



AB 3196

SUMMARY

AB 3196 aims to enhance the efficiency of legal processes in commercial property disputes. By setting a definitive schedule for demurrer hearings, AB 3196 will reduce delays and financial hardships faced by small property owners and new small businesses. This legislation is crafted to address the specific challenges within commercial real estate only, ensuring swift resolutions and enabling a healthier economic environment for small enterprises, without impacting residential legal proceedings.

BACKGROUND

In commercial real estate, a legal maneuver called a demurrer is being used by some commercial tenants to evade eviction. Initially a procedural step, demurring has evolved into a means for unfairly prolonging court cases. This results in tenants occupying and profiting from the property without paying rent, placing an undue financial strain on property owners, many of whom are small property owners and rent space to other small businesses.

In commercial real estate transactions, a demurrer introduces a waiting period before a hearing, creating uncertainty. Such transactions, which are time-sensitive, can experience delays due to prolonged litigation or negotiations. This not only consumes significant resources but also impacts both entrepreneurs and property owners by complicating dispute resolutions and contractual negotiations, affecting operational planning and timelines.

This tactic hinders new small business owners from accessing these spaces, curbing their potential to invest and boost the local economy.

SOLUTION

AB 3196 introduces a straightforward and impactful approach by setting a clear schedule for demurrer hearings in commercial property disputes. A hearing date not more than 20 days following the filing of the demurrer. This legislation is precisely tailored to focus exclusively on commercial scenarios, ensuring that residential cases remain untouched. AB 3196 is not just a solution, but a pivotal measure aimed at enhancing legal proceedings for small property owners and businesses, promising to streamline challenges and promote legal efficiency.

SUPPORT

California Business Properties Association
(Sponsors)

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