 of the Civil Code is amended to read:

1689.24. As used in Sections 1689.20 to 1689.23, inclusive:

(a) "Seminar sales solicitation contract or offer" means any contract, whether single or multiple, or any offer which is subject to approval, for the sale, lease, or rental of goods or services or both, made using selling techniques in a seminar setting in an amount of twenty-five dollars (\$25) or more, including any interest or service charges. "Seminar sales solicitation contract" does not include any contract under which the buyer has the right to rescind pursuant to Title 1, Chapter 2, Section 125 of the Federal Consumer Credit Protection Act (Public Law 90-321) and the regulations promulgated pursuant thereto or any contract which contains a written and dated statement signed by the prospective buyer stating that the negotiation between the parties was initiated by the prospective buyer.

(b) "Seminar setting" means premises other than the residence of the buyer.

(c) "Goods" means tangible chattels bought for use primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods, and including goods which, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of the real property whether or not severable therefrom, but does not include any vehicle required to be registered under the Vehicle Code, nor any goods sold with a vehicle if sold under a contract governed by Section 2982, and does not include any mobilehome, as defined in Section 18008 of the Health and Safety Code, nor any goods sold with a mobilehome if either are sold under a contract subject to Section 18036.5 of the Health and Safety Code.

(d) "Services" means work, labor and services, including, but not limited to, services furnished in connection with the repair, alteration, or improvement of residential premises, or services furnished in connection with the sale or repair of goods as defined in Section 1802.1, and courses of instruction, regardless of the purpose for which they are taken, but does not include the services of attorneys, real estate brokers and salesmen, securities dealers or investment counselors, physicians, optometrists, or dentists, nor financial services offered by banks, savings institutions, credit unions, industrial loan companies, personal property brokers, consumer finance lenders, or commercial finance lenders, organized pursuant to state or federal law, which are not connected with the sale of goods or services, as defined herein, nor the sale of insurance which is not connected with the sale of goods or services as defined herein, nor services in connection with the sale or installation of mobilehomes or of goods sold with a mobilehome if either are sold or installed under a contract subject to Section 18036.5 of the Health and Safety Code, nor services for which the tariffs, rates, charges, costs, or expenses, including in each instance the time sale price, is required by law to be filed with and approved by the federal government or any official, department, division, commission, or agency of the United States or of the State of California.

(e) "Business day" means any calendar day except Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

(f) "Senior citizen" means an individual who is 65 years of age or older.

SEC. 11. Section 5898.16 of the Streets and Highways Code, as amended by Section 8 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.16. (a) A public agency shall not permit a property owner to participate in any program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4 if any of the following apply:

(1) The property owner's participation would result in the total amount of the annual property taxes and assessments exceeding 5 percent of the property's market value, as determined at the time of approval of the property owner's contractual assessment.

(2) The property does not comply with the conditions specified in paragraphs (1) to (5), inclusive, and paragraph (8), and, in addition, for properties with energy efficiency improvements specified under Section 5898.20 of this code and paragraph (7) of subdivision (a) of Section 26063 of the Public Resources Code.

(b) A public agency shall not permit the property owner to participate in any program established pursuant to

this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4 unless the property owner is given the right to cancel the contractual assessment without penalty or obligation, consistent with the following:

(1) (A) The property owner shall receive the right to cancel document set forth below or a substantially similar document that displays the same information in a substantially similar format. The document shall be provided to the property owner as a printed copy unless the property owner agrees to an electronic copy.

Right to Cancel

Property Owner: [Owner Full Name],[Phone],[Email]

Property Address: [Property Address]

Your Right to Cancel:

You are entering into a contractual assessment with [Provider] for financing that will result in a lien on the property at [Property Address]. You may cancel this transaction, without cost, on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

If you cancel the transaction, [Provider], within 20 calendar days after [Provider] receives notice of cancellation, must take the steps necessary to reflect the fact that, if recorded, the lien on your property has been discharged and removed from the tax rolls, and [Provider] must return to you any money you have given in connection with your application, not including the application processing fee. After [Provider] has done the things mentioned above, you must return any money paid to you or on your behalf, whether to your contractor or any other person. All money must be returned to the address below.

If you cancel the transaction:

- You will not be charged a cancellation fee; and
- You will be refunded any money you have given, excluding application and processing fees as applicable.

To cancel this transaction, you may submit this form to [Provider] in writing at:

Provider: _____

Attn: Right to Cancel Notification

Email: _____

Fax number: _____

Address: _____

Deadline to Cancel:

If you want to cancel this transaction, you must submit this form on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. If you cancel by mail, fax, or email, you must send the notice no later than midnight of the third business day following the date on which you signed the contractual assessment. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.

(3) The date you received this notice of your right to cancel.

I WISH TO CANCEL

Property Owner

Date

(B) References to "third" in the notice to cancel document set forth in subparagraph (A) shall be changed to "fifth" for a property owner who is a senior citizen.

(C) The five-day right to cancel added by the act that added subparagraph (B) to this paragraph shall apply to a contractual assessment entered into on or after January 1, 2021.

(2) The property owner is deemed to have given notice of cancellation at the moment that the property owner sends the notice by mail, email, or fax or at the moment that the property owner otherwise delivers the notice, as applicable.

(c) This section only applies to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4 for a residential property with four or fewer units.

(d) For the purposes of this section, the following definitions apply:

(1) "Property owner" shall include all owners of record.

(2) "Senior citizen" means an individual who is 65 years of age or older.

(e) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 12. Section 5898.16 of the Streets and Highways Code, as added by Section 9 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.16. (a) A public agency shall not permit a property owner to participate in any program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 if any of the following apply:

(1) The property owner's participation would result in the total amount of the annual property taxes and assessments exceeding 5 percent of the property's market value, as determined at the time of approval of the property owner's contractual assessment.

(2) The property does not comply with the conditions specified in paragraphs (1) to (5), inclusive, and paragraph (8), and, in addition, for properties with energy efficiency improvements specified under Section 5898.20 of this code and paragraph (7) of subdivision (a) of Section 26063 of the Public Resources Code.

(b) A public agency shall not permit the property owner to participate in any program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 unless the property owner is given the right to cancel the contractual assessment without penalty or obligation, consistent with the following:

(1) (A) The property owner shall receive the right to cancel document set forth below or a substantially similar document that displays the same information in a substantially similar format. The document shall be provided to the property owner as a printed copy unless the property owner agrees to an electronic copy.

Right to Cancel

Property Owner: [Owner Full Name],[Phone],[Email]

Property Address: [Property Address]

Your Right to Cancel:

You are entering into a contractual assessment with [Provider] for financing that will result in a lien on the property at [Property Address]. You may cancel this transaction, without cost, on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

If you cancel the transaction, [Provider], within 20 calendar days after [Provider] receives notice of cancellation, must take the steps necessary to reflect the fact that, if recorded, the lien on your property has been discharged and removed from the tax rolls, and [Provider] must return to you any money you have given in connection with your application, not including the application processing fee. After [Provider] has done the things mentioned above, you must return any money paid to you or on your behalf, whether to your contractor or any other person. All money must be returned to the address below.

If you cancel the transaction:

- You will not be charged a cancellation fee; and
- You will be refunded any money you have given, excluding application and processing fees as applicable.

To cancel this transaction, you may submit this form to [Provider] in writing at:

Provider: _____

Attn: Right to Cancel Notification

Email: _____

Fax number: _____

Address: _____

Deadline to Cancel:

If you want to cancel this transaction, you must submit this form on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. If you cancel by mail, fax, or email, you must send the notice no later than midnight of the third business day following the date on which you signed the contractual assessment. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

I WISH TO CANCEL

Property Owner

Date

"fifth" for a property owner who is a senior citizen.

(C) The five-day right to cancel added by the act that added subparagraph (B) to this paragraph shall apply to a contractual assessment entered into on or after January 1, 2021.

(2) The property owner is deemed to have given notice of cancellation at the moment that the property owner sends the notice by mail, email, or fax or at the moment that the property owner otherwise delivers the notice, as applicable.

(c) This section only applies to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 for a residential property with four or fewer units.

(d) For the purposes of this section, the following definitions apply:

(1) "Property owner" shall include all owners of record.

(2) "Senior citizen" means an individual who is 65 years of age or older.

(e) This section shall become operative on January 1, 2029.

SEC. 13. Section 5898.17 of the Streets and Highways Code, as amended by Section 10 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.17. (a) The disclosure set forth below, or a substantially equivalent document that displays the same information in a substantially similar format, shall be completed and delivered to a property owner before the property owner consummates a voluntary contractual assessment described in this chapter for purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4, or a special tax described in Section 53328.1 of the Government Code. The disclosure shall be provided to the property owner as a printed copy unless the property owner agrees to an electronic copy. A sample of the disclosure set forth below shall be maintained on a public internet website available to property owners.

(b) (1) This section only applies to disclosure to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4 for a residential property with four or fewer units.

Financing Estimate and Disclosure

Notice to Property Owner: You have the right to request that a hard copy of this document be provided to you before and after reviewing and signing. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

Customer Service Toll-Free telephone number and email:

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free telephone number: _____

Customer service email address: _____

Products and Costs

Product costs (including labor/installation) \$ _____

Description

- 1.
- 2.
- 3.

Financing Costs

Application fees and costs \$ _____
Prepaid Interest \$ _____
Other Costs \$ _____
Total Amount Financed \$ _____

Annual Percentage Rate (APR) _____ %
Simple Interest Rate _____ %
Total Annual Principal, Interest, and Administrative Fees \$ _____

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment.

See "Other Important Considerations" below

Total Amount you will have paid over the life of the financing \$ _____

Other Costs
Appraisal Fees \$ _____
Bond related costs \$ _____
Annual Administrative fees \$ _____
Estimated closing costs \$ _____
Credit Reporting Fees \$ _____
Recording Fees \$ _____

Total Financing Costs and Closing Costs \$ _____

Estimated Cash (out of pocket) to close \$ _____

Other Terms
Prepayment fee No Yes _____

Additional Information About These Financing Comparisons[Use this information to compare to other financing options]

Over the term of the financing \$ _____ Principal you will have paid off.
\$ _____ Amount of interest you have paid.
\$ _____ Amount of financing and other costs you will have paid.
\$ _____ Total you will have paid.

Annual Percentage Rate _____ %

Total Interest Paid (as a percentage of all the payments you have made) _____ %

Other Important Considerations

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

_____[Borrower initials]

Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will need to save an estimated \$ _____ for your first tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that

your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.

____ [Borrower initials]

Tax Benefits: Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.

____ [Borrower initials]

Statutory Penalties: If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.

____ [Borrower initials]

Three Day Right to Cancel

You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation. To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:

____ [name of business] at
____ [address]

You may also cancel the contract by sending notification of cancellation by email to the following email address:
____ [email address of business].

____ [Borrower initials]

Confirmation of Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

[Property Owner Signature - Date]

[Property Owner Signature - Date]

(2) References to "three" and "third" in the document set forth in paragraph (1) shall be changed to "five" and "fifth," respectively, for a property owner who is a senior citizen.

(3) The five-day right to cancel added by the act that added paragraph (2) to this subdivision shall apply to a contractual assessment entered into on or after January 1, 2021.

(c) A public agency or other party to a voluntary contractual assessment described in this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4, or a special tax described in Section 53328.1 of the Government Code shall not make any monetary or percentage representations of increased value to a property owner regarding the effect the financed improvements will have on the market value of the property unless that public agency or other party derives its estimates of the market value using one of the following:

(1) An automated valuation model, which is a computerized property valuation system that is used to derive a real property value.

(2) A broker's price opinion conducted by a real estate broker licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code.

(3) An appraisal conducted by a state licensed real estate appraiser licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

(d) For purposes of this section, "property owner" shall include all owners of record.

(e) For purposes of this section, "senior citizen" means an individual who is 65 years of age or older.

(f) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 13.5. Section 5898.17 of the Streets and Highways Code, as amended by Section 10 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.17. (a) The disclosure set forth below, or a substantially equivalent document that displays the same information in a substantially similar format, shall be completed and delivered to a property owner before the property owner consummates a voluntary contractual assessment described in this chapter for purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4, or a special tax described in Section 53328.1 of the Government Code. The disclosure shall be provided to the property owner as a printed paper copy in no smaller than 12-point type, unless the property owner opts out of receiving a printed paper copy in writing by signing a printed paper document. A property owner who opts out of receiving a printed paper copy of the disclosure shall be provided with an electronic copy in accordance with the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code). A sample of the disclosure set forth below shall be maintained on a public internet website available to property owners.

(b) (1) This section only applies to disclosure to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4 for a residential property with four or fewer units.

Financing Estimate and Disclosure

Notice to Property Owner: Existing law requires that a printed paper copy of this document be provided to you before reviewing and signing, unless you opt out, in writing, to that printed copy by signing a printed paper document. If you opt out of receiving a printed paper copy of this disclosure, an electronic copy will be provided to you. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

Customer Service Toll-Free telephone number and email:

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free telephone number: _____

Customer service email address: _____

Products and Costs

Product costs (including labor/installation) \$ _____

Description

- 1.
- 2.
- 3.

Financing Costs

Application fees and costs \$ _____

Prepaid Interest \$ _____

Other Costs \$ _____

Total Amount Financed \$ _____

Annual Percentage Rate (APR) _____%

Simple Interest Rate _____%

Total Annual Principal, Interest, and Administrative Fees \$ _____

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment.

See "Other Important Considerations" below

Total Amount you will have paid over the life of the financing \$ _____

Other Costs
Appraisal Fees \$ _____
Bond related costs \$ _____
Annual Administrative fees \$ _____
Estimated closing costs \$ _____
Credit Reporting Fees \$ _____
Recording Fees \$ _____

Total Financing Costs and Closing Costs \$ _____

Estimated Cash (out of pocket) to close \$ _____

Other Terms
Prepayment fee No Yes _____

Additional Information About These Financing Comparisons[Use this information to compare to other financing options]

Over the term of the financing \$ _____ Principal you will have paid off.
\$ _____ Amount of interest you have paid.
\$ _____ Amount of financing and other costs you will have paid.
\$ _____ Total you will have paid.

Annual Percentage Rate _____%

Total Interest Paid (as a percentage of all the payments you have made) _____%

Other Important Considerations

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

_____[Borrower initials]

Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will need to save an estimated \$ _____ for your first tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.

_____[Borrower initials]

Tax Benefits: Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.

_____ [Borrower initials]

Statutory Penalties: If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.

_____ [Borrower initials]

Three Day Right to Cancel

You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation. To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:

_____ [name of business] at

_____ [address]

You may also cancel the contract by sending notification of cancellation by email to the following email address:

_____ [email address of business].

_____ [Borrower initials]

Confirmation of Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

_____ [Property Owner Signature - Date]

_____ [Property Owner Signature - Date]

(2) References to "three" and "third" in the document set forth in paragraph (1) shall be changed to "five" and "fifth," respectively, for a property owner who is a senior citizen.

(3) The five-day right to cancel added by the act that added paragraph (2) to this subdivision shall apply to a contractual assessment entered into on or after January 1, 2021.

(c) A public agency or other party to a voluntary contractual assessment described in this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or 5899.4, or a special tax described in Section 53328.1 of the Government Code shall not make any monetary or percentage representations of increased value to a property owner regarding the effect the financed improvements will have on the market value of the property unless that public agency or other party derives its estimates of the market value using one of the following:

(1) An automated valuation model, which is a computerized property valuation system that is used to derive a real property value.

(2) A broker's price opinion conducted by a real estate broker licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code.

(3) An appraisal conducted by a state licensed real estate appraiser licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

(d) For purposes of this section, "property owner" shall include all owners of record.

(e) For purposes of this section, "senior citizen" means an individual who is 65 years of age or older.

(f) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 14. Section 5898.17 of the Streets and Highways Code, as added by Section 11 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.17. (a) The disclosure set forth below, or a substantially equivalent document that displays the same information in a substantially similar format, shall be completed and delivered to a property owner before the

property owner consummates a voluntary contractual assessment described in this chapter for purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3, or a special tax described in Section 53328.1 of the Government Code. The disclosure shall be provided to the property owner as a printed copy unless the property owner agrees to an electronic copy. A sample of the disclosure set forth below shall be maintained on a public internet website available to property owners.

(b) (1) This section only applies to disclosure to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 for a residential property with four or fewer units.

Financing Estimate and Disclosure

Notice to Property Owner: You have the right to request that a hard copy of this document be provided to you before and after reviewing and signing. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

Customer Service Toll-Free telephone number and email:

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free telephone number: _____

Customer service email address: _____

Products and Costs

Product costs (including labor/installation) \$ _____

Description

- 1.
- 2.
- 3.

Financing Costs

Application fees and costs \$ _____
Prepaid Interest \$ _____
Other Costs \$ _____
Total Amount Financed \$ _____

Annual Percentage Rate (APR) _____ %
Simple Interest Rate _____ %
Total Annual Principal, Interest, and Administrative Fees \$ _____

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment.

See "Other Important Considerations" below

Total Amount you will have paid over the life of the financing \$ _____

Other Costs
Appraisal Fees \$ _____
Bond related costs \$ _____
Annual Administrative fees \$ _____
Estimated closing costs \$ _____
Credit Reporting Fees \$ _____
Recording Fees \$ _____

Total Financing Costs and Closing Costs \$ _____

Estimated Cash (out of pocket) to close
\$ _____

Other Terms
Prepayment fee No Yes _____

Additional Information About These Financing
Comparisons[Use this information to compare to other financing options]

Over the term of the financing \$ _____ Principal you will have paid off.
\$ _____ Amount of interest you have paid.
\$ _____ Amount of financing and other costs
you will have paid.
\$ _____ Total you will have paid.

Annual Percentage Rate _____%

Total Interest Paid (as a percentage of all the payments you
have made) _____%

Other Important Considerations

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

____ [Borrower initials]

Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will need to save an estimated \$ _____ for your first tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.

____ [Borrower initials]

Tax Benefits: Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.

____ [Borrower initials]

Statutory Penalties: If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.

____ [Borrower initials]

Three Day Right to Cancel

You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation. To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:

_____ [name of business] at
_____ [address]

You may also cancel the contract by sending notification of cancellation by email to the following email address:
_____ [email address of business].

_____ [Borrower initials]

Confirmation of Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

[Property Owner Signature - Date]

[Property Owner Signature - Date]

(2) References to "three" and "third" in the document set forth in paragraph (1) shall be changed to "five" and "fifth," respectively, for a property owner who is a senior citizen.

(3) The five-day right to cancel added by the act that added paragraph (2) to this subdivision shall apply to a contractual assessment entered into on or after January 1, 2021.

(c) A public agency or other party to a voluntary contractual assessment described in this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3, or a special tax described in Section 53328.1 of the Government Code shall not make any monetary or percentage representations of increased value to a property owner regarding the effect the financed improvements will have on the market value of the property unless that public agency or other party derives its estimates of the market value using one of the following:

(1) An automated valuation model, which is a computerized property valuation system that is used to derive a real property value.

(2) A broker's price opinion conducted by a real estate broker licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code.

(3) An appraisal conducted by a state licensed real estate appraiser licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

(d) For purposes of this section, "property owner" shall include all owners of record.

(e) For purposes of this section, "senior citizen" means an individual who is 65 years of age or older.

(f) This section shall become operative on January 1, 2029.

SEC. 14.5. Section 5898.17 of the Streets and Highways Code, as added by Section 11 of Chapter 837 of the Statutes of 2018, is amended to read:

5898.17. (a) The disclosure set forth below, or a substantially equivalent document that displays the same information in a substantially similar format, shall be completed and delivered to a property owner before the property owner consummates a voluntary contractual assessment described in this chapter for purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3, or a special tax described in Section 53328.1 of the Government Code. The disclosure shall be provided to the property owner as a printed paper copy in no smaller than 12-point type, unless the property owner opts out of receiving a printed paper copy in writing by signing a printed paper document. A property owner who opts out of receiving a printed paper copy of the disclosure shall be provided with an electronic copy in accordance with the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code). A sample of the disclosure set forth below shall be maintained on a public internet website available to property owners.

(b) (1) This section only applies to disclosure to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 for a residential property with four or fewer units.

Notice to Property Owner: Existing law requires that a printed paper copy of this document be provided to you before reviewing and signing, unless you opt out, in writing, to that printed copy by signing a printed paper document. If you opt out of receiving a printed paper copy of this disclosure, an electronic copy will be provided to you. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

Customer Service Toll-Free telephone number and email:

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free telephone number: _____

Customer service email address: _____

Products and Costs

Product costs (including labor/installation) \$ _____

Description

- 1.
- 2.
- 3.

Financing Costs

Application fees and costs \$ _____
Prepaid Interest \$ _____
Other Costs \$ _____
Total Amount Financed \$ _____

Annual Percentage Rate (APR) _____ %
Simple Interest Rate _____ %
Total Annual Principal, Interest, and Administrative Fees \$ _____

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment.

See "Other Important Considerations" below

Total Amount you will have paid over the life of the financing \$ _____

Other Costs
Appraisal Fees \$ _____
Bond related costs \$ _____
Annual Administrative fees \$ _____
Estimated closing costs \$ _____
Credit Reporting Fees \$ _____
Recording Fees \$ _____

Total Financing Costs and Closing Costs \$ _____

Estimated Cash (out of pocket) to close \$ _____

Other Terms

Prepayment fee No Yes _____

Additional Information About These Financing Comparisons[Use this information to compare to other financing options]

Over the term of the financing \$_____ Principal you will have paid off.
\$_____ Amount of interest you have paid.
\$_____ Amount of financing and other costs
you will have paid.
\$_____ Total you will have paid.

Annual Percentage Rate _____%

Total Interest Paid (as a percentage of all the payments you have made) _____%

Other Important Considerations

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

____ [Borrower initials]

Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will need to save an estimated \$_____ for your first tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.

____ [Borrower initials]

Tax Benefits: Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.

____ [Borrower initials]

Statutory Penalties: If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.

____ [Borrower initials]

Three Day Right to Cancel

You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation. To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:

_____ [name of business] at
_____ [address]

You may also cancel the contract by sending notification of cancellation by email to the following email address:

_____ [email address of business].

____ [Borrower initials]

Confirmation of Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

(2) References to "three" and "third" in the document set forth in paragraph (1) shall be changed to "five" and "fifth," respectively, for a property owner who is a senior citizen.

(3) The five-day right to cancel added by the act that added paragraph (2) to this subdivision shall apply to a contractual assessment entered into on or after January 1, 2021.

(c) A public agency or other party to a voluntary contractual assessment described in this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3, or a special tax described in Section 53328.1 of the Government Code shall not make any monetary or percentage representations of increased value to a property owner regarding the effect the financed improvements will have on the market value of the property unless that public agency or other party derives its estimates of the market value using one of the following:

(1) An automated valuation model, which is a computerized property valuation system that is used to derive a real property value.

(2) A broker's price opinion conducted by a real estate broker licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code.

(3) An appraisal conducted by a state licensed real estate appraiser licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

(d) For purposes of this section, "property owner" shall include all owners of record.

(e) For purposes of this section, "senior citizen" means an individual who is 65 years of age or older.

(f) This section shall become operative on January 1, 2029.

SEC. 15. (a) Section 13.5 of this bill incorporates amendments to Section 5898.17 of the Streets and Highways Code, as amended by Section 10 of Chapter 837 of the Statutes of 2018, proposed by both this bill and Assembly Bill No. 1551. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2021, (2) each bill amends Section 5898.17 of the Streets and Highways Code, and (3) this bill is enacted after Assembly Bill No. 1551, in which case Section 13 of this bill shall not become operative.

(b) Section 14.5 of this bill incorporates amendments to Section 5898.17 of the Streets and Highways Code, as added by Section 11 of Chapter 837 of the Statutes of 2018, proposed by both this bill and Assembly Bill No. 1551. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2021, (2) each bill amends Section 5898.17 of the Streets and Highways Code, and (3) this bill is enacted after Assembly Bill No. 1551, in which case Section 14 of this bill shall not become operative.