

**ASSEMBLY BILL**

**No. 899**

---

---

**Introduced by Committee on Housing and Community Development  
(Mendoza (Chair), Harkey (Vice Chair), De La Torre, Eng,  
Fletcher, Ma, and Saldana)**

February 26, 2009

---

---

An act to amend Section 1363 of the Civil Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

AB 899, as introduced, Committee on Housing and Community Development. Common interest developments.

The Davis-Stirling Common Interest Development Act requires a common interest development to be managed by an association that may be incorporated or unincorporated, and imposes certain requirements on such an association. That law provides that, whenever 2 or more associations have consolidated any of their functions under a joint neighborhood association or similar organization, members of each participating association shall be entitled to certain rights relating to attendance and participation at meetings and access to the joint association's records.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1363 of the Civil Code is amended to  
2 read:

3 1363. (a) A common interest development shall be managed  
4 by an association that may be incorporated or unincorporated. The  
5 association may be referred to as a community association.

6 (b) An association, whether incorporated or unincorporated,  
7 shall prepare a budget pursuant to Section 1365 and disclose  
8 information, if requested, in accordance with Section 1368.

9 (c) Unless the governing documents provide otherwise, and  
10 regardless of whether the association is incorporated or  
11 unincorporated, the association may exercise the powers granted  
12 to a nonprofit mutual benefit corporation, as enumerated in Section  
13 7140 of the Corporations Code, except that an unincorporated  
14 association may not adopt or use a corporate seal or issue  
15 membership certificates in accordance with Section 7313 of the  
16 Corporations Code.

17 The association, whether incorporated or unincorporated, may  
18 exercise the powers granted to an association in this title.

19 (d) Meetings of the membership of the association shall be  
20 conducted in accordance with a recognized system of parliamentary  
21 procedure or any parliamentary procedures the association may  
22 adopt.

23 (e) Notwithstanding any other provision of law, notice of  
24 meetings of the members shall specify those matters the board  
25 intends to present for action by the members, but, except as  
26 otherwise provided by law, any proper matter may be presented  
27 at the meeting for action.

28 (f) Members of the association shall have access to association  
29 records, including accounting books and records and membership  
30 lists, in accordance with Article 3 (commencing with Section 8330)  
31 of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations  
32 Code. The members of the association shall have the same access  
33 to the operating rules of the association as they have to the  
34 accounting books and records of the association.

35 (g) If an association adopts or has adopted a policy imposing  
36 any monetary penalty, including any fee, on any association  
37 member for a violation of the governing documents or rules of the  
38 association, including any monetary penalty relating to the

1 activities of a guest or invitee of a member, the board of directors  
2 shall adopt and distribute to each member, by personal delivery  
3 or first-class mail, a schedule of the monetary penalties that may  
4 be assessed for those violations, which shall be in accordance with  
5 authorization for member discipline contained in the governing  
6 documents. The board of directors shall not be required to distribute  
7 any additional schedules of monetary penalties unless there are  
8 changes from the schedule that was adopted and distributed to the  
9 members pursuant to this subdivision.

10 (h) When the board of directors is to meet to consider or impose  
11 discipline upon a member, the board shall notify the member in  
12 writing, by either personal delivery or first-class mail, at least 10  
13 days prior to the meeting. The notification shall contain, at a  
14 minimum, the date, time, and place of the meeting, the nature of  
15 the alleged violation for which a member may be disciplined, and  
16 a statement that the member has a right to attend and may address  
17 the board at the meeting. The board of directors of the association  
18 shall meet in executive session if requested by the member being  
19 disciplined.

20 If the board imposes discipline on a member, the board shall  
21 provide the member a written notification of the disciplinary action,  
22 by either personal delivery or first-class mail, within 15 days  
23 following the action. A disciplinary action shall not be effective  
24 against a member unless the board fulfills the requirements of this  
25 subdivision.

26 (i) Whenever two or more associations have consolidated any  
27 of their functions under a joint neighborhood association or similar  
28 organization, *the following shall apply with respect to members*  
29 *of each participating association shall be* ~~(1) association:~~

30 *(1) The members shall be entitled to attend all meetings of the*  
31 *joint association other than executive sessions,* ~~(2) sessions.~~

32 *(2) The members shall be given reasonable opportunity for*  
33 *participation in those meetings, and* ~~(3) meetings.~~

34 *(3) The members shall be entitled to the same access to the joint*  
35 *association's records as they are to the participating association's*  
36 *records.*

37 (j) Nothing in this section shall be construed to create, expand,  
38 or reduce the authority of the board of directors of an association

- 1 to impose monetary penalties on an association member for a
- 2 violation of the governing documents or rules of the association.

O