

AMENDED IN ASSEMBLY MARCH 20, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2430

Introduced by Assembly Member Maienschein

February 21, 2014

An act to amend ~~Section~~ *Sections 4528 and 4530* of the Civil Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2430, as amended, Maienschein. Transfer disclosures.

The Davis-Stirling Common Interest Development Act requires an association, upon written request, to provide the owner of a separate interest, or a recipient authorized by the owner, with a copy of specific documents relating to transfer disclosures that the owner is required to make to a prospective purchaser of the owner's separate interest. That act authorizes the association to collect a reasonable cost for delivery of those documents but prohibits any additional fees for electronic delivery.

This bill would ~~make technical, nonsubstantive changes to this provision.~~ require the cost for providing the required documents to be separately stated and billed from other charges that are part of the transfer or sales transaction and would make conforming changes to a codified form. This bill would also require a seller to be responsible for paying the cost for providing documents under these provisions and to provide a prospective purchaser with required documents the seller possesses free of charge. This bill would prohibit a seller from giving a prospective purchaser the required documents bundled with other documents.

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 4528 of the Civil Code is amended to
2 read:

3 4528. The form for billing disclosures required by Section
4 4530 shall be in at least 10-point type and substantially the
5 following form:

6
7 CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION
8 4525*

9
10
11 Property Address
12
13 Owner of Property
14
15 Owner's Mailing Address (If known or different from property address.)
16
17
18 Provider of the Section 4525 Items:
19
20
21
22 Print Name _____ Position or Title _____ Association or Agent

23
24 Date Form Completed

25
26 Check or Complete Applicable Column or Columns Below

27
28 Document Civil Code Section *Fee for* (N/A) ~~or~~, Not
29 Included *Document* Applicable
30 (N/App), or
31 *Directly*
32 *Provided by*
33 *Seller (DP)*
34
35

1	Articles of Incorporation or	Section 4525(a)(1)
2	statement that not incorporated	
3		
4	CC&Rs	Section 4525(a)(1)
5		
6	Bylaws	Section 4525(a)(1)
7		
8	Operating Rules	Section 4525(a)(1)
9		
10	Age restrictions, if any	Section 4525(a)(2)
11	Rental restrictions, if any	Section 4525(a)(9)
12	Annual budget report or	Sections 5300 and
13	summary, including reserve	4525(a)(3)
14	study	
15		
16	Assessment and reserve	Sections 5300 and
17	funding disclosure summary	4525(a)(4)
18		
19	Financial statement review	Sections 5305 and
20		4525(a)(3)
21		
22	Assessment enforcement policy	Sections 5310 and
23		4525(a)(4)
24		
25	Insurance summary	Sections 5300 and
26		4525(a)(3)
27		
28	Regular assessment	Section 4525(a)(4)
29		
30	Special assessment	Section 4525(a)(4)
31		
32	Emergency assessment	Section 4525(a)(4)
33		
34	Other unpaid obligations of	Sections 5675 and
35	seller	4525(a)(4)
36		
37	Approved changes to	Sections 5300 and
38	assessments	4525(a)(4), (8)
39		

1	Settlement notice regarding	Sections
2	common area defects	4525(a)(6), (7),
3		and 6100
4		
5	Preliminary list of defects	Sections
6		4525(a)(6), 6000,
7		and 6100
8		
9	Notice(s) of violation	Sections 5855 and
10		4525(a)(5)
11		
12	Required statement of fees	Section 4525
13		
14	Minutes of regular board	Section
15	meetings conducted over the	4525(a)(10)
16	previous 12 months, if	
17	requested	

18
19 Total fees for these documents:

20
21 * The information provided by this form may not include all fees that may be
22 imposed before the close of escrow. Additional fees that are not related to the
23 requirements of Section 4525 ~~may~~ shall be charged separately.

24
25 **SECTION 1.**

26 *SEC. 2.* Section 4530 of the Civil Code is amended to read:

27 4530. (a) (1) Upon written request, the association shall,
28 within 10 days of the mailing or delivery of the request, provide
29 the owner of a separate interest, or any other recipient authorized
30 by the owner, with a copy of all of the requested documents
31 specified in Section 4525.

32 (2) The documents required to be made available pursuant to
33 this section may be maintained in electronic form, and may be
34 posted on the association’s Internet Web site. Requesting parties
35 shall have the option of receiving the documents by electronic
36 transmission if the association maintains the documents in
37 electronic form.

38 (3) Delivery of the documents required by this section shall not
39 be withheld for any reason nor subject to any condition except the
40 payment of the fee authorized pursuant to subdivision (b).

1 (b) (1) The association may collect a reasonable fee *from the*
2 *seller* based upon the association's actual cost for the procurement,
3 preparation, reproduction, and delivery of the documents requested
4 pursuant to this section. ~~The association shall not charge additional~~
5 *Additional fees shall not be charged* for the electronic delivery of
6 the documents requested.

7 (2) Upon receipt of a written request, the association shall
8 provide, on the form described in Section 4528, a written or
9 electronic estimate of the fees that will be assessed for providing
10 the requested documents.

11 (3) (A) A cancellation fee for documents specified in
12 subdivision (a) shall not be collected if either of the following
13 applies:

14 (i) The request was canceled in writing by the same party that
15 placed the order and work had not yet been performed on the order.

16 (ii) The request was canceled in writing and any work that had
17 been performed on the order was compensated.

18 (B) The association shall refund all fees collected pursuant to
19 paragraph (1) if the request was canceled in writing and work had
20 not yet been performed on the order.

21 (C) If the request was canceled in writing, the association shall
22 refund the share of fees collected pursuant to paragraph (1) that
23 represents the portion of the work not performed on the order.

24 (4) Fees for any documents required by this section shall be
25 distinguished from, *separately stated, and separately billed from,*
26 *all* other fees, fines, or assessments billed as part of the transfer
27 or sales transaction.

28 (5) *Any documents not expressly required by Section 4525 to*
29 *be provided to a prospective purchaser by the seller shall not be*
30 *included in the document disclosure required by this section.*
31 *Bundling of documents required to be provided pursuant to this*
32 *section with other documents relating to the transaction is*
33 *prohibited.*

34 (6) *A seller shall provide to the prospective purchaser, at no*
35 *cost, copies of any documents specified by Section 4525 that are*
36 *in the possession of the seller.*

37 (7) *The fee for each document provided to the seller for the*
38 *purpose of transmission to the prospective purchaser shall be*
39 *individually itemized in the statement required to be provided by*
40 *the seller to the prospective purchaser.*

1 (8) *It is the responsibility of the seller to compensate the*
2 *association, person, or entity that provides the documents required*
3 *to be provided by Section 4525 to the prospective purchaser.*

4 (c) An association may contract with any person or entity to
5 facilitate compliance with this section on behalf of the association.

6 (d) The association shall also provide a recipient authorized by
7 the owner of a separate interest with a copy of the completed form
8 specified in Section 4528 at the time the required documents are
9 delivered.