

ASSEMBLY BILL

No. 1234

Introduced by Assembly Member Wolk

February 23, 2007

An act to add Article 1.9 (commencing with Section 1103.50) to Chapter 2 of Title 4 of Part 4 of Division 2 of the Civil Code, and to add Section 382.5 to the Public Utilities Code, relating to real property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1234, as introduced, Wolk. Real property: furnaces.

(1) Existing law requires specified written disclosures to be made to prospective transferees of real property and a waiver of these provisions is declared void as a violation of public policy.

This bill would require the transferor of real property to disclose to a prospective transferee whether a residential dwelling unit has a floor furnace, old floor furnace, or old wall furnace, as specified. The bill would provide that if a residential dwelling unit has an old floor furnace or old wall furnace, that old floor furnace or old wall furnace shall be replaced. The bill would also provide that a residential dwelling unit shall not be transferred unless these provisions have been met. The bill would further provide that a waiver of these provisions is declared void as a violation of public policy.

(2) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including, but not limited to, electrical corporations and gas corporations, as defined. Existing law requires the commission to establish a program of assistance to low-income electric and gas customers, referred to as the California Alternate Rates for Energy (CARE) program. Existing law also establishes the Low-Income Oversight Board for the purpose of advising

the commission on low-income electric and gas customer issues and serving as a liaison for the commission to low-income ratepayers and representatives. Under existing law, a violation of the Public Utilities Act or an order or direction of the Public Utilities Commission is a crime.

This bill would require the Public Utilities Commission, in consultation with the Low-Income Oversight Board and the gas corporations or electrical corporations that participate in the CARE program, to establish a program to replace old gas furnaces, as defined, in residential dwelling units occupied by customers eligible for the CARE program, as specified. The bill would provide that the furnace replacement program shall go into effect on July 1, 2008, and continue until December 31, 2013. The bill would further provide that the furnace replacement program shall be in addition to all other specified programs of assistance for low-income customers. The bill would provide that the costs to adopt and implement the furnace replacement program shall be recovered by the commission, as specified. Because a violation of an order or decision of the commission implementing the requirements of the bill would be a crime, the bill would impose a state-mandated local program.

(3) This bill would make related findings and declarations by the Legislature.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The efficiency of new gas furnaces that heat residential
4 dwelling units has improved by an average of 25 percent since
5 1975, due in part to the implementation of appliance efficiency
6 standards that began in 1978.

7 (b) The improvements in the efficiency of gas furnaces and floor
8 heaters have been accompanied by safety improvements that reduce

1 emissions of carbon monoxide and other harmful air pollutants
2 that endanger public health.

3 (c) California has a large number of residential dwelling units
4 that are more than 30 years old and have gas furnaces and floor
5 heaters that predate the improvements in furnace efficiency and
6 safety.

7 (d) Residential dwellings with floor heaters that lack vents or
8 flues may pose fire or other safety hazards that make the disclosure
9 of these floor heaters a matter of public interest.

10 (e) It is a matter of public interest to promote the replacement
11 of old and inefficient gas furnaces lacking safety features with new
12 furnaces that are safer and more energy efficient.

13 SEC. 2. Article 1.9 (commencing with Section 1103.50) is
14 added to Chapter 2 of Title 4 of Part 4 of Division 2 of the Civil
15 Code, to read:

16

17 Article 1.9. Disclosure and Replacement of Old Floor Furnaces
18 Upon Transfer of Residential Dwelling Units

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20 1103.50. For purposes of this article, the following definitions
21 shall apply:

22 (a) “Floor furnace” means a floor furnace as described in Section
23 1602(e) of Title 20 of the California Code of Regulations.

24 (b) “Installment land sale contract” means a real property sales
25 contract defined in Section 2985.

26 (c) “Old floor furnace” means a floor furnace that is more than
27 30 years old.

28 (d) “Old wall furnace” means a wall furnace as described in
29 Section 1602(e) of Title 20 of the California Code of Regulations
30 that is more than 30 years old.

31 1103.51. (a) This article applies to a transfer by sale, exchange,
32 installment land sale contract, lease with an option to purchase,
33 any other option to purchase, or ground lease coupled with
34 improvements of real property or residential stock cooperative
35 improved with or consisting of one or more residential dwelling
36 units.

37 (b) Any waiver of the requirements of this article is void as
38 against public policy.

1 1103.52. A residential dwelling unit subject to this article shall
2 not be transferred unless the disclosure and replacement
3 requirements described in Section 1103.53 are met.

4 1103.53. (a) The transferor of a residential dwelling unit
5 subject to this article shall deliver to the prospective transferee a
6 written statement disclosing whether the residential dwelling unit
7 has any of the following:

- 8 (1) A floor furnace.
- 9 (2) An old floor furnace.
- 10 (3) An old wall furnace.

11 (b) If there is an old floor furnace or old wall furnace in the
12 residential dwelling unit, that old floor furnace or old wall furnace
13 shall be replaced.

14 SEC. 3. Section 382.5 is added to the Public Utilities Code, to
15 read:

16 382.5. (a) For purposes of this section, the following
17 definitions shall apply:

18 (1) "Old gas furnace" means an old floor furnace or old wall
19 furnace as described in Section 1103.50 of the Civil Code.

20 (2) "Residential dwelling unit" means a detached home,
21 mobilehome, manufactured home, or a unit in a multifamily
22 structure occupied by either the owner or a tenant.

23 (b) The commission, in consultation with the Low-Income
24 Oversight Board and the gas corporations or electrical corporations
25 that participate in the California Alternate Rates for Energy
26 (CARE) program, shall establish a program to take effect on July
27 1, 2008, and to continue to December 31, 2013, inclusive, to
28 replace old gas furnaces in residential dwelling units occupied by
29 customers eligible for the CARE program. This furnace
30 replacement program shall initially provide financial support for
31 replacing old gas furnaces when the residential dwelling unit is
32 sold or transferred.

33 (c) The furnace replacement program described in this section
34 shall be in addition to all other programs of assistance for
35 low-income customers established by the commission and
36 administered by an electrical or gas corporation or third-party
37 administrator pursuant to Sections 381, 381.1, 382, 382.1, 739.1,
38 and 2790.

1 (d) The costs of the program adopted and implemented pursuant
2 to this section shall be recovered pursuant to Sections 381 and
3 890.

4 SEC. 4. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.

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