California Business Properties Association
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2026 New Law Brief

SB 716 (Durazo) - Local Ordinance Penalties (Effective 1/1/27)

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Overview

SB 716 establishes higher local ordinance fines for violations involving large nonresidential buildings that pose a threat to health and safety. Developed in response to the Boyle Heights cold storage fire, the measure seeks to strengthen enforcement and deter hazardous conditions through a new base fine schedule and enhanced disaster-related penalties. Bill Language | Press Release | Signing Message

CBPA's Role

CBPA led a coalition of 49 organizations opposing this late-session gut-and-amend bill. The coalition defeated the measure in the Assembly Local Government Committee, but the Assembly Speaker revived it and it narrowly passed. Despite the coalition's veto request, the Governor signed SB 716. CBPA and key stakeholders are already working on cleanup language to address the law's scope and enforcement standards.

Key Provisions

- Applies the base tier statewide to nonresidential structures of 20,000 square feet or more. Fines are capped at $1,000 for a first violation, $2,000 for a second violation of the same ordinance within five years of the first, and $5,000 for each additional violation within that period.
- Allows a 10× increase, capped at $50,000 per violation, if the violation results in a Governor-declared state of emergency or federal disaster declaration.
- Initially limits enhanced penalties to Los Angeles County. Beginning July 1, 2028, expands coverage beyond the county, excluding regions in CalEnviroScreen 5.0's 0–30th percentiles. Business, educational, institutional, and mercantile occupancies are exempt from the enhanced tier.
- Assesses enhanced fines against the tenant or party controlling the violating condition, while preserving owner liability for owner-controlled conditions and maintenance failures.

Implications for CRE

Property owners and operators face greater financial exposure for qualifying ordinance violations, including at office and retail properties exempt from enhanced penalties. The undefined health and safety standard leaves room for differing local interpretations, complicating efforts to assess enforcement risk. Members should review maintenance responsibilities and tenant-controlled operations to identify potential issues before violations recur.

****This summary provides CBPA members with an overview of SB 716, its key provisions, and its potential impacts on California's commercial real estate industry. This summary is intended for informational purposes only and does not constitute a legal interpretation or legal advice. Members should consult their legal counsel for guidance on how the law applies to their properties or businesses, including any applicable compliance obligations. ***