



Rental Housing Association of Sacramento Valley
201 Lathrop Way, Suite C, Sacramento, CA 95815
(916) 920-1120 Fax (916) 929-0655
www.rha.org

**ACTION
REQUIRED**

November 9, 2004

SPECIAL ALERT UPDATE

Court Approves Proposition 65 Settlement

New Warning Signs and Brochures are Required

On October 21, 2004, the Orange County Superior Court approved the terms of the California Apartment Association (CAA) Proposition 65 settlement. This settlement provides confirmation of the legal sufficiency of the compliance requirements of the first round of settlement participants. According to CAA, the Orange County Superior Court will also review the second round settlement which is nearly identical with the compliance requirements of the original settlement. While the compliance requirements apply to those companies and owners participating in the settlement, the compliance guidelines should be followed by every management company or rental owner required to follow Proposition 65.

WHAT IS THE CURRENT STATE LAW UNDER PROPOSITION 65?

Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986, was passed by California voters in November 1986 to address the growing concerns by the public about the exposure to toxic chemicals. Management companies and rental owners employing **ten or more employees** are required to comply with the law and must post warning signs. Regulations require that businesses must provide a "clear and reasonable warning". Failure to post warning signs could result in civil penalties of \$2,500 per day for each violation and even criminal penalties.

WHAT ARE THE NEW COMPLIANCE RECOMMENDATIONS?

Effective immediately, there are new requirements depending on the size of the rental complex. For larger complexes of five units or more on a single parcel, the settlement requires posting new warning signs with modified language and distributing new information brochures to each current resident and new residents when the initial rental agreement is executed. A brochure must also be placed on every employee bulletin board or in employee handbooks, if they exist.

For smaller complexes of four units or less on a single parcel, the settlement requires distribution of the information brochure only. The brochure must be provided to all existing residents and all new residents when the initial rental agreement is executed. Warning signs are not required for these buildings. By the end of each calendar year, including 2004, the information brochure must be mailed via first class to each rental unit with the envelope labeled "To All Occupants/Guests." In addition, a brochure must be placed on every employee bulletin board or in employee handbooks, if they exist.

WHAT DOES RHA RECOMMEND?

- **Obtain and post new warning signs.** RHA recommends that you post warning signs: 1) at all entrances to the property; 2) at all common areas; and 3) at all exposed areas. Signs may be ordered from RHA.
- **Obtain and distribute new information brochures.** These brochures contain specific, court-approved information that must be provided to all current and new residents as well as employees. Brochures may be ordered from RHA.

This alert is for information purposes only. For further information, contact RHA Deputy Director Cory Koehler at cory@rha.org or (916) 920-1120.