California 1940.5. An owner or an owner's agent shall not refuse to rent a dwelling unit in a structure which received its valid certificate of occupancy after January 1, 1973, to an otherwise qualified prospective tenant or refuse to continue to rent to an existing tenant solely on the basis of that tenant's possession of a waterbed or other bedding with liquid filling material where all of the following requirements and conditions are met:

(a) A tenant or prospective tenant furnishes to the owner, prior to installation, a valid waterbed insurance policy or certificate of insurance for property damage. The policy shall be issued by a company licensed to do business in California and possessing a Best's Insurance Report rating of "B" or higher. The insurance policy shall be maintained in full force and effect until the bedding is permanently removed from the rental premises. The policy shall be written for no less than one hundred thousand dollars ($100,000) of coverage. The policy shall cover, up to the limits of the policy, replacement value of all property damage, including loss of use, incurred by the rental property owner or other caused by or arising out of the ownership, maintenance, use, or removal of the waterbed on the rental premises only, except for any damage caused intentionally or at the direction of the insured, or for any damage caused by or resulting from fire. The owner may require the tenant to produce evidence of insurance at any time. The carrier shall give the owner notice of cancellation or nonrenewal 10 days prior to this action. Every application for a policy shall contain the information as provided in subdivisions (a), (b), and (c) of Section 1962 and Section 1962.5.

(b) The bedding shall conform to the pounds-per-square foot weight limitation and placement as dictated by the floor load capacity of the residential structure. The weight shall be distributed on a pedestal or frame which is substantially the dimensions of the mattress itself.

(c) The tenant or prospective tenant shall install, maintain and remove the bedding, including, but not limited to, the mattress and frame, according to standard methods of installation, maintenance, and removal as prescribed by the manufacturer, retailer, or state law, whichever provides the higher degree of safety. The tenant shall notify the owner or owner's agent in writing of the intent to install, remove, or move the waterbed. The notice shall be delivered 24 hours prior to the installation, removal, or movement. The owner or the owner's agent may be present at the time of installation, removal, or movement at the owner's or the owner's agent's option. If the bedding is installed or moved by any person other than the tenant or prospective tenant, the tenant or prospective tenant shall deliver to the owner or to the owner's agent a written installation receipt stating the installer's name, address, and business affiliation where appropriate.

(d) Any new bedding installation shall conform to the owner's or the owner's agent's reasonable structural specifications for
placement within the rental property and shall be consistent with floor capacity of the rental dwelling unit.

(e) The tenant or prospective tenant shall comply with the minimum component specification list prescribed by the manufacturer, retailer, or state law, whichever provides the higher degree of safety.

(f) Subject to the notice requirements of Section 1954, the owner, or the owner's agent, shall have the right to inspect the bedding installation upon completion, and periodically thereafter, to insure its conformity with this section. If installation or maintenance is not in conformity with this section, the owner may serve the tenant with a written notice of breach of the rental agreement. The owner may give the tenant three days either to bring the installation into conformity with those standards or to remove the bedding, unless there is an immediate danger to the structure, in which case there shall be immediate corrective action. If the bedding is installed by any person other than the tenant or prospective tenant, the tenant or prospective tenant shall deliver to the owner or to the owner's agent a written installation receipt stating the installer's name and business affiliation where appropriate.

(g) Notwithstanding Section 1950.5, an owner or owner's agent is entitled to increase the security deposit on the dwelling unit in an amount equal to one-half of one months' rent. The owner or owner's agent may charge a tenant, lessee, or sublessee a reasonable fee to cover administration costs. In no event does this section authorize the payment of a rebate of premium in violation of Article 5 (commencing with Section 750) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

(h) Failure of the owner, or owner's agent, to exercise any of his or her rights pursuant to this section does not constitute grounds for denial of an insurance claim.

(i) As used in this section, "tenant" includes any lessee, and "rental" means any rental or lease.