

CALIFORNIA AB 455

Tobacco & Nicotine Residue Disclosure in Residential Sales

Beginning January 1, 2026, California requires home sellers to disclose whether tobacco or nicotine products were used on the property in a way that may have caused residue or contamination. This new item appears on the updated Real Estate Transfer Disclosure Statement (TDS).

WHO MUST COMPLY

- **Sellers** of 1–4 unit residential properties
- **Real estate licensees** involved in the transaction
- **Buyers,** who must receive the completed disclosure

WHY THE DISCLOSURE MATTERS

Tobacco and nicotine residue—sometimes known as thirdhand smoke—can remain on surfaces, furnishings, and in ventilation systems. The disclosure supports:

- Transparency
- Health and safety awareness
- Reduced liability for sellers and agents

HOW THIS DISCLOSURE WORKS DURING ESCROW

1. Seller Completes the Updated TDS Early in the Listing or Pre-Escrow Phase

- Sellers should complete the TDS—including the new tobacco/nicotine residue disclosure before the property goes under contract whenever possible.
- Listing agents should ensure the updated form is used starting January 1, 2026.

2. Mandatory Delivery to the Buyer During Escrow

- The seller (or listing agent) must deliver the TDS to the buyer as soon as practicable during escrow, but no later than before the buyer signs off on contingencies.
- Delivery triggers the buyer's statutory 3-day right to cancel (5 days if delivered by mail), unless already waived under Civil Code guidelines.

BUYER REVIEW PERIOD

Once the buyer receives the disclosure:

- The buyer may inspect or investigate potential tobacco/nicotine residue conditions.
- If material issues are discovered, the buyer may:
  - Request repairs or credits
  - Proceed as-is
  - Cancel under statutory rights (if still applicable)

AMENDMENTS, IF NEEDED

If the seller becomes aware of new information about tobacco/nicotine residue after providing the disclosure:

- The seller must issue an Amended TDS.
- The amendment restarts the buyer's cancellation period (3 or 5 days).

WHY IT MATTERS

AB 455 promotes greater transparency and consumer protection in residential real estate transactions by requiring sellers to disclose any known tobacco or nicotine use that may have caused residue or contamination in the property. Understanding the relationship between this bill and title or escrow processes is vital for real estate professionals, buyers, and sellers to navigate property transactions involving this mandatory disclosure.

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