

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JUNE 24, 2013

AMENDED IN SENATE APRIL 18, 2013

SENATE BILL

No. 752

Introduced by Senator Roth

February 22, 2013

An act to amend Sections 10153.2, 11003, 11003.2, 11004.5, 11010.3, 23426.5, and 23428.20 of the Business and Professions Code, to amend Sections 714, 714.1, 782, 782.5, 783, 783.1, 1098, 1133, 1633.3, 2924b, 2955.1, ~~and 4202~~, *and 4280* of, to add Part 5.3 (commencing with Section 6500) to Division 4 of, and to repeal Section 6870 of, the Civil Code, to amend Sections 86 and 116.540 of the Code of Civil Procedure, to amend Sections 12191, 12956.1, 12956.2, 53341.5, 65008, 66411, 66412, 66424, 66427, 66452.10, and 66475.2 of the Government Code, to amend Sections 13132.7, 19850, 25400.22, 25915.2, 33050, 33435, 33436, 35811, 37630, 50955, 51602, and 116048 of the Health and Safety Code, to amend Section 790.031 of the Insurance Code, to amend Section 2188.6 of the Revenue and Taxation Code, to amend Sections 21107.7, 22651, 22651.05, and 22658 of the Vehicle Code, and to amend Section 13553 of the Water Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

SB 752, as amended, Roth. Commercial and industrial common interest developments.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments, as defined,

but exempts common interest developments that are limited to industrial or commercial uses from specified provisions of the act.

This bill would establish the Commercial and Industrial Common Interest Development Act, which would provide for the creation and regulation of commercial and industrial common interest developments. The bill would make various conforming changes.

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 10153.2 of the Business and Professions
- 2 Code, as amended by Section 2 of Chapter 181 of the Statutes of
- 3 2012, is amended to read:
- 4 10153.2. (a) An applicant to take the examination for an
- 5 original real estate broker license shall also submit evidence,
- 6 satisfactory to the commissioner, of successful completion, at an
- 7 accredited institution, of:
- 8 (1) A three-semester unit course, or the quarter equivalent
- 9 thereof, in each of the following:
- 10 (A) Real estate practice.
- 11 (B) Legal aspects of real estate.
- 12 (C) Real estate appraisal.
- 13 (D) Real estate financing.
- 14 (E) Real estate economics or accounting.
- 15 (2) A three-semester unit course, or the quarter equivalent
- 16 thereof, in three of the following:
- 17 (A) Advanced legal aspects of real estate.
- 18 (B) Advanced real estate finance.
- 19 (C) Advanced real estate appraisal.
- 20 (D) Business law.
- 21 (E) Escrows.
- 22 (F) Real estate principles.
- 23 (G) Property management.
- 24 (H) Real estate office administration.
- 25 (I) Mortgage loan brokering and lending.
- 26 (J) Computer applications in real estate.
- 27 (K) On and after July 1, 2004, California law that relates to
- 28 common interest developments, including, but not limited to, topics
- 29 addressed in the Davis-Stirling Common Interest Development

1 Act (Part 5 (commencing with Section 4000) of Division 4 of the
2 Civil Code) and in the Commercial and Industrial Common Interest
3 Development Act (Part 5.3 (commencing with Section 6500) of
4 Division 4 of the Civil Code).

5 (b) The commissioner shall waive the requirements of this
6 section for an applicant who is a member of the State Bar of
7 California and shall waive the requirements for which an applicant
8 has successfully completed an equivalent course of study as
9 determined under Section 10153.5.

10 (c) The commissioner shall extend credit under this section for
11 any course completed to satisfy requirements of Section 10153.3
12 or 10153.4.

13 SEC. 2. Section 11003 of the Business and Professions Code,
14 as amended by Section 4 of Chapter 181 of the Statutes of 2012,
15 is amended to read:

16 11003. “Planned development” has the same meaning as
17 specified in Section 4175 or 6562 of the Civil Code.

18 SEC. 3. Section 11003.2 of the Business and Professions Code,
19 as amended by Section 5 of Chapter 181 of the Statutes of 2012,
20 is amended to read:

21 11003.2. “Stock cooperative” has the same meaning as
22 specified in Section 4190 or 6566 of the Civil Code, except that,
23 as used in this chapter, a “stock cooperative” does not include a
24 limited-equity housing cooperative.

25 SEC. 4. Section 11004.5 of the Business and Professions Code,
26 as amended by Section 7 of Chapter 181 of the Statutes of 2012,
27 is amended to read:

28 11004.5. In addition to the provisions of Section 11000, the
29 reference in this code to “subdivided lands” and “subdivision”
30 shall include all of the following:

31 (a) Any planned development, as defined in Section 11003,
32 containing five or more lots.

33 (b) Any community apartment project, as defined by Section
34 11004, containing five or more apartments.

35 (c) Any condominium project containing five or more
36 condominiums, as defined in Section 783 of the Civil Code.

37 (d) Any stock cooperative as defined in Section 11003.2,
38 including any legal or beneficial interests therein, having or
39 intended to have five or more shareholders.

1 (e) Any limited-equity housing cooperative, as defined in
2 Section 11003.4.

3 (f) In addition, the following interests shall be subject to this
4 chapter and the regulations of the commissioner adopted pursuant
5 thereto:

6 (1) Any accompanying memberships or other rights or privileges
7 created in, or in connection with, any of the forms of development
8 referred to in subdivision (a), (b), (c), (d), or (e) by any deeds,
9 conveyances, leases, subleases, assignments, declarations of
10 restrictions, articles of incorporation, bylaws, or contracts
11 applicable thereto.

12 (2) Any interests or memberships in any owners' association
13 as defined in Section 4080 or 6528 of the Civil Code, created in
14 connection with any of the forms of the development referred to
15 in subdivision (a), (b), (c), (d), or (e).

16 (g) Notwithstanding this section, time-share plans, exchange
17 programs, incidental benefits, and short-term product subject to
18 Chapter 2 (commencing with Section 11210) are not "subdivisions"
19 or "subdivided lands" subject to this chapter.

20 SEC. 5. Section 11010.3 of the Business and Professions Code
21 is amended to read:

22 11010.3. (a) This chapter shall not apply to the proposed sale
23 or lease of lots or other interests in a subdivision that is limited to
24 industrial or commercial uses by law or by a declaration of
25 covenants, conditions, and restrictions that has been recorded in
26 the official records of the county or counties in which the
27 subdivision is located.

28 (b) For the purposes of this section, "commercial use" includes,
29 but is not limited to, the operation of a business that provides
30 facilities for the overnight stay of its customers, employees, or
31 agents.

32 SEC. 6. Section 23426.5 of the Business and Professions Code,
33 as amended by Section 17 of Chapter 181 of the Statutes of 2012,
34 is amended to read:

35 23426.5. (a) For purposes of this article, "club" also means
36 any tennis club that maintains not less than four regulation tennis
37 courts, together with the necessary facilities and clubhouse, has
38 members paying regular monthly dues, has been in existence for
39 not less than 45 years, and is not associated with a common interest
40 development as defined in Section 4100 or 6534 of the Civil Code,

1 a community apartment project as defined in Section 11004 of this
2 code, a project consisting of condominiums as defined in Section
3 783 of the Civil Code, or a mobilehome park as defined in Section
4 18214 of the Health and Safety Code.

5 (b) It shall be unlawful for any club licensed pursuant to this
6 section to make any discrimination, distinction, or restriction
7 against any person on account of age or any characteristic listed
8 or defined in subdivision (b) or (e) of Section 51 of the Civil Code.

9 SEC. 7. Section 23428.20 of the Business and Professions
10 Code, as amended by Section 18 of Chapter 181 of the Statutes of
11 2012, is amended to read:

12 23428.20. (a) For the purposes of this article, “club” also
13 means any bona fide nonprofit corporation that has been in
14 existence for not less than nine years, has more than 8,500
15 memberships issued and outstanding to owners of condominiums
16 and owners of memberships in stock cooperatives, and owns,
17 leases, operates, or maintains recreational facilities for its members.

18 (b) For the purposes of this article, “club” also means any bona
19 fide nonprofit corporation that was formed as a condominium
20 homeowners’ association, has at least 250 members, has served
21 daily meals to its members and guests for a period of not less than
22 12 years, owns or leases, operates, and maintains a clubroom or
23 rooms for its membership, has an annual fee of not less than nine
24 hundred dollars (\$900) per year per member, and has as a condition
25 of membership that one member of each household be at least 54
26 years of age.

27 (c) Section 23399 and the numerical limitation of Section 23430
28 shall not apply to a club defined in this section.

29 (d) No license shall be issued pursuant to this section to any
30 club that withholds membership or denies facilities or services to
31 any person on account of any basis listed in subdivision (a) or (d)
32 of Section 12955 of the Government Code, as those bases are
33 defined in Sections 12926, 12926.1, subdivision (m) and paragraph
34 (1) of subdivision (p) of Section 12955, and Section 12955.2 of
35 the Government Code.

36 (e) Notwithstanding subdivision (d), with respect to familial
37 status, subdivision (d) shall not be construed to apply to housing
38 for older persons, as defined in Section 12955.9 of the Government
39 Code. With respect to familial status, nothing in subdivision (d)
40 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,

1 and 799.5 of the Civil Code, relating to housing for senior citizens.
2 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
3 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
4 of the Government Code shall apply to subdivision (d).

5 SEC. 8. Section 714 of the Civil Code, as amended by Section
6 20 of Chapter 181 of the Statutes of 2012, is amended to read:

7 714. (a) Any covenant, restriction, or condition contained in
8 any deed, contract, security instrument, or other instrument
9 affecting the transfer or sale of, or any interest in, real property,
10 and any provision of a governing document, as defined in Section
11 4150 or 6552, that effectively prohibits or restricts the installation
12 or use of a solar energy system is void and unenforceable.

13 (b) This section does not apply to provisions that impose
14 reasonable restrictions on solar energy systems. However, it is the
15 policy of the state to promote and encourage the use of solar energy
16 systems and to remove obstacles thereto. Accordingly, reasonable
17 restrictions on a solar energy system are those restrictions that do
18 not significantly increase the cost of the system or significantly
19 decrease its efficiency or specified performance, or that allow for
20 an alternative system of comparable cost, efficiency, and energy
21 conservation benefits.

22 (c) (1) A solar energy system shall meet applicable health and
23 safety standards and requirements imposed by state and local
24 permitting authorities.

25 (2) A solar energy system for heating water shall be certified
26 by the Solar Rating Certification Corporation (SRCC) or other
27 nationally recognized certification agencies. SRCC is a nonprofit
28 third party supported by the United States Department of Energy.
29 The certification shall be for the entire solar energy system and
30 installation.

31 (3) A solar energy system for producing electricity shall also
32 meet all applicable safety and performance standards established
33 by the National Electrical Code, the Institute of Electrical and
34 Electronics Engineers, and accredited testing laboratories such as
35 Underwriters Laboratories and, where applicable, rules of the
36 Public Utilities Commission regarding safety and reliability.

37 (d) For the purposes of this section:

38 (1) (A) For solar domestic water heating systems or solar
39 swimming pool heating systems that comply with state and federal
40 law, “significantly” means an amount exceeding 20 percent of the

1 cost of the system or decreasing the efficiency of the solar energy
2 system by an amount exceeding 20 percent, as originally specified
3 and proposed.

4 (B) For photovoltaic systems that comply with state and federal
5 law, “significantly” means an amount not to exceed two thousand
6 dollars (\$2,000) over the system cost as originally specified and
7 proposed, or a decrease in system efficiency of an amount
8 exceeding 20 percent as originally specified and proposed.

9 (2) “Solar energy system” has the same meaning as defined in
10 paragraphs (1) and (2) of subdivision (a) of Section 801.5.

11 (e) (1) Whenever approval is required for the installation or
12 use of a solar energy system, the application for approval shall be
13 processed and approved by the appropriate approving entity in the
14 same manner as an application for approval of an architectural
15 modification to the property, and shall not be willfully avoided or
16 delayed.

17 (2) For an approving entity that is an association, as defined in
18 Section 4080 or 6528, and that is not a public entity, both of the
19 following shall apply:

20 (A) The approval or denial of an application shall be in writing.

21 (B) If an application is not denied in writing within 60 days
22 from the date of receipt of the application, the application shall be
23 deemed approved, unless that delay is the result of a reasonable
24 request for additional information.

25 (f) Any entity, other than a public entity, that willfully violates
26 this section shall be liable to the applicant or other party for actual
27 damages occasioned thereby, and shall pay a civil penalty to the
28 applicant or other party in an amount not to exceed one thousand
29 dollars (\$1,000).

30 (g) In any action to enforce compliance with this section, the
31 prevailing party shall be awarded reasonable attorney’s fees.

32 (h) (1) A public entity that fails to comply with this section
33 may not receive funds from a state-sponsored grant or loan program
34 for solar energy. A public entity shall certify its compliance with
35 the requirements of this section when applying for funds from a
36 state-sponsored grant or loan program.

37 (2) A local public entity may not exempt residents in its
38 jurisdiction from the requirements of this section.

39 SEC. 9. Section 714.1 of the Civil Code, as amended by Section
40 21 of Chapter 181 of the Statutes of 2012, is amended to read:

1 714.1. Notwithstanding Section 714, any association, as defined
2 in Section 4080 or 6528, may impose reasonable provisions which:

3 (a) Restrict the installation of solar energy systems installed in
4 common areas, as defined in Section 4095 or 6532, to those
5 systems approved by the association.

6 (b) Require the owner of a separate interest, as defined in Section
7 4185 or 6564, to obtain the approval of the association for the
8 installation of a solar energy system in a separate interest owned
9 by another.

10 (c) Provide for the maintenance, repair, or replacement of roofs
11 or other building components.

12 (d) Require installers of solar energy systems to indemnify or
13 reimburse the association or its members for loss or damage caused
14 by the installation, maintenance, or use of the solar energy system.

15 SEC. 10. Section 782 of the Civil Code, as amended by Section
16 22 of Chapter 181 of the Statutes of 2012, is amended to read:

17 782. (a) Any provision in any deed of real property in
18 California, whether executed before or after the effective date of
19 this section, that purports to restrict the right of any persons to sell,
20 lease, rent, use, or occupy the property to persons having any
21 characteristic listed in subdivision (a) or (d) of Section 12955 of
22 the Government Code, as those bases are defined in Sections
23 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
24 (p) of Section 12955 and Section 12955.2 of the Government Code,
25 by providing for payment of a penalty, forfeiture, reverter, or
26 otherwise, is void.

27 (b) Notwithstanding subdivision (a), with respect to familial
28 status, subdivision (a) shall not be construed to apply to housing
29 for older persons, as defined in Section 12955.9 of the Government
30 Code. With respect to familial status, nothing in subdivision (a)
31 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
32 and 799.5 of this code, relating to housing for senior citizens.
33 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
34 this code, and subdivisions (n), (o), and (p) of Section 12955 of
35 the Government Code shall apply to subdivision (a).

36 SEC. 11. Section 782.5 of the Civil Code, as amended by
37 Section 23 of Chapter 181 of the Statutes of 2012, is amended to
38 read:

39 782.5. (a) Any deed or other written instrument that relates to
40 title to real property, or any written covenant, condition, or

1 restriction annexed or made a part of, by reference or otherwise,
2 any deed or instrument that relates to title to real property, which
3 contains any provision that purports to forbid, restrict, or condition
4 the right of any person or persons to sell, buy, lease, rent, use, or
5 occupy the property on account of any basis listed in subdivision
6 (a) or (d) of Section 12955 of the Government Code, as those bases
7 are defined in Sections 12926, 12926.1, subdivision (m) and
8 paragraph (1) of subdivision (p) of Section 12955, and Section
9 12955.2 of the Government Code, with respect to any person or
10 persons, shall be deemed to be revised to omit that provision.

11 (b) Notwithstanding subdivision (a), with respect to familial
12 status, subdivision (a) shall not be construed to apply to housing
13 for older persons, as defined in Section 12955.9 of the Government
14 Code. With respect to familial status, nothing in subdivision (a)
15 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
16 and 799.5 of this code, relating to housing for senior citizens.
17 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
18 this code, and subdivisions (n), (o), and (p) of Section 12955 of
19 the Government Code shall apply to subdivision (a).

20 (c) This section shall not be construed to limit or expand the
21 powers of a court to reform a deed or other written instrument.

22 SEC. 12. Section 783 of the Civil Code, as amended by Section
23 24 of Chapter 181 of the Statutes of 2012, is amended to read:

24 783. A condominium is an estate in real property described in
25 Section 4125 or 6542. A condominium may, with respect to the
26 duration of its enjoyment, be either (1) an estate of inheritance or
27 perpetual estate, (2) an estate for life, (3) an estate for years, such
28 as a leasehold or a subleasehold, or (4) any combination of the
29 foregoing.

30 SEC. 13. Section 783.1 of the Civil Code, as amended by
31 Section 25 of Chapter 181 of the Statutes of 2012, is amended to
32 read:

33 783.1. In a stock cooperative, as defined in Section 4190 or
34 6566, both the separate interest, as defined in paragraph (4) of
35 subdivision (a) of Section 4185 or in paragraph (3) of subdivision
36 (a) of Section 6564, and the correlative interest in the stock
37 cooperative corporation, however designated, are interests in real
38 property.

1 SEC. 14. Section 1098 of the Civil Code, as amended by
2 Section 32 of Chapter 181 of the Statutes of 2012, is amended to
3 read:

4 1098. A “transfer fee” is any fee payment requirement imposed
5 within a covenant, restriction, or condition contained in any deed,
6 contract, security instrument, or other document affecting the
7 transfer or sale of, or any interest in, real property that requires a
8 fee be paid upon transfer of the real property. A transfer fee does
9 not include any of the following:

10 (a) Fees or taxes imposed by a governmental entity.

11 (b) Fees pursuant to mechanics’ liens.

12 (c) Fees pursuant to court-ordered transfers, payments, or
13 judgments.

14 (d) Fees pursuant to property agreements in connection with a
15 legal separation or dissolution of marriage.

16 (e) Fees, charges, or payments in connection with the
17 administration of estates or trusts pursuant to Division 7
18 (commencing with Section 7000), Division 8 (commencing with
19 Section 13000), or Division 9 (commencing with Section 15000)
20 of the Probate Code.

21 (f) Fees, charges, or payments imposed by lenders or purchasers
22 of loans, as these entities are described in subdivision (c) of Section
23 10232 of the Business and Professions Code.

24 (g) Assessments, charges, penalties, or fees authorized by the
25 Davis-Stirling Common Interest Development Act (Part 5
26 (commencing with Section 4000) of Division 4) or by the
27 Commercial and Industrial Common Interest Development Act
28 (Part 5.3 (commencing with Section 6500) of Division 4).

29 (h) Fees, charges, or payments for failing to comply with, or
30 for transferring the real property prior to satisfying, an obligation
31 to construct residential improvements on the real property.

32 (i) Any fee reflected in a document recorded against the property
33 on or before December 31, 2007, that is separate from any
34 covenants, conditions, and restrictions, and that substantially
35 complies with subdivision (a) of Section 1098.5 by providing a
36 prospective transferee notice of the following:

37 (1) Payment of a transfer fee is required.

38 (2) The amount or method of calculation of the fee.

39 (3) The date or circumstances under which the transfer fee
40 payment requirement expires, if any.

1 (4) The entity to which the fee will be paid.

2 (5) The general purposes for which the fee will be used.

3 SEC. 15. Section 1133 of the Civil Code, as amended by
4 Section 35 of Chapter 181 of the Statutes of 2012, is amended to
5 read:

6 1133. (a) If a lot, parcel, or unit of a subdivision is subject to
7 a blanket encumbrance, as defined in Section 11013 of the Business
8 and Professions Code, but is exempt from a requirement of
9 compliance with Section 11013.2 of the Business and Professions
10 Code, the subdivider, his or her agent, or representative, shall not
11 sell, or lease for a term exceeding five years, the lot, parcel, or
12 unit, nor cause it to be sold, or leased for a term exceeding five
13 years, until the prospective purchaser or lessee of the lot, parcel,
14 or unit has been furnished with and has signed a true copy of the
15 following notice:

16

17 BUYER/LESSEE IS AWARE OF THE FACT THAT THE
18 LOT, PARCEL, OR UNIT WHICH HE OR SHE IS PROPOSING
19 TO PURCHASE OR LEASE IS SUBJECT TO A DEED OF
20 TRUST, MORTGAGE, OR OTHER LIEN KNOWN AS A
21 “BLANKET ENCUMBRANCE.”

22 IF BUYER/LESSEE PURCHASES OR LEASES THIS LOT,
23 PARCEL, OR UNIT, HE OR SHE COULD LOSE THAT
24 INTEREST THROUGH FORECLOSURE OF THE BLANKET
25 ENCUMBRANCE OR OTHER LEGAL PROCESS EVEN
26 THOUGH BUYER/LESSEE IS NOT DELINQUENT IN HIS OR
27 HER PAYMENTS OR OTHER OBLIGATIONS UNDER THE
28 MORTGAGE, DEED OF TRUST, OR LEASE.

29

30 _____
Date Signature of
31 Buyer or Lessee

32

33 (b) “Subdivision,” as used in subdivision (a), means improved
34 or unimproved land that is divided or proposed to be divided for
35 the purpose of sale, lease, or financing, whether immediate or
36 future, into two or more lots, parcels, or units and includes a
37 condominium project, as defined in Section 4125 or 6542, a
38 community apartment project, as defined in Section 4105, a stock
39 cooperative, as defined in Section 4190 or 6566, and a limited
40 equity housing cooperative, as defined in Section 4190.

1 (c) The failure of the buyer or lessee to sign the notice shall not
2 invalidate any grant, conveyance, lease, or encumbrance.

3 (d) Any person or entity who willfully violates the provisions
4 of this section shall be liable to the purchaser of a lot or unit which
5 is subject to the provisions of this section for actual damages, and,
6 in addition thereto, shall be guilty of a public offense punishable
7 by a fine in an amount not to exceed five hundred dollars (\$500).
8 In an action to enforce the liability or fine, the prevailing party
9 shall be awarded reasonable attorney’s fees.

10 SEC. 16. Section 1633.3 of the Civil Code, as amended by
11 Section 36 of Chapter 181 of the Statutes of 2012, is amended to
12 read:

13 1633.3. (a) Except as otherwise provided in subdivisions (b)
14 and (c), this title applies to electronic records and electronic
15 signatures relating to a transaction.

16 (b) This title does not apply to transactions subject to the
17 following laws:

18 (1) A law governing the creation and execution of wills, codicils,
19 or testamentary trusts.

20 (2) Division 1 (commencing with Section 1101) of the Uniform
21 Commercial Code, except Sections 1107 and 1206.

22 (3) Divisions 3 (commencing with Section 3101), 4
23 (commencing with Section 4101), 5 (commencing with Section
24 5101), 8 (commencing with Section 8101), 9 (commencing with
25 Section 9101), and 11 (commencing with Section 11101) of the
26 Uniform Commercial Code.

27 (4) A law that requires that specifically identifiable text or
28 disclosures in a record or a portion of a record be separately signed,
29 including initialed, from the record. However, this paragraph does
30 not apply to Section 1677 or 1678 of this code or Section 1298 of
31 the Code of Civil Procedure.

32 (c) This title does not apply to any specific transaction described
33 in Section 17511.5 of the Business and Professions Code, Section
34 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,
35 or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of
36 Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,
37 1789.16, 1789.33, or 1793.23 of, Chapter 1 (commencing with
38 Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24,
39 1862.5, 1917.712, 1917.713, 1950.5, 1950.6, 1983, 2924b, 2924c,
40 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing

1 with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division
2 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with
3 Section 2981) or 2d (commencing with Section 2985.7) of Title
4 14 of Part 4 of Division 3 of, Section 3071.5 of, Part 5
5 (commencing with Section 4000) of Division 4 of, or Part 5.3
6 (commencing with Section 6500) of Division 4 of this code,
7 subdivision (b) of Section 18608 or Section 22328 of the Financial
8 Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371, or 18035.5
9 of the Health and Safety Code, Section 662, 663, 664, 667.5, 673,
10 677, 678, 678.1, 786, 10086, 10113.7, 10127.7, 10127.9, 10127.10,
11 10197, 10199.44, 10199.46, 10235.16, 10235.40, 10509.4, 10509.7,
12 11624.09, or 11624.1 of the Insurance Code, Section 779.1,
13 10010.1, or 16482 of the Public Utilities Code, or Section 9975
14 or 11738 of the Vehicle Code. An electronic record may not be
15 substituted for any notice that is required to be sent pursuant to
16 Section 1162 of the Code of Civil Procedure. Nothing in this
17 subdivision shall be construed to prohibit the recordation of any
18 document with a county recorder by electronic means.

19 (d) This title applies to an electronic record or electronic
20 signature otherwise excluded from the application of this title under
21 subdivision (b) when used for a transaction subject to a law other
22 than those specified in subdivision (b).

23 (e) A transaction subject to this title is also subject to other
24 applicable substantive law.

25 (f) The exclusion of a transaction from the application of this
26 title under subdivision (b) or (c) shall be construed only to exclude
27 the transaction from the application of this title, but shall not be
28 construed to prohibit the transaction from being conducted by
29 electronic means if the transaction may be conducted by electronic
30 means under any other applicable law.

31 SEC. 17. Section 2924b of the Civil Code is amended to read:

32 2924b. (a) Any person desiring a copy of any notice of default
33 and of any notice of sale under any deed of trust or mortgage with
34 power of sale upon real property or an estate for years therein, as
35 to which deed of trust or mortgage the power of sale cannot be
36 exercised until these notices are given for the time and in the
37 manner provided in Section 2924 may, at any time subsequent to
38 recordation of the deed of trust or mortgage and prior to recordation
39 of notice of default thereunder, cause to be filed for record in the
40 office of the recorder of any county in which any part or parcel of

1 the real property is situated, a duly acknowledged request for a
 2 copy of the notice of default and of sale. This request shall be
 3 signed and acknowledged by the person making the request,
 4 specifying the name and address of the person to whom the notice
 5 is to be mailed, shall identify the deed of trust or mortgage by
 6 stating the names of the parties thereto, the date of recordation
 7 thereof, and the book and page where the deed of trust or mortgage
 8 is recorded or the recorder’s number, and shall be in substantially
 9 the following form:

10
 11 “In accordance with Section 2924b, Civil Code, request is hereby
 12 made that a copy of any notice of default and a copy of any notice of sale
 13 under the deed of trust (or mortgage) recorded _____, _____, in Book
 14 _____ page _____ records of _____ County, (or filed for record with
 15 recorder’s serial number _____, _____ County) California, executed
 16 by _____ as trustor (or mortgagor) in which _____ is named as
 17 beneficiary (or mortgagee) and _____ as trustee be mailed to
 18 _____ at _____.
 19 Name Address

20 NOTICE: A copy of any notice of default and of any notice of sale will be
 21 sent only to the address contained in this recorded request. If your address
 22 changes, a new request must be recorded.

23 Signature _____”
 24

25 Upon the filing for record of the request, the recorder shall index
 26 in the general index of grantors the names of the trustors (or
 27 mortgagors) recited therein and the names of persons requesting
 28 copies.

29 (b) The mortgagee, trustee, or other person authorized to record
 30 the notice of default or the notice of sale shall do each of the
 31 following:

32 (1) Within 10 business days following recordation of the notice
 33 of default, deposit or cause to be deposited in the United States
 34 mail an envelope, sent by registered or certified mail with postage
 35 prepaid, containing a copy of the notice with the recording date
 36 shown thereon, addressed to each person whose name and address
 37 are set forth in a duly recorded request therefor, directed to the
 38 address designated in the request and to each trustor or mortgagor
 39 at his or her last known address if different than the address
 40 specified in the deed of trust or mortgage with power of sale.

1 (2) At least 20 days before the date of sale, deposit or cause to
2 be deposited in the United States mail an envelope, sent by
3 registered or certified mail with postage prepaid, containing a copy
4 of the notice of the time and place of sale, addressed to each person
5 whose name and address are set forth in a duly recorded request
6 therefor, directed to the address designated in the request and to
7 each trustor or mortgagor at his or her last known address if
8 different than the address specified in the deed of trust or mortgage
9 with power of sale.

10 (3) As used in paragraphs (1) and (2), the “last known address”
11 of each trustor or mortgagor means the last business or residence
12 physical address actually known by the mortgagee, beneficiary,
13 trustee, or other person authorized to record the notice of default.
14 For the purposes of this subdivision, an address is “actually known”
15 if it is contained in the original deed of trust or mortgage, or in
16 any subsequent written notification of a change of physical address
17 from the trustor or mortgagor pursuant to the deed of trust or
18 mortgage. For the purposes of this subdivision, “physical address”
19 does not include an email or any form of electronic address for a
20 trustor or mortgagor. The beneficiary shall inform the trustee of
21 the trustor’s last address actually known by the beneficiary.
22 However, the trustee shall incur no liability for failing to send any
23 notice to the last address unless the trustee has actual knowledge
24 of it.

25 (4) A “person authorized to record the notice of default or the
26 notice of sale” shall include an agent for the mortgagee or
27 beneficiary, an agent of the named trustee, any person designated
28 in an executed substitution of trustee, or an agent of that substituted
29 trustee.

30 (c) The mortgagee, trustee, or other person authorized to record
31 the notice of default or the notice of sale shall do the following:

32 (1) Within one month following recordation of the notice of
33 default, deposit or cause to be deposited in the United States mail
34 an envelope, sent by registered or certified mail with postage
35 prepaid, containing a copy of the notice with the recording date
36 shown thereon, addressed to each person set forth in paragraph
37 (2), provided that the estate or interest of any person entitled to
38 receive notice under this subdivision is acquired by an instrument
39 sufficient to impart constructive notice of the estate or interest in
40 the land or portion thereof that is subject to the deed of trust or

1 mortgage being foreclosed, and provided the instrument is recorded
2 in the office of the county recorder so as to impart that constructive
3 notice prior to the recording date of the notice of default and
4 provided the instrument as so recorded sets forth a mailing address
5 that the county recorder shall use, as instructed within the
6 instrument, for the return of the instrument after recording, and
7 which address shall be the address used for the purposes of mailing
8 notices herein.

9 (2) The persons to whom notice shall be mailed under this
10 subdivision are:

11 (A) The successor in interest, as of the recording date of the
12 notice of default, of the estate or interest or any portion thereof of
13 the trustor or mortgagor of the deed of trust or mortgage being
14 foreclosed.

15 (B) The beneficiary or mortgagee of any deed of trust or
16 mortgage recorded subsequent to the deed of trust or mortgage
17 being foreclosed, or recorded prior to or concurrently with the
18 deed of trust or mortgage being foreclosed but subject to a recorded
19 agreement or a recorded statement of subordination to the deed of
20 trust or mortgage being foreclosed.

21 (C) The assignee of any interest of the beneficiary or mortgagee
22 described in subparagraph (B), as of the recording date of the notice
23 of default.

24 (D) The vendee of any contract of sale, or the lessee of any
25 lease, of the estate or interest being foreclosed that is recorded
26 subsequent to the deed of trust or mortgage being foreclosed, or
27 recorded prior to or concurrently with the deed of trust or mortgage
28 being foreclosed but subject to a recorded agreement or statement
29 of subordination to the deed of trust or mortgage being foreclosed.

30 (E) The successor in interest to the vendee or lessee described
31 in subparagraph (D), as of the recording date of the notice of
32 default.

33 (F) The office of the Controller, Sacramento, California, where,
34 as of the recording date of the notice of default, a “Notice of Lien
35 for Postponed Property Taxes” has been recorded against the real
36 property to which the notice of default applies.

37 (3) At least 20 days before the date of sale, deposit or cause to
38 be deposited in the United States mail an envelope, sent by
39 registered or certified mail with postage prepaid, containing a copy
40 of the notice of the time and place of sale addressed to each person

1 to whom a copy of the notice of default is to be mailed as provided
2 in paragraphs (1) and (2), and addressed to the office of any state
3 taxing agency, Sacramento, California, that has recorded,
4 subsequent to the deed of trust or mortgage being foreclosed, a
5 notice of tax lien prior to the recording date of the notice of default
6 against the real property to which the notice of default applies.

7 (4) Provide a copy of the notice of sale to the Internal Revenue
8 Service, in accordance with Section 7425 of the Internal Revenue
9 Code and any applicable federal regulation, if a “Notice of Federal
10 Tax Lien under Internal Revenue Laws” has been recorded,
11 subsequent to the deed of trust or mortgage being foreclosed,
12 against the real property to which the notice of sale applies. The
13 failure to provide the Internal Revenue Service with a copy of the
14 notice of sale pursuant to this paragraph shall be sufficient cause
15 to rescind the trustee’s sale and invalidate the trustee’s deed, at
16 the option of either the successful bidder at the trustee’s sale or
17 the trustee, and in either case with the consent of the beneficiary.
18 Any option to rescind the trustee’s sale pursuant to this paragraph
19 shall be exercised prior to any transfer of the property by the
20 successful bidder to a bona fide purchaser for value. A rescission
21 of the trustee’s sale pursuant to this paragraph may be recorded in
22 a notice of rescission pursuant to Section 1058.5.

23 (5) The mailing of notices in the manner set forth in paragraph
24 (1) shall not impose upon any licensed attorney, agent, or employee
25 of any person entitled to receive notices as herein set forth any
26 duty to communicate the notice to the entitled person from the fact
27 that the mailing address used by the county recorder is the address
28 of the attorney, agent, or employee.

29 (d) Any deed of trust or mortgage with power of sale hereafter
30 executed upon real property or an estate for years therein may
31 contain a request that a copy of any notice of default and a copy
32 of any notice of sale thereunder shall be mailed to any person or
33 party thereto at the address of the person given therein, and a copy
34 of any notice of default and of any notice of sale shall be mailed
35 to each of these at the same time and in the same manner required
36 as though a separate request therefor had been filed by each of
37 these persons as herein authorized. If any deed of trust or mortgage
38 with power of sale executed after September 19, 1939, except a
39 deed of trust or mortgage of any of the classes excepted from the
40 provisions of Section 2924, does not contain a mailing address of

1 the trustor or mortgagor therein named, and if no request for special
2 notice by the trustor or mortgagor in substantially the form set
3 forth in this section has subsequently been recorded, a copy of the
4 notice of default shall be published once a week for at least four
5 weeks in a newspaper of general circulation in the county in which
6 the property is situated, the publication to commence within 10
7 business days after the filing of the notice of default. In lieu of
8 publication, a copy of the notice of default may be delivered
9 personally to the trustor or mortgagor within the 10 business days
10 or at any time before publication is completed, or by posting the
11 notice of default in a conspicuous place on the property and mailing
12 the notice to the last known address of the trustor or mortgagor.

13 (e) Any person required to mail a copy of a notice of default or
14 notice of sale to each trustor or mortgagor pursuant to subdivision
15 (b) or (c) by registered or certified mail shall simultaneously cause
16 to be deposited in the United States mail, with postage prepaid and
17 mailed by first-class mail, an envelope containing an additional
18 copy of the required notice addressed to each trustor or mortgagor
19 at the same address to which the notice is sent by registered or
20 certified mail pursuant to subdivision (b) or (c). The person shall
21 execute and retain an affidavit identifying the notice mailed,
22 showing the name and residence or business address of that person,
23 that he or she is over 18 years of age, the date of deposit in the
24 mail, the name and address of the trustor or mortgagor to whom
25 sent, and that the envelope was sealed and deposited in the mail
26 with postage fully prepaid. In the absence of fraud, the affidavit
27 required by this subdivision shall establish a conclusive
28 presumption of mailing.

29 (f) (1) Notwithstanding subdivision (a), with respect to separate
30 interests governed by an association, as defined in Section 4080
31 or 6528, the association may cause to be filed in the office of the
32 recorder in the county in which the separate interests are situated
33 a request that a mortgagee, trustee, or other person authorized to
34 record a notice of default regarding any of those separate interests
35 mail to the association a copy of any trustee's deed upon sale
36 concerning a separate interest. The request shall include a legal
37 description or the assessor's parcel number of all the separate
38 interests. A request recorded pursuant to this subdivision shall
39 include the name and address of the association and a statement
40 that it is an association as defined in Section 4080 or 6528.

1 Subsequent requests of an association shall supersede prior
2 requests. A request pursuant to this subdivision shall be recorded
3 before the filing of a notice of default. The mortgagee, trustee, or
4 other authorized person shall mail the requested information to
5 the association within 15 business days following the date of the
6 trustee’s sale. Failure to mail the request, pursuant to this
7 subdivision, shall not affect the title to real property.

8 (2) A request filed pursuant to paragraph (1) does not, for
9 purposes of Section 27288.1 of the Government Code, constitute
10 a document that either effects or evidences a transfer or
11 encumbrance of an interest in real property or that releases or
12 terminates any interest, right, or encumbrance of an interest in real
13 property.

14 (g) No request for a copy of any notice filed for record pursuant
15 to this section, no statement or allegation in the request, and no
16 record thereof shall affect the title to real property or be deemed
17 notice to any person that any person requesting copies of notice
18 has or claims any right, title, or interest in, or lien or charge upon
19 the property described in the deed of trust or mortgage referred to
20 therein.

21 (h) “Business day,” as used in this section, has the meaning
22 specified in Section 9.

23 SEC. 18. Section 2955.1 of the Civil Code, as amended by
24 Section 41 of Chapter 181 of the Statutes of 2012, is amended to
25 read:

26 2955.1. (a) Any lender originating a loan secured by the
27 borrower’s separate interest in a condominium project, as defined
28 in Section 4125 or 6542, which requires earthquake insurance or
29 imposes a fee or any other condition in lieu thereof pursuant to an
30 underwriting requirement imposed by an institutional third-party
31 purchaser shall disclose all of the following to the potential
32 borrower:

33 (1) That the lender or the institutional third party in question
34 requires earthquake insurance or imposes a fee or any other
35 condition in lieu thereof pursuant to an underwriting requirement
36 imposed by an institutional third-party purchaser.

37 (2) That not all lenders or institutional third parties require
38 earthquake insurance or impose a fee or any other condition in lieu
39 thereof pursuant to an underwriting requirement imposed by an
40 institutional third-party purchaser.

1 (3) Earthquake insurance may be required on the entire
2 condominium project.

3 (4) That lenders or institutional third parties may also require
4 that a condominium project maintain, or demonstrate an ability to
5 maintain, financial reserves in the amount of the earthquake
6 insurance deductible.

7 (b) For the purposes of this section, “institutional third party”
8 means the Federal Home Loan Mortgage Corporation, the Federal
9 National Mortgage Association, the Government National
10 Mortgage Association, and other substantially similar institutions,
11 whether public or private.

12 (c) The disclosure required by this section shall be made in
13 writing by the lender as soon as reasonably practicable.

14 SEC. 19. Section 4202 of the Civil Code is amended to read:

15 4202. This part does not apply to a commercial or industrial
16 common interest development, as defined in Section 6531.

17 SEC. 20. Section 4280 of the Civil Code is amended to read:

18 4280. (a) The articles of incorporation of an association filed
19 with the Secretary of State shall include a statement, which shall
20 be in addition to the statement of purposes of the corporation, that
21 does all of the following:

22 (1) Identifies the corporation as an association formed to manage
23 a common interest development under the Davis-Stirling Common
24 Interest Development Act.

25 (2) States the business or corporate office of the association, if
26 any, and, if the office is not on the site of the common interest
27 development, states the front street and nearest cross street for the
28 physical location of the common interest development.

29 (3) States the name and address of the association’s managing
30 agent, if any.

31 (b) The statement filed by an incorporated association with the
32 Secretary of State pursuant to Section 8210 of the Corporations
33 Code shall also contain a statement identifying the corporation as
34 an association formed to manage a common interest development
35 under the Davis-Stirling Common Interest Development Act.

36 (c) Documents filed prior to January 1, 2014, in compliance
37 with former Section 1363.5, as it read on January 1, 2013, are
38 deemed to be in compliance with this section.

1 ~~SEC. 20.~~

2 *SEC. 21.* Part 5.3 (commencing with Section 6500) is added
3 to Division 4 of the Civil Code, to read:

4

5 PART 5.3. COMMERCIAL AND INDUSTRIAL COMMON
6 INTEREST DEVELOPMENTS

7

8 CHAPTER 1. GENERAL PROVISIONS

9

10 Article 1. Preliminary Provisions

11

12 6500. This part shall be known, and may be cited, as the
13 Commercial and Industrial Common Interest Development Act.
14 In a provision of this part, the part may be referred to as the act.

15 6502. Division, part, title, chapter, article, and section headings
16 do not in any manner affect the scope, meaning, or intent of this
17 act.

18 6505. Nothing in the act that added this part shall be construed
19 to invalidate a document prepared or action taken before January
20 1, 2014, if the document or action was proper under the law
21 governing common interest developments at the time that the
22 document was prepared or the action was taken. For the purposes
23 of this section, “document” does not include a governing document.

24 6510. Unless a contrary intent is clearly expressed, a local
25 zoning ordinance is construed to treat like structures, lots, parcels,
26 areas, or spaces in like manner regardless of the form of the
27 common interest development.

28 6512. (a) If a provision of this act requires that a document be
29 delivered to an association, the document shall be delivered to the
30 person designated to receive documents on behalf of the
31 association, in a written notice delivered by the association to
32 members by individual delivery. If notice of this designation has
33 not been given, the document shall be delivered to the president
34 or secretary of the association.

35 (b) A document delivered pursuant to this section may be
36 delivered by any of the following methods:

37 (1) First-class mail, postage prepaid, registered or certified mail,
38 express mail, or overnight delivery by an express service carrier.

39 (2) By email, facsimile, or other electronic means, if the
40 association has assented to that method of delivery.

1 (3) By personal delivery, if the association has assented to that
2 method of delivery. If the association accepts a document by
3 personal delivery it shall provide a written receipt acknowledging
4 delivery of the document.

5 6514. (a) If a provision of this act requires that an association
6 deliver a document by “individual delivery” or “individual notice,”
7 the document shall be delivered by one of the following methods:

8 (1) First-class mail, postage prepaid, registered or certified mail,
9 express mail, or overnight delivery by an express service carrier.
10 The document shall be addressed to the recipient at the address
11 last shown on the books of the association.

12 (2) Email, facsimile, or other electronic means, if the recipient
13 has consented, in writing, to that method of delivery. The consent
14 may be revoked, in writing, by the recipient.

15 (b) For the purposes of this section, an unrecorded provision of
16 the governing documents providing for a particular method of
17 delivery does not constitute agreement by a member to that method
18 of delivery.

19 6518. (a) This section governs the delivery of a document
20 pursuant to this act.

21 (b) If a document is delivered by mail, delivery is deemed to
22 be complete on deposit into the United States mail.

23 (c) If a document is delivered by electronic means, delivery is
24 complete at the time of transmission.

25 6520. If the association or a member has consented to receive
26 information by electronic delivery, and a provision of this act
27 requires that the information be in writing, that requirement is
28 satisfied if the information is provided in an electronic record
29 capable of retention by the recipient at the time of receipt. An
30 electronic record is not capable of retention by the recipient if the
31 sender or its information processing system inhibits the ability of
32 the recipient to print or store the electronic record.

33 6522. If a provision of this act requires that an action be
34 approved by a majority of all members, the action shall be approved
35 or ratified by an affirmative vote of a majority of the votes entitled
36 to be cast.

37 6524. If a provision of this act requires that an action be
38 approved by a majority of a quorum of the members, the action
39 shall be approved or ratified by an affirmative vote of a majority
40 of the votes represented and voting in a duly held election in which

1 a quorum is represented, which affirmative votes also constitute
2 a majority of the required quorum.

3
4 Article 2. Definitions

5
6 6526. The definitions in this article govern the construction of
7 this act.

8 6528. “Association” means a nonprofit corporation or
9 unincorporated association created for the purpose of managing a
10 common interest development.

11 6530. “Board” means the board of directors of the association.

12 6531. A “commercial or industrial common interest
13 development” means a common interest development that is limited
14 to industrial or commercial uses by law or by a declaration of
15 covenants, conditions, and restrictions that has been recorded in
16 the official records of each county in which the common interest
17 development is located. For the purposes of this section,
18 “commercial use” includes, but is not limited to, the operation of
19 a business that provides facilities for the overnight stay of its
20 customers, employees, or agents.

21 6532. (a) “Common area” means the entire common interest
22 development except the separate interests therein. The estate in
23 the common area may be a fee, a life estate, an estate for years, or
24 any combination of the foregoing.

25 (b) Notwithstanding subdivision (a), in a planned development
26 described in subdivision (b) of Section 6562, the common area
27 may consist of mutual or reciprocal easement rights appurtenant
28 to the separate interests.

29 6534. “Common interest development” means any of the
30 following:

31 (a) A condominium project.

32 (b) A planned development.

33 (c) A stock cooperative.

34 6540. “Condominium plan” means a plan described in Section
35 6624.

36 6542. (a) A “condominium project” means a real property
37 development consisting of condominiums.

38 (b) A condominium consists of an undivided interest in common
39 in a portion of real property coupled with a separate interest in
40 space called a unit, the boundaries of which are described on a

1 recorded final map, parcel map, or condominium plan in sufficient
2 detail to locate all boundaries thereof. The area within these
3 boundaries may be filled with air, earth, water, or fixtures, or any
4 combination thereof, and need not be physically attached to land
5 except by easements for access and, if necessary, support. The
6 description of the unit may refer to (1) boundaries described in the
7 recorded final map, parcel map, or condominium plan, (2) physical
8 boundaries, either in existence, or to be constructed, such as walls,
9 floors, and ceilings of a structure or any portion thereof, (3) an
10 entire structure containing one or more units, or (4) any
11 combination thereof.

12 (c) The portion or portions of the real property held in undivided
13 interest may be all of the real property, except for the separate
14 interests, or may include a particular three-dimensional portion
15 thereof, the boundaries of which are described on a recorded final
16 map, parcel map, or condominium plan. The area within these
17 boundaries may be filled with air, earth, water, or fixtures, or any
18 combination thereof, and need not be physically attached to land
19 except by easements for access and, if necessary, support.

20 (d) An individual condominium within a condominium project
21 may include, in addition, a separate interest in other portions of
22 the real property.

23 6544. “Declarant” means the person or group of persons
24 designated in the declaration as declarant, or if no declarant is
25 designated, the person or group of persons who sign the original
26 declaration or who succeed to special rights, preferences, or
27 privileges designated in the declaration as belonging to the signator
28 of the original declaration.

29 6546. “Declaration” means the document, however
30 denominated, that contains the information required by Section
31 6614.

32 6548. “Director” means a natural person who serves on the
33 board.

34 6550. (a) “Exclusive use common area” means a portion of
35 the common area designated by the declaration for the exclusive
36 use of one or more, but fewer than all, of the owners of the separate
37 interests and which is or will be appurtenant to the separate interest
38 or interests.

39 (b) Unless the declaration otherwise provides, any shutters,
40 awnings, window boxes, doorsteps, stoops, porches, balconies,

1 patios, exterior doors, doorframes, and hardware incident thereto,
2 screens and windows or other fixtures designed to serve a single
3 separate interest, but located outside the boundaries of the separate
4 interest, are exclusive use common area allocated exclusively to
5 that separate interest.

6 (c) Notwithstanding the provisions of the declaration, internal
7 and external telephone wiring designed to serve a single separate
8 interest, but located outside the boundaries of the separate interest,
9 is exclusive use common area allocated exclusively to that separate
10 interest.

11 6552. “Governing documents” means the declaration and any
12 other documents, such as bylaws, operating rules, articles of
13 incorporation, or articles of association, which govern the operation
14 of the common interest development or association.

15 6553. “Individual notice” means the delivery of a document
16 pursuant to Section 6514.

17 6554. “Member” means an owner of a separate interest.

18 6560. “Person” means a natural person, corporation,
19 government or governmental subdivision or agency, business trust,
20 estate, trust, partnership, limited liability company, association,
21 or other entity.

22 6562. “Planned development” means a real property
23 development other than a condominium project, or a stock
24 cooperative, having either or both of the following features:

25 (a) Common area that is owned either by an association or in
26 common by the owners of the separate interests who possess
27 appurtenant rights to the beneficial use and enjoyment of the
28 common area.

29 (b) Common area and an association that maintains the common
30 area with the power to levy assessments that may become a lien
31 upon the separate interests in accordance with Article 2
32 (commencing with Section 6808) of Chapter 7.

33 6564. (a) “Separate interest” has the following meanings:

34 (1) In a condominium project, “separate interest” means a
35 separately owned unit, as specified in Section 6542.

36 (2) In a planned development, “separate interest” means a
37 separately owned lot, parcel, area, or space.

38 (3) In a stock cooperative, “separate interest” means the
39 exclusive right to occupy a portion of the real property, as specified
40 in Section 6566.

1 (b) Unless the declaration or condominium plan, if any exists,
2 otherwise provides, if walls, floors, or ceilings are designated as
3 boundaries of a separate interest, the interior surfaces of the
4 perimeter walls, floors, ceilings, windows, doors, and outlets
5 located within the separate interest are part of the separate interest
6 and any other portions of the walls, floors, or ceilings are part of
7 the common area.

8 (c) The estate in a separate interest may be a fee, a life estate,
9 an estate for years, or any combination of the foregoing.

10 6566. “Stock cooperative” means a development in which a
11 corporation is formed or availed of, primarily for the purpose of
12 holding title to, either in fee simple or for a term of years, improved
13 real property, and all or substantially all of the shareholders of the
14 corporation receive a right of exclusive occupancy in a portion of
15 the real property, title to which is held by the corporation. The
16 owners’ interest in the corporation, whether evidenced by a share
17 of stock, a certificate of membership, or otherwise, shall be deemed
18 to be an interest in a common interest development and a real estate
19 development for purposes of subdivision (f) of Section 25100 of
20 the Corporations Code.

21

22 CHAPTER 2. APPLICATION OF ACT

23

24 6580. Subject to Section 6582, this act applies and a common
25 interest development is created whenever a separate interest
26 coupled with an interest in the common area or membership in the
27 association is, or has been, conveyed, provided all of the following
28 are recorded:

29 (a) A declaration.

30 (b) A condominium plan, if any exists.

31 (c) A final map or parcel map, if Division 2 (commencing with
32 Section 66410) of Title 7 of the Government Code requires the
33 recording of either a final map or parcel map for the common
34 interest development.

35 6582. (a) This act applies only to a commercial or industrial
36 common interest development.

37 (b) Nothing in this act may be construed to apply to a real
38 property development that does not contain common area. This
39 subdivision is declaratory of existing law.

CHAPTER 3. GOVERNING DOCUMENTS

Article 1. General Provisions

6600. (a) To the extent of any conflict between the governing documents and the law, the law shall prevail.

(b) To the extent of any conflict between the articles of incorporation and the declaration, the declaration shall prevail.

(c) To the extent of any conflict between the bylaws and the articles of incorporation or declaration, the articles of incorporation or declaration shall prevail.

(d) To the extent of any conflict between the operating rules and the bylaws, articles of incorporation, or declaration, the bylaws, articles of incorporation, or declaration shall prevail.

6602. Any deed, declaration, or condominium plan for a common interest development shall be liberally construed to facilitate the operation of the common interest development, and its provisions shall be presumed to be independent and severable. Nothing in Article 3 (commencing with Section 715) of Chapter 2 of Title 2 of Part 1 of Division 2 shall operate to invalidate any provisions of the governing documents.

6604. In interpreting deeds and condominium plans, the existing physical boundaries of a unit in a condominium project, when the boundaries of the unit are contained within a building, or of a unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or condominium plan, if any exists, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

6606. (a) No declaration or other governing document shall include a restrictive covenant in violation of Section 12955 of the Government Code.

(b) Notwithstanding any other provision of law or provision of the governing documents, the board, without approval of the members, shall amend any declaration or other governing document that includes a restrictive covenant prohibited by this section to delete the restrictive covenant, and shall restate the declaration or other governing document without the restrictive covenant but with no other change to the declaration or governing document.

1 (c) If the declaration is amended under this section, the board
2 shall record the restated declaration in each county in which the
3 common interest development is located. If the articles of
4 incorporation are amended under this section, the board shall file
5 a certificate of amendment with the Secretary of State pursuant to
6 Section 7814 of the Corporations Code.

7 (d) If after providing written notice to an association, pursuant
8 to Section 6512, requesting that the association delete a restrictive
9 covenant that violates subdivision (a), and the association fails to
10 delete the restrictive covenant within 30 days of receiving the
11 notice, the Department of Fair Employment and Housing, a city
12 or county in which a common interest development is located, or
13 any person may bring an action against the association for
14 injunctive relief to enforce subdivision (a). The court may award
15 attorney's fees to the prevailing party.

16 6608. (a) Notwithstanding any provision of the governing
17 documents to the contrary, the board may, after the developer has
18 completed construction of the development, has terminated
19 construction activities, and has terminated marketing activities for
20 the sale, lease, or other disposition of separate interests within the
21 development, adopt an amendment deleting from any of the
22 governing documents any provision which is unequivocally
23 designed and intended, or which by its nature can only have been
24 designed or intended, to facilitate the developer in completing the
25 construction or marketing of the development. However, provisions
26 of the governing documents relative to a particular construction
27 or marketing phase of the development may not be deleted under
28 the authorization of this subdivision until that construction or
29 marketing phase has been completed.

30 (b) The provisions which may be deleted by action of the board
31 shall be limited to those which provide for access by the developer
32 over or across the common area for the purposes of (1) completion
33 of construction of the development, and (2) the erection,
34 construction, or maintenance of structures or other facilities
35 designed to facilitate the completion of construction or marketing
36 of separate interests.

37 (c) At least 30 days prior to taking action pursuant to subdivision
38 (a), the board shall deliver to all members, by individual delivery
39 pursuant to Section 6514, (1) a copy of all amendments to the
40 governing documents proposed to be adopted under subdivision

1 (a), and (2) a notice of the time, date, and place the board will
2 consider adoption of the amendments.

3 The board may consider adoption of amendments to the
4 governing documents pursuant to subdivision (a) only at a meeting
5 that is open to all members, who shall be given opportunity to
6 make comments thereon. All deliberations of the board on any
7 action proposed under subdivision (a) shall only be conducted in
8 an open meeting.

9 (d) The board may not amend the governing documents pursuant
10 to this section without the approval of a majority of a quorum of
11 the members, pursuant to Section 6524. For the purposes of this
12 section, “quorum” means more than 50 percent of the members
13 who own no more than two separate interests in the development.

14 6610. (a) Notwithstanding any other law or provision of the
15 governing documents, if the governing documents include a
16 reference to a provision of the Davis-Stirling Common Interest
17 Development Act that was continued in a new provision by the
18 act that added this section, the board may amend the governing
19 documents, solely to correct the cross-reference, by adopting a
20 board resolution that shows the correction. Member approval is
21 not required in order to adopt a resolution pursuant to this section.

22 (b) A declaration that is corrected under this section may be
23 restated in corrected form and recorded, provided that a copy of
24 the board resolution authorizing the corrections is recorded along
25 with the restated declaration.

26

27

Article 2. Declaration

28

29 6614. (a) A declaration, recorded on or after January 1, 1986,
30 shall contain a legal description of the common interest
31 development, and a statement that the common interest
32 development is a condominium project, planned development,
33 stock cooperative, or combination thereof. The declaration shall
34 additionally set forth the name of the association and the
35 restrictions on the use or enjoyment of any portion of the common
36 interest development that are intended to be enforceable equitable
37 servitudes.

38 (b) The declaration may contain any other matters the declarant
39 or the members consider appropriate.

1 6616. Except to the extent that a declaration provides by its
2 express terms that it is not amendable, in whole or in part, a
3 declaration that fails to include provisions permitting its
4 amendment at all times during its existence may be amended at
5 any time.

6 6618. (a) The Legislature finds that there are common interest
7 developments that have been created with deed restrictions that
8 do not provide a means for the members to extend the term of the
9 declaration. The Legislature further finds that covenants and
10 restrictions, contained in the declaration, are an appropriate method
11 for protecting the common plan of developments and to provide
12 for a mechanism for financial support for the upkeep of common
13 area including, but not limited to, roofs, roads, heating systems,
14 and recreational facilities. If declarations terminate prematurely,
15 common interest developments may deteriorate and the supply of
16 affordable units could be impacted adversely. The Legislature
17 further finds and declares that it is in the public interest to provide
18 a vehicle for extending the term of the declaration if the extension
19 is approved by a majority of all members, pursuant to Section
20 6522.

21 (b) A declaration that specifies a termination date, but that
22 contains no provision for extension of the termination date, may
23 be extended, before its termination date, by the approval of
24 members pursuant to Section 6620.

25 (c) No single extension of the terms of the declaration made
26 pursuant to this section shall exceed the initial term of the
27 declaration or 20 years, whichever is less. However, more than
28 one extension may occur pursuant to this section.

29 6620. (a) A declaration may be amended pursuant to the
30 declaration or this act. An amendment is effective after all of the
31 following requirements have been met:

32 (1) The proposed amendment has been delivered by individual
33 notice to all members not less than 15 days and not more than 60
34 days prior to any approval being solicited.

35 (2) The amendment has been approved by the percentage of
36 members required by the declaration and any other person whose
37 approval is required by the declaration.

38 (3) That fact has been certified in a writing executed and
39 acknowledged by the officer designated in the declaration or by

1 the association for that purpose, or if no one is designated, by the
2 president of the association.

3 (4) The amendment has been recorded in each county in which
4 a portion of the common interest development is located.

5 (b) If the declaration does not specify the percentage of members
6 who must approve an amendment of the declaration, an amendment
7 may be approved by a majority of all members, pursuant to Section
8 6522.

9
10 Article 3. Articles of Incorporation

11
12 6622. (a) The articles of incorporation of an association filed
13 with the Secretary of State shall include a statement, which shall
14 be in addition to the statement of purposes of the corporation, that
15 does all of the following:

16 (1) Identifies the corporation as an association formed to manage
17 a common interest development under the Commercial and
18 Industrial Common Interest Development Act.

19 (2) States the business or corporate office of the association, if
20 any, and, if the office is not on the site of the common interest
21 development, states the front street and nearest cross street for the
22 physical location of the common interest development.

23 (3) States the name and address of the association’s managing
24 agent, if any.

25 (b) The statement filed by an incorporated association with the
26 Secretary of State pursuant to Section 8210 of the Corporations
27 Code shall also contain a statement identifying the corporation as
28 an association formed to manage a common interest development
29 under the Commercial and Industrial Common Interest
30 Development Act.

31 (c) *Documents filed prior to January 1, 2014, in compliance*
32 *with former Section 1363.5, as it read on January 1, 2013, are*
33 *deemed to be in compliance with this section.*

34
35 Article 4. Condominium Plan

36
37 6624. A condominium plan shall contain all of the following:

38 (a) A description or survey map of a condominium project,
39 which shall refer to or show monumentation on the ground.

1 (b) A three-dimensional description of a condominium project,
2 one or more dimensions of which may extend for an indefinite
3 distance upwards or downwards, in sufficient detail to identify the
4 common area and each separate interest.

5 (c) A certificate consenting to the recordation of the
6 condominium plan pursuant to this act that is signed and
7 acknowledged as provided in Section 6626.

8 6626. (a) The certificate consenting to the recordation of a
9 condominium plan that is required by subdivision (c) of Section
10 6624 shall be signed and acknowledged by all of the following
11 persons:

12 (1) The record owner of fee title to that property included in the
13 condominium project.

14 (2) In the case of a condominium project that will terminate
15 upon the termination of an estate for years, by all lessors and
16 lessees of the estate for years.

17 (3) In the case of a condominium project subject to a life estate,
18 by all life tenants and remainder interests.

19 (4) The trustee or the beneficiary of each recorded deed of trust,
20 and the mortgagee of each recorded mortgage encumbering the
21 property.

22 (b) Owners of mineral rights, easements, rights-of-way, and
23 other nonpossessory interests do not need to sign the certificate.

24 (c) In the event a conversion to condominiums of a stock
25 cooperative has been approved by the required number of owners,
26 trustees, beneficiaries, and mortgagees pursuant to Section
27 66452.10 of the Government Code, the certificate need only be
28 signed by those owners, trustees, beneficiaries, and mortgagees
29 approving the conversion.

30 6628. A condominium plan may be amended or revoked by a
31 recorded instrument that is acknowledged and signed by all the
32 persons who, at the time of amendment or revocation, are persons
33 whose signatures are required under Section 6626.

34

35 Article 5. Operating Rules

36

37 6630. For the purposes of this article, “operating rule” means
38 a regulation adopted by the board that applies generally to the
39 management and operation of the common interest development
40 or the conduct of the business and affairs of the association.

1 6632. An operating rule is valid and enforceable only if all of
2 the following requirements are satisfied:

3 (a) The rule is in writing.

4 (b) The rule is within the authority of the board conferred by
5 law or by the declaration, articles of incorporation or association,
6 or bylaws of the association.

7 (c) The rule is not in conflict with governing law and the
8 declaration, articles of incorporation or association, or bylaws of
9 the association.

10 (d) The rule is reasonable, and is adopted, amended, or repealed
11 in good faith.

12

13 CHAPTER 4. OWNERSHIP AND TRANSFER OF INTERESTS

14

15 Article 1. Ownership Rights and Interests

16

17 6650. Unless the declaration otherwise provides, in a
18 condominium project, or in a planned development in which the
19 common area is owned by the owners of the separate interests, the
20 common area is owned as tenants in common, in equal shares, one
21 for each separate interest.

22 6652. Unless the declaration otherwise provides:

23 (a) In a condominium project, and in those planned
24 developments with common area owned in common by the owners
25 of the separate interests, there are appurtenant to each separate
26 interest nonexclusive rights of ingress, egress, and support, if
27 necessary, through the common area. The common area is subject
28 to these rights.

29 (b) In a stock cooperative, and in a planned development with
30 common area owned by the association, there is an easement for
31 ingress, egress, and support, if necessary, appurtenant to each
32 separate interest. The common area is subject to these easements.

33 6654. Except as otherwise provided in law, an order of the
34 court, or an order pursuant to a final and binding arbitration
35 decision, an association may not deny a member or occupant
36 physical access to the member's or occupant's separate interest,
37 either by restricting access through the common area to the separate
38 interest, or by restricting access solely to the separate interest.

Article 2. Restrictions on Transfers

1
2
3 6656. (a) Except as provided in this section, the common area
4 in a condominium project shall remain undivided, and there shall
5 be no judicial partition thereof. Nothing in this section shall be
6 deemed to prohibit partition of a cotenancy in a condominium.
7 (b) The owner of a separate interest in a condominium project
8 may maintain a partition action as to the entire project as if the
9 owners of all of the separate interests in the project were tenants
10 in common in the entire project in the same proportion as their
11 interests in the common area. The court shall order partition under
12 this subdivision only by sale of the entire condominium project
13 and only upon a showing of one of the following:
14 (1) More than three years before the filing of the action, the
15 condominium project was damaged or destroyed, so that a material
16 part was rendered unfit for its prior use, and the condominium
17 project has not been rebuilt or repaired substantially to its state
18 prior to the damage or destruction.
19 (2) Three-fourths or more of the project is destroyed or
20 substantially damaged and owners of separate interests holding in
21 the aggregate more than a 50-percent interest in the common area
22 oppose repair or restoration of the project.
23 (3) The project has been in existence more than 50 years, is
24 obsolete and uneconomic, and owners of separate interests holding
25 in the aggregate more than a 50-percent interest in the common
26 area oppose repair or restoration of the project.
27 (4) Any conditions in the declaration for sale under the
28 circumstances described in this subdivision have been met.
29 6658. (a) In a condominium project, no labor performed or
30 services or materials furnished with the consent of, or at the request
31 of, an owner in the condominium project or the owners' agent or
32 contractor shall be the basis for the filing of a lien against any other
33 property of any other owner in the condominium project unless
34 that other owner has expressly consented to or requested the
35 performance of the labor or furnishing of the materials or services.
36 However, express consent shall be deemed to have been given by
37 the owner of any condominium in the case of emergency repairs
38 thereto.
39 (b) Labor performed or services or materials furnished for the
40 common area, if duly authorized by the association, shall be

1 deemed to be performed or furnished with the express consent of
2 each condominium owner.

3 (c) The owner of any condominium may remove that owner's
4 condominium from a lien against two or more condominiums or
5 any part thereof by payment to the holder of the lien of the fraction
6 of the total sum secured by the lien that is attributable to the
7 owner's condominium.

8

9

Article 3. Transfer of Separate Interest

10

11 6662. In a condominium project the common area is not subject
12 to partition, except as provided in Section 6656. Any conveyance,
13 judicial sale, or other voluntary or involuntary transfer of the
14 separate interest includes the undivided interest in the common
15 area. Any conveyance, judicial sale, or other voluntary or
16 involuntary transfer of the owner's entire estate also includes the
17 owner's membership interest in the association.

18 6664. In a planned development, any conveyance, judicial sale,
19 or other voluntary or involuntary transfer of the separate interest
20 includes the undivided interest in the common area, if any exists.
21 Any conveyance, judicial sale, or other voluntary or involuntary
22 transfer of the owner's entire estate also includes the owner's
23 membership interest in the association.

24 6666. In a stock cooperative, any conveyance, judicial sale, or
25 other voluntary or involuntary transfer of the separate interest
26 includes the ownership interest in the corporation, however
27 evidenced. Any conveyance, judicial sale, or other voluntary or
28 involuntary transfer of the owner's entire estate also includes the
29 owner's membership interest in the association.

30 6668. Nothing in this article prohibits the transfer of exclusive
31 use areas, independent of any other interest in a common interest
32 subdivision, if authorization to separately transfer exclusive use
33 areas is expressly stated in the declaration and the transfer occurs
34 in accordance with the terms of the declaration.

35 6670. Any restrictions upon the severability of the component
36 interests in real property which are contained in the declaration
37 shall not be deemed conditions repugnant to the interest created
38 within the meaning of Section 711. However, these restrictions
39 shall not extend beyond the period in which the right to partition
40 a project is suspended under Section 6656.

CHAPTER 5. PROPERTY USE AND MAINTENANCE

Article 1. Protected Uses

6700. This article includes provisions that limit the authority of an association or the governing documents to regulate the use of a member’s separate interest. Nothing in this article is intended to affect the application of any other provision that limits the authority of an association to regulate the use of a member’s separate interest, including, but not limited to, the following provisions:

- (a) Sections 712 and 713, relating to the display of signs.
- (b) Sections 714 and 714.1, relating to solar energy systems.
- (c) Section 714.5, relating to structures that are constructed offsite and moved to the property in sections or modules.
- (d) Sections 782, 782.5, and 6150 of this code and Section 12956.1 of the Government Code, relating to racial restrictions.

6702. (a) Except as required for the protection of the public health or safety, no governing document shall limit or prohibit, or be construed to limit or prohibit, the display of the flag of the United States by a member on or in the member’s separate interest or within the member’s exclusive use common area.

(b) For purposes of this section, “display of the flag of the United States” means a flag of the United States made of fabric, cloth, or paper displayed from a staff or pole or in a window, and does not mean a depiction or emblem of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

(c) In any action to enforce this section, the prevailing party shall be awarded reasonable attorney’s fees and costs.

6704. (a) The governing documents may not prohibit posting or displaying of noncommercial signs, posters, flags, or banners on or in a member’s separate interest, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.

(b) For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard, window, door, balcony, or outside wall of the separate interest, but may not

1 be made of lights, roofing, siding, paving materials, flora, or
2 balloons, or any other similar building, landscaping, or decorative
3 component, or include the painting of architectural surfaces.

4 (c) An association may prohibit noncommercial signs and
5 posters that are more than nine square feet in size and
6 noncommercial flags or banners that are more than 15 square feet
7 in size.

8 6706. Notwithstanding Section 4202, Section 4715 applies to
9 an owner of a separate interest in a common interest development
10 who kept a pet in that common interest development before January
11 1, 2014.

12 6708. (a) Any covenant, condition, or restriction contained in
13 any deed, contract, security instrument, or other instrument
14 affecting the transfer or sale of, or any interest in, a common
15 interest development that effectively prohibits or restricts the
16 installation or use of a video or television antenna, including a
17 satellite dish, or that effectively prohibits or restricts the attachment
18 of that antenna to a structure within that development where the
19 antenna is not visible from any street or common area, except as
20 otherwise prohibited or restricted by law, is void and unenforceable
21 as to its application to the installation or use of a video or television
22 antenna that has a diameter or diagonal measurement of 36 inches
23 or less.

24 (b) This section shall not apply to any covenant, condition, or
25 restriction, as described in subdivision (a), that imposes reasonable
26 restrictions on the installation or use of a video or television
27 antenna, including a satellite dish, that has a diameter or diagonal
28 measurement of 36 inches or less. For purposes of this section,
29 “reasonable restrictions” means those restrictions that do not
30 significantly increase the cost of the video or television antenna
31 system, including all related equipment, or significantly decrease
32 its efficiency or performance and include all of the following:

33 (1) Requirements for application and notice to the association
34 prior to the installation.

35 (2) Requirement of a member to obtain the approval of the
36 association for the installation of a video or television antenna that
37 has a diameter or diagonal measurement of 36 inches or less on a
38 separate interest owned by another.

39 (3) Provision for the maintenance, repair, or replacement of
40 roofs or other building components.

1 (4) Requirements for installers of a video or television antenna
2 to indemnify or reimburse the association or its members for loss
3 or damage caused by the installation, maintenance, or use of a
4 video or television antenna that has a diameter or diagonal
5 measurement of 36 inches or less.

6 (c) Whenever approval is required for the installation or use of
7 a video or television antenna, including a satellite dish, the
8 application for approval shall be processed by the appropriate
9 approving entity for the common interest development in the same
10 manner as an application for approval of an architectural
11 modification to the property, and the issuance of a decision on the
12 application shall not be willfully delayed.

13 (d) In any action to enforce compliance with this section, the
14 prevailing party shall be awarded reasonable attorney's fees.

15 6710. (a) Any provision of a governing document that
16 arbitrarily or unreasonably restricts an owner's ability to market
17 the owner's interest in a common interest development is void.

18 (b) No association may adopt, enforce, or otherwise impose any
19 governing document that does either of the following:

20 (1) Imposes an assessment or fee in connection with the
21 marketing of an owner's interest in an amount that exceeds the
22 association's actual or direct costs.

23 (2) Establishes an exclusive relationship with a real estate broker
24 through which the sale or marketing of interests in the development
25 is required to occur. The limitation set forth in this paragraph does
26 not apply to the sale or marketing of separate interests owned by
27 the association or to the sale or marketing of common area by the
28 association.

29 (c) For purposes of this section, "market" and "marketing" mean
30 listing, advertising, or obtaining or providing access to show the
31 owner's interest in the development.

32 (d) This section does not apply to rules or regulations made
33 pursuant to Section 712 or 713 regarding real estate signs.

34 6712. (a) Notwithstanding any other law, a provision of the
35 governing documents shall be void and unenforceable if it does
36 any of the following:

37 (1) Prohibits, or includes conditions that have the effect of
38 prohibiting, the use of low water-using plants as a group.

39 (2) Has the effect of prohibiting or restricting compliance with
40 either of the following:

1 (A) A water-efficient landscape ordinance adopted or in effect
2 pursuant to subdivision (c) of Section 65595 of the Government
3 Code.

4 (B) Any regulation or restriction on the use of water adopted
5 pursuant to Section 353 or 375 of the Water Code.

6 (b) This section shall not prohibit an association from applying
7 landscaping rules established in the governing documents, to the
8 extent the rules fully conform with the requirements of subdivision
9 (a).

10 6713. (a) Any covenant, restriction, or condition contained in
11 any deed, contract, security instrument, or other instrument
12 affecting the transfer or sale of any interest in a common interest
13 development, and any provision of a governing document, as
14 defined in Section 6552, that either effectively prohibits or
15 unreasonably restricts the installation or use of an electric vehicle
16 charging station in an owner’s designated parking space, including,
17 but not limited to, a deeded parking space, a parking space in an
18 owner’s exclusive use common area, or a parking space that is
19 specifically designated for use by a particular owner, or is in
20 conflict with the provisions of this section is void and
21 unenforceable.

22 (b) (1) This section does not apply to provisions that impose
23 reasonable restrictions on electric vehicle charging stations.
24 However, it is the policy of the state to promote, encourage, and
25 remove obstacles to the use of electric vehicle charging stations.

26 (2) For purposes of this section, “reasonable restrictions” are
27 restrictions that do not significantly increase the cost of the station
28 or significantly decrease its efficiency or specified performance.

29 (c) An electric vehicle charging station shall meet applicable
30 health and safety standards and requirements imposed by state and
31 local authorities, and all other applicable zoning, land use or other
32 ordinances, or land use permits.

33 (d) For purposes of this section, “electric vehicle charging
34 station” means a station that is designed in compliance with the
35 California Building Standards Code and delivers electricity from
36 a source outside an electric vehicle into one or more electric
37 vehicles. An electric vehicle charging station may include several
38 charge points simultaneously connecting several electric vehicles
39 to the station and any related equipment needed to facilitate
40 charging plug-in electric vehicles.

1 (e) If approval is required for the installation or use of an electric
2 vehicle charging station, the application for approval shall be
3 processed and approved by the association in the same manner as
4 an application for approval of an architectural modification to the
5 property, and shall not be willfully avoided or delayed. The
6 approval or denial of an application shall be in writing. If an
7 application is not denied in writing within 60 days from the date
8 of receipt of the application, the application shall be deemed
9 approved, unless that delay is the result of a reasonable request
10 for additional information.

11 (f) If the electric vehicle charging station is to be placed in a
12 common area or an exclusive use common area, as designated in
13 the common interest development's declaration, the following
14 provisions apply:

15 (1) The owner first shall obtain approval from the association
16 to install the electric vehicle charging station and the association
17 shall approve the installation if the owner agrees in writing to do
18 all of the following:

19 (A) Comply with the association's architectural standards for
20 the installation of the charging station.

21 (B) Engage a licensed contractor to install the charging station.

22 (C) Within 14 days of approval, provide a certificate of
23 insurance that names the association as an additional insured under
24 the owner's insurance policy in the amount set forth in paragraph
25 (3).

26 (D) Pay for the electricity usage associated with the charging
27 station.

28 (2) The owner and each successive owner of the charging station
29 shall be responsible for all of the following:

30 (A) Costs for damage to the charging station, common area,
31 exclusive use common area, or separate interests resulting from
32 the installation, maintenance, repair, removal, or replacement of
33 the charging station.

34 (B) Costs for the maintenance, repair, and replacement of the
35 charging station until it has been removed and for the restoration
36 of the common area after removal.

37 (C) The cost of electricity associated with the charging station.

38 (D) Disclosing to prospective buyers the existence of any
39 charging station of the owner and the related responsibilities of
40 the owner under this section.

1 (3) The owner and each successive owner of the charging
2 station, at all times, shall maintain a liability coverage policy in
3 the amount of one million dollars (\$1,000,000), and shall name
4 the association as a named additional insured under the policy with
5 a right to notice of cancellation.

6 (4) An owner shall not be required to maintain a liability
7 coverage policy for an existing National Electrical Manufacturers
8 Association standard alternating current power plug.

9 (g) Except as provided in subdivision (h), installation of an
10 electric vehicle charging station for the exclusive use of an owner
11 in a common area, that is not an exclusive use common area, shall
12 be authorized by the association only if installation in the owner’s
13 designated parking space is impossible or unreasonably expensive.
14 In such cases, the association shall enter into a license agreement
15 with the owner for the use of the space in a common area, and the
16 owner shall comply with all of the requirements in subdivision (f).

17 (h) The association or owners may install an electric vehicle
18 charging station in the common area for the use of all members of
19 the association and, in that case, the association shall develop
20 appropriate terms of use for the charging station.

21 (i) An association may create a new parking space where one
22 did not previously exist to facilitate the installation of an electric
23 vehicle charging station.

24 (j) An association that willfully violates this section shall be
25 liable to the applicant or other party for actual damages, and shall
26 pay a civil penalty to the applicant or other party in an amount not
27 to exceed one thousand dollars (\$1,000).

28 (k) In any action to enforce compliance with this section, the
29 prevailing plaintiff shall be awarded reasonable attorney’s fees.
30

31 Article 2. Modification of Separate Interest
32

33 6714. (a) Subject to the governing documents and applicable
34 law, a member may do the following:

35 (1) Make any improvement or alteration within the boundaries
36 of the member’s separate interest that does not impair the structural
37 integrity or mechanical systems or lessen the support of any
38 portions of the common interest development.

39 (2) Modify the member’s separate interest, at the member’s
40 expense, to facilitate access for persons who are blind, visually

1 handicapped, deaf, or physically disabled, or to alter conditions
 2 which could be hazardous to these persons. These modifications
 3 may also include modifications of the route from the public way
 4 to the door of the separate interest for the purposes of this
 5 paragraph if the separate interest is on the ground floor or already
 6 accessible by an existing ramp or elevator. The right granted by
 7 this paragraph is subject to the following conditions:

8 (A) The modifications shall be consistent with applicable
 9 building code requirements.

10 (B) The modifications shall be consistent with the intent of
 11 otherwise applicable provisions of the governing documents
 12 pertaining to safety or aesthetics.

13 (C) Modifications external to the separate interest shall not
 14 prevent reasonable passage by other residents, and shall be removed
 15 by the member when the separate interest is no longer occupied
 16 by persons requiring those modifications who are blind, visually
 17 handicapped, deaf, or physically disabled.

18 (D) Any member who intends to modify a separate interest
 19 pursuant to this paragraph shall submit plans and specifications to
 20 the association for review to determine whether the modifications
 21 will comply with the provisions of this paragraph. The association
 22 shall not deny approval of the proposed modifications under this
 23 paragraph without good cause.

24 (b) Any change in the exterior appearance of a separate interest
 25 shall be in accordance with the governing documents and
 26 applicable provisions of law.

27

Article 3. Maintenance

28

29

30 6716. (a) Unless otherwise provided in the declaration of a
 31 common interest development, the association is responsible for
 32 repairing, replacing, or maintaining the common area, other than
 33 exclusive use common area, and the owner of each separate interest
 34 is responsible for maintaining that separate interest and any
 35 exclusive use common area appurtenant to the separate interest.

36 (b) The costs of temporary relocation during the repair and
 37 maintenance of the areas within the responsibility of the association
 38 shall be borne by the owner of the separate interest affected.

39 6718. (a) In a condominium project or stock cooperative,
 40 unless otherwise provided in the declaration, the association is

1 responsible for the repair and maintenance of the common area
2 occasioned by the presence of wood-destroying pests or organisms.

3 (b) In a planned development, unless a different maintenance
4 scheme is provided in the declaration, each owner of a separate
5 interest is responsible for the repair and maintenance of that
6 separate interest as may be occasioned by the presence of
7 wood-destroying pests or organisms. Upon approval of the majority
8 of all members of the association, pursuant to Section 6522, that
9 responsibility may be delegated to the association, which shall be
10 entitled to recover the cost thereof as a special assessment.

11 6720. (a) The association may cause the temporary, summary
12 removal of any occupant of a common interest development for
13 such periods and at such times as may be necessary for prompt,
14 effective treatment of wood-destroying pests or organisms.

15 (b) The association shall give notice of the need to temporarily
16 vacate a separate interest to the occupants and to the owners, not
17 less than 15 days nor more than 30 days prior to the date of the
18 temporary relocation. The notice shall state the reason for the
19 temporary relocation, the date and time of the beginning of
20 treatment, the anticipated date and time of termination of treatment,
21 and that the occupants will be responsible for their own
22 accommodations during the temporary relocation.

23 (c) Notice by the association shall be deemed complete upon
24 either:

25 (1) Personal delivery of a copy of the notice to the occupants,
26 and, if an occupant is not the owner, individual delivery pursuant
27 to Section 6514 of a copy of the notice to the owner.

28 (2) Individual delivery pursuant to Section 6514 to the occupant
29 at the address of the separate interest, and, if the occupant is not
30 the owner, individual delivery pursuant to Section 6514 of a copy
31 of the notice to the owner.

32 (d) For purposes of this section, “occupant” means an owner,
33 resident, guest, invitee, tenant, lessee, sublessee, or other person
34 in possession of the separate interest.

35 6722. Notwithstanding the provisions of the declaration, a
36 member is entitled to reasonable access to the common area for
37 the purpose of maintaining the internal and external telephone
38 wiring made part of the exclusive use common area of the
39 member’s separate interest pursuant to subdivision (c) of Section
40 6550. The access shall be subject to the consent of the association,

1 whose approval shall not be unreasonably withheld, and which
2 may include the association’s approval of telephone wiring upon
3 the exterior of the common area, and other conditions as the
4 association determines reasonable.

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CHAPTER 6. ASSOCIATION GOVERNANCE

Article 1. Association Existence and Powers

10 6750. A common interest development shall be managed by
11 an association that may be incorporated or unincorporated. The
12 association may be referred to as an owners’ association or a
13 community association.

14 6752. (a) Unless the governing documents provide otherwise,
15 and regardless of whether the association is incorporated or
16 unincorporated, the association may exercise the powers granted
17 to a nonprofit mutual benefit corporation, as enumerated in Section
18 7140 of the Corporations Code, except that an unincorporated
19 association may not adopt or use a corporate seal or issue
20 membership certificates in accordance with Section 7313 of the
21 Corporations Code.

22 (b) The association, whether incorporated or unincorporated,
23 may exercise the powers granted to an association in this act.

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26

Article 2. Record Keeping

27 6756. To be effective, a request to change the member’s
28 information in the association membership list shall be delivered
29 in writing to the association, pursuant to Section 6512.

30
31
32

Article 3. Conflict of Interest

33 6758. (a) Notwithstanding any other law, and regardless of
34 whether an association is incorporated or unincorporated, the
35 provisions of Sections 7233 and 7234 of the Corporations Code
36 shall apply to any contract or other transaction authorized,
37 approved, or ratified by the board or a committee of the board.

38 (b) A director or member of a committee shall not vote on any
39 of the following matters:

- 40 (1) Discipline of the director or committee member.

1 (2) An assessment against the director or committee member
2 for damage to the common area or facilities.

3 (3) A request, by the director or committee member, for a
4 payment plan for overdue assessments.

5 (4) A decision whether to foreclose on a lien on the separate
6 interest of the director or committee member.

7 (5) Review of a proposed physical change to the separate interest
8 of the director or committee member.

9 (6) A grant of exclusive use common area to the director or
10 committee member.

11 (c) Nothing in this section limits any other provision of law or
12 the governing documents that govern a decision in which a director
13 may have an interest.

14

15 *Article 4. Government Assistance*

16

17 6760. (a) *To assist with the identification of commercial or*
18 *industrial common interest developments, each association,*
19 *whether incorporated or unincorporated, shall submit to the*
20 *Secretary of State, on a form and for a fee, to cover the reasonable*
21 *cost to the Secretary of State of processing the form, not to exceed*
22 *thirty dollars (\$30), that the Secretary of State shall prescribe, the*
23 *following information concerning the association and the*
24 *development that it manages:*

25 (1) *A statement that the association is formed to manage a*
26 *common interest development under the Commercial and Industrial*
27 *Common Interest Development Act.*

28 (2) *The name of the association.*

29 (3) *The street address of the business or corporate office of the*
30 *association, if any.*

31 (4) *The street address of the association's onsite office, if*
32 *different from the street address of the business or corporate office,*
33 *or if there is no onsite office, the street address of the responsible*
34 *officer or managing agent of the association.*

35 (5) *The name, address, and either the daytime telephone number*
36 *or email address of the association's onsite office or managing*
37 *agent.*

38 (6) *The name, street address, and daytime telephone number of*
39 *the association's managing agent, if any.*

1 (7) *The county, and, if in an incorporated area, the city in which*
2 *the development is physically located. If the boundaries of the*
3 *development are physically located in more than one county, each*
4 *of the counties in which it is located.*

5 (8) *If the development is in an unincorporated area, the city*
6 *closest in proximity to the development.*

7 (9) *The front street and nearest cross street of the physical*
8 *location of the development.*

9 (10) *The type of common interest development managed by the*
10 *association.*

11 (11) *The number of separate interests in the development.*

12 (b) *The association shall submit the information required by*
13 *this section as follows:*

14 (1) *By incorporated associations, within 90 days after the filing*
15 *of its original articles of incorporation, and thereafter at the time*
16 *the association files its statement of principal business activity*
17 *with the Secretary of State pursuant to Section 8210 of the*
18 *Corporations Code.*

19 (2) *By unincorporated associations, in July of 2003, and in that*
20 *same month biennially thereafter. Upon changing its status to that*
21 *of a corporation, the association shall comply with the filing*
22 *deadlines in paragraph (1).*

23 (c) *The association shall notify the Secretary of State of any*
24 *change in the street address of the association's onsite office or*
25 *of the responsible officer or managing agent of the association in*
26 *the form and for a fee, to cover the reasonable cost to the Secretary*
27 *of State of processing the form, prescribed by the Secretary of*
28 *State, within 60 days of the change.*

29 (d) *The penalty for an incorporated association's noncompliance*
30 *with the initial or biennial filing requirements of this section shall*
31 *be suspension of the association's rights, privileges, and powers*
32 *as a corporation and monetary penalties, to the same extent and*
33 *in the same manner as suspension and monetary penalties imposed*
34 *pursuant to Section 8810 of the Corporations Code.*

35 (e) *The statement required by this section may be filed,*
36 *notwithstanding suspension of the corporate powers, rights, and*
37 *privileges under this section or under provisions of the Revenue*
38 *and Taxation Code. Upon the filing of a statement under this*
39 *section by a corporation that has suffered suspension under this*
40 *section, the Secretary of State shall certify that fact to the Franchise*

1 *Tax Board and the corporation may thereupon be relieved from*
2 *suspension, unless the corporation is held in suspension by the*
3 *Franchise Tax Board by reason of Section 23301, 23301.5, or*
4 *23775 of the Revenue and Taxation Code.*

5 *(f) The Secretary of State shall make the information submitted*
6 *pursuant to paragraph (5) of subdivision (a) available only for*
7 *governmental purposes and only to Members of the Legislature*
8 *and the Business, Consumer Services, and Housing Agency, upon*
9 *written request. All other information submitted pursuant to this*
10 *section shall be subject to public inspection pursuant to the*
11 *California Public Records Act (Chapter 3.5 (commencing with*
12 *Section 6250) of Division 7 of Title 1 of the Government Code).*
13 *The information submitted pursuant to this section shall be made*
14 *available for governmental or public inspection.*

15 *(g) Whenever any form is filed pursuant to this section, it*
16 *supersedes any previously filed form.*

17 *(h) The Secretary of State may destroy or otherwise dispose of*
18 *any form filed pursuant to this section after it has been superseded*
19 *by the filing of a new form.*

20

21 CHAPTER 7. ASSESSMENTS AND ASSESSMENT COLLECTION

22

23 Article 1. Establishment and Imposition of Assessments

24

25 6800. The association shall levy regular and special assessments
26 sufficient to perform its obligations under the governing documents
27 and this act.

28 6804. (a) Regular assessments imposed or collected to perform
29 the obligations of an association under the governing documents
30 or this act shall be exempt from execution by a judgment creditor
31 of the association only to the extent necessary for the association
32 to perform essential services, such as paying for utilities and
33 insurance. In determining the appropriateness of an exemption, a
34 court shall ensure that only essential services are protected under
35 this subdivision.

36 (b) This exemption shall not apply to any consensual pledges,
37 liens, or encumbrances that have been approved by a majority of
38 a quorum of members, pursuant to Section 6524, at a member
39 meeting or election, or to any state tax lien, or to any lien for labor
40 or materials supplied to the common area.

1 Article 2. Assessment Payment and Delinquency

2
3 6808. A regular or special assessment and any late charges,
4 reasonable fees and costs of collection, reasonable attorney’s fees,
5 if any, and interest, if any, shall be a debt of the owner of the
6 separate interest at the time the assessment or other sums are levied.

7 6810. (a) When an owner of a separate interest makes a
8 payment toward an assessment, the owner may request a receipt
9 and the association shall provide it. The receipt shall indicate the
10 date of payment and the person who received it.

11 (b) The association shall provide a mailing address for overnight
12 payment of assessments.

13 (c) An owner shall not be liable for any charges, interest, or
14 costs of collection for an assessment payment that is asserted to
15 be delinquent, if it is determined the assessment was paid on time
16 to the association.

17 6812. At least 30 days prior to recording a lien upon the
18 separate interest of the owner of record to collect a debt that is past
19 due under Section 6808, the association shall notify the owner of
20 record in writing by certified mail of the following:

21 (a) A general description of the collection and lien enforcement
22 procedures of the association and the method of calculation of the
23 amount, a statement that the owner of the separate interest has the
24 right to inspect the association records pursuant to Section 8333
25 of the Corporations Code, and the following statement in 14-point
26 boldface type, if printed, or in capital letters, if typed:

27 **“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST**
28 **IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND**
29 **IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT**
30 **COURT ACTION.”**

31 (b) An itemized statement of the charges owed by the owner,
32 including items on the statement which indicate the amount of any
33 delinquent assessments, the fees and reasonable costs of collection,
34 reasonable attorney’s fees, any late charges, and interest, if any.

35 (c) A statement that the owner shall not be liable to pay the
36 charges, interest, and costs of collection, if it is determined the
37 assessment was paid on time to the association.

38 6814. (a) The amount of the assessment, plus any costs of
39 collection, late charges, and interest assessed in accordance with
40 Section 6808, shall be a lien on the owner’s separate interest in

1 the common interest development from and after the time the
2 association causes to be recorded with the county recorder of the
3 county in which the separate interest is located, a notice of
4 delinquent assessment, which shall state the amount of the
5 assessment and other sums imposed in accordance with Section
6 6808, a legal description of the owner's separate interest in the
7 common interest development against which the assessment and
8 other sums are levied, and the name of the record owner of the
9 separate interest in the common interest development against which
10 the lien is imposed.

11 (b) The itemized statement of the charges owed by the owner
12 described in subdivision (b) of Section 6812 shall be recorded
13 together with the notice of delinquent assessment.

14 (c) In order for the lien to be enforced by nonjudicial foreclosure
15 as provided in Sections 6820 and 6822, the notice of delinquent
16 assessment shall state the name and address of the trustee
17 authorized by the association to enforce the lien by sale.

18 (d) The notice of delinquent assessment shall be signed by the
19 person designated in the declaration or by the association for that
20 purpose, or if no one is designated, by the president of the
21 association.

22 (e) A copy of the recorded notice of delinquent assessment shall
23 be mailed by certified mail to every person whose name is shown
24 as an owner of the separate interest in the association's records,
25 and the notice shall be mailed no later than 10 calendar days after
26 recordation.

27 6816. A lien created pursuant to Section 6814 shall be prior to
28 all other liens recorded subsequent to the notice of delinquent
29 assessment, except that the declaration may provide for the
30 subordination thereof to any other liens and encumbrances.

31 6818. (a) Within 21 days of the payment of the sums specified
32 in the notice of delinquent assessment, the association shall record
33 or cause to be recorded in the office of the county recorder in which
34 the notice of delinquent assessment is recorded a lien release or
35 notice of rescission and provide the owner of the separate interest
36 a copy of the lien release or notice that the delinquent assessment
37 has been satisfied.

38 (b) If it is determined that a lien previously recorded against the
39 separate interest was recorded in error, the party who recorded the
40 lien shall, within 21 calendar days, record or cause to be recorded

1 in the office of the county recorder in which the notice of
2 delinquent assessment is recorded a lien release or notice of
3 rescission and provide the owner of the separate interest with a
4 declaration that the lien filing or recording was in error and a copy
5 of the lien release or notice of rescission.

6 6819. An association that fails to comply with the procedures
7 set forth in this section shall, prior to recording a lien, recommence
8 the required notice process. Any costs associated with
9 recommending the notice process shall be borne by the association
10 and not by the owner of a separate interest.

11

12 Article 3. Assessment Collection

13

14 6820. (a) Except as otherwise provided in this article, after
15 the expiration of 30 days following the recording of a lien created
16 pursuant to Section 6814, the lien may be enforced in any manner
17 permitted by law, including sale by the court, sale by the trustee
18 designated in the notice of delinquent assessment, or sale by a
19 trustee substituted pursuant to Section 2934a.

20 (b) Nothing in Article 2 (commencing with Section 6808) or in
21 subdivision (a) of Section 726 of the Code of Civil Procedure
22 prohibits actions against the owner of a separate interest to recover
23 sums for which a lien is created pursuant to Article 2 (commencing
24 with Section 6808) or prohibits an association from taking a deed
25 in lieu of foreclosure.

26 6822. (a) Any sale by the trustee shall be conducted in
27 accordance with Sections 2924, 2924b, and 2924c applicable to
28 the exercise of powers of sale in mortgages and deeds of trust.

29 (b) In addition to the requirements of Section 2924, the
30 association shall serve a notice of default on the person named as
31 the owner of the separate interest in the association's records or,
32 if that person has designated a legal representative pursuant to this
33 subdivision, on that legal representative. Service shall be in
34 accordance with the manner of service of summons in Article 3
35 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part
36 2 of the Code of Civil Procedure. An owner may designate a legal
37 representative in a writing that is mailed to the association in a
38 manner that indicates that the association has received it.

1 (c) The fees of a trustee may not exceed the amounts prescribed
2 in Sections 2924c and 2924d, plus the cost of service for the notice
3 of default pursuant to subdivision (b).

4 6824. (a) A monetary charge imposed by the association as a
5 means of reimbursing the association for costs incurred by the
6 association in the repair of damage to common areas and facilities
7 caused by a member or the member's guest or tenant may become
8 a lien against the member's separate interest enforceable by the
9 sale of the interest under Sections 2924, 2924b, and 2924c,
10 provided the authority to impose a lien is set forth in the governing
11 documents.

12 (b) A monetary penalty imposed by the association as a
13 disciplinary measure for failure of a member to comply with the
14 governing documents, except for the late payments, may not be
15 characterized nor treated in the governing documents as an
16 assessment that may become a lien against the member's separate
17 interest enforceable by the sale of the interest under Sections 2924,
18 2924b, and 2924c.

19 6826. (a) An association may not voluntarily assign or pledge
20 the association's right to collect payments or assessments, or to
21 enforce or foreclose a lien to a third party, except when the
22 assignment or pledge is made to a financial institution or lender
23 chartered or licensed under federal or state law, when acting within
24 the scope of that charter or license, as security for a loan obtained
25 by the association.

26 (b) Nothing in subdivision (a) restricts the right or ability of an
27 association to assign any unpaid obligations of a former member
28 to a third party for purposes of collection.

29 6828. (a) Except as otherwise provided, this article applies to
30 a lien created on or after January 1, 2014.

31 (b) A lien created before January 1, 2014, is governed by the
32 law in existence at the time the lien was created.

33
34 CHAPTER 8. INSURANCE AND LIABILITY
35

36 6840. (a) It is the intent of the Legislature to offer civil liability
37 protection to owners of the separate interests in a common interest
38 development that have common area owned in tenancy in common
39 if the association carries a certain level of prescribed insurance
40 that covers a cause of action in tort.

1 (b) Any cause of action in tort against any owner of a separate
2 interest arising solely by reason of an ownership interest as a tenant
3 in common in the common area of a common interest development
4 shall be brought only against the association and not against the
5 individual owners of the separate interests, if both of the insurance
6 requirements in paragraphs (1) and (2) are met:

7 (1) The association maintained and has in effect for this cause
8 of action, one or more policies of insurance that include coverage
9 for general liability of the association.

10 (2) The coverage described in paragraph (1) is in the following
11 minimum amounts:

12 (A) At least two million dollars (\$2,000,000) if the common
13 interest development consists of 100 or fewer separate interests.

14 (B) At least three million dollars (\$3,000,000) if the common
15 interest development consists of more than 100 separate interests.

16

17 CHAPTER 9. DISPUTE RESOLUTION AND ENFORCEMENT

18

19 Article 1. Disciplinary Action

20

21 6850. (a) If an association adopts or has adopted a policy
22 imposing any monetary penalty, including any fee, on any
23 association member for a violation of the governing documents,
24 including any monetary penalty relating to the activities of a guest
25 or tenant of the member, the board shall adopt and distribute to
26 each member, by individual notice, a schedule of the monetary
27 penalties that may be assessed for those violations, which shall be
28 in accordance with authorization for member discipline contained
29 in the governing documents.

30 (b) Any new or revised monetary penalty that is adopted after
31 complying with subdivision (a) may be included in a supplement
32 that is delivered to the members individually, pursuant to Section
33 6553.

34 (c) A monetary penalty for a violation of the governing
35 documents shall not exceed the monetary penalty stated in the
36 schedule of monetary penalties or supplement that is in effect at
37 the time of the violation.

38 (d) An association shall provide a copy of the most recently
39 distributed schedule of monetary penalties, along with any
40 applicable supplements to that schedule, to any member on request.

1 6854. Nothing in Section 6850 shall be construed to create,
2 expand, or reduce the authority of the board to impose monetary
3 penalties on a member for a violation of the governing documents.

4
5 Article 2. Civil Actions
6

7 6856. (a) The covenants and restrictions in the declaration
8 shall be enforceable equitable servitudes, unless unreasonable, and
9 shall inure to the benefit of and bind all owners of separate interests
10 in the development. Unless the declaration states otherwise, these
11 servitudes may be enforced by any owner of a separate interest or
12 by the association, or by both.

13 (b) A governing document other than the declaration may be
14 enforced by the association against an owner of a separate interest
15 or by an owner of a separate interest against the association.

16 6858. An association has standing to institute, defend, settle,
17 or intervene in litigation, arbitration, mediation, or administrative
18 proceedings in its own name as the real party in interest and without
19 joining with it, the members, in matters pertaining to the following:

20 (a) Enforcement of the governing documents.

21 (b) Damage to the common area.

22 (c) Damage to a separate interest that the association is obligated
23 to maintain or repair.

24 (d) Damage to a separate interest that arises out of, or is
25 integrally related to, damage to the common area or a separate
26 interest that the association is obligated to maintain or repair.

27 6860. (a) In an action maintained by an association pursuant
28 to subdivision (b), (c), or (d) of Section 6858, the amount of
29 damages recovered by the association shall be reduced by the
30 amount of damages allocated to the association or its managing
31 agents in direct proportion to their percentage of fault based upon
32 principles of comparative fault. The comparative fault of the
33 association or its managing agents may be raised by way of
34 defense, but shall not be the basis for a cross-action or separate
35 action against the association or its managing agents for
36 contribution or implied indemnity, where the only damage was
37 sustained by the association or its members. It is the intent of the
38 Legislature in enacting this subdivision to require that comparative
39 fault be pleaded as an affirmative defense, rather than a separate

1 cause of action, where the only damage was sustained by the
2 association or its members.

3 (b) In an action involving damages described in subdivision (b),
4 (c), or (d) of Section 6858, the defendant or cross-defendant may
5 allege and prove the comparative fault of the association or its
6 managing agents as a setoff to the liability of the defendant or
7 cross-defendant even if the association is not a party to the
8 litigation or is no longer a party whether by reason of settlement,
9 dismissal, or otherwise.

10 (c) Subdivisions (a) and (b) apply to actions commenced on or
11 after January 1, 1993.

12 (d) Nothing in this section affects a person’s liability under
13 Section 1431, or the liability of the association or its managing
14 agent for an act or omission that causes damages to another.

15

16 CHAPTER 10. CONSTRUCTION DEFECT LITIGATION

17

18 6870. (a) Before an association files a complaint for damages
19 against a builder, developer, or general contractor (respondent) of
20 a common interest development based upon a claim for defects in
21 the design or construction of the common interest development,
22 all of the requirements of this section shall be satisfied with respect
23 to the builder, developer, or general contractor.

24 (b) The association shall serve upon the respondent a “Notice
25 of Commencement of Legal Proceedings.” The notice shall be
26 served by certified mail to the registered agent of the respondent,
27 or if there is no registered agent, then to any officer of the
28 respondent. If there are no current officers of the respondent,
29 service shall be upon the person or entity otherwise authorized by
30 law to receive service of process. Service upon the general
31 contractor shall be sufficient to initiate the process set forth in this
32 section with regard to any builder or developer, if the builder or
33 developer is not amenable to service of process by the foregoing
34 methods. This notice shall toll all applicable statutes of limitation
35 and repose, whether contractual or statutory, by and against all
36 potentially responsible parties, regardless of whether they were
37 named in the notice, including claims for indemnity applicable to
38 the claim for the period set forth in subdivision (c). The notice
39 shall include all of the following:

- 40 (1) The name and location of the project.

1 (2) An initial list of defects sufficient to apprise the respondent
2 of the general nature of the defects at issue.

3 (3) A description of the results of the defects, if known.

4 (4) A summary of the results of a survey or questionnaire
5 distributed to owners to determine the nature and extent of defects,
6 if a survey has been conducted or a questionnaire has been
7 distributed.

8 (5) Either a summary of the results of testing conducted to
9 determine the nature and extent of defects or the actual test results,
10 if that testing has been conducted.

11 (c) Service of the notice shall commence a period, not to exceed
12 180 days, during which the association, the respondent, and all
13 other participating parties shall try to resolve the dispute through
14 the processes set forth in this section. This 180-day period may be
15 extended for one additional period, not to exceed 180 days, only
16 upon the mutual agreement of the association, the respondent, and
17 any parties not deemed peripheral pursuant to paragraph (3) of
18 subdivision (e). Any extensions beyond the first extension shall
19 require the agreement of all participating parties. Unless extended,
20 the dispute resolution process prescribed by this section shall be
21 deemed completed. All extensions shall continue the tolling period
22 described in subdivision (b).

23 (d) Within 25 days of the date the association serves the Notice
24 of Commencement of Legal Proceedings, the respondent may
25 request in writing to meet and confer with the board. Unless the
26 respondent and the association otherwise agree, there shall be not
27 more than one meeting, which shall take place no later than 10
28 days from the date of the respondent's written request, at a mutually
29 agreeable time and place. The meeting may be conducted in
30 executive session, excluding the association's members. The
31 discussions at the meeting are privileged communications and are
32 not admissible in evidence in any civil action, unless the association
33 and the respondent consent in writing to their admission.

34 (e) Upon receipt of the notice, the respondent shall, within 60
35 days, comply with the following:

36 (1) The respondent shall provide the association with access to,
37 for inspection and copying of, all plans and specifications,
38 subcontracts, and other construction files for the project that are
39 reasonably calculated to lead to the discovery of admissible
40 evidence regarding the defects claimed. The association shall

1 provide the respondent with access to, for inspection and copying
2 of, all files reasonably calculated to lead to the discovery of
3 admissible evidence regarding the defects claimed, including all
4 reserve studies, maintenance records and any survey questionnaires,
5 or results of testing to determine the nature and extent of defects.
6 To the extent any of the above documents are withheld based on
7 privilege, a privilege log shall be prepared and submitted to all
8 other parties. All other potentially responsible parties shall have
9 the same rights as the respondent regarding the production of
10 documents upon receipt of written notice of the claim, and shall
11 produce all relevant documents within 60 days of receipt of the
12 notice of the claim.

13 (2) The respondent shall provide written notice by certified mail
14 to all subcontractors, design professionals, their insurers, and the
15 insurers of any additional insured whose identities are known to
16 the respondent or readily ascertainable by review of the project
17 files or other similar sources and whose potential responsibility
18 appears on the face of the notice. This notice to subcontractors,
19 design professionals, and insurers shall include a copy of the Notice
20 of Commencement of Legal Proceedings, and shall specify the
21 date and manner by which the parties shall meet and confer to
22 select a dispute resolution facilitator pursuant to paragraph (1) of
23 subdivision (f), advise the recipient of its obligation to participate
24 in the meet and confer or serve a written acknowledgment of receipt
25 regarding this notice, advise the recipient that it will waive any
26 challenge to selection of the dispute resolution facilitator if it elects
27 not to participate in the meet and confer, advise the recipient that
28 it may seek the assistance of an attorney, and advise the recipient
29 that it should contact its insurer, if any. Any subcontractor or design
30 professional, or insurer for that subcontractor, design professional,
31 or additional insured, who receives written notice from the
32 respondent regarding the meet and confer shall, prior to the meet
33 and confer, serve on the respondent a written acknowledgment of
34 receipt. That subcontractor or design professional shall, within 10
35 days of service of the written acknowledgment of receipt, provide
36 to the association and the respondent a Statement of Insurance that
37 includes both of the following:

38 (A) The names, addresses, and contact persons, if known, of all
39 insurance carriers, whether primary or excess and regardless of
40 whether a deductible or self-insured retention applies, whose

1 policies were in effect from the commencement of construction
2 of the subject project to the present and which potentially cover
3 the subject claims.

4 (B) The applicable policy numbers for each policy of insurance
5 provided.

6 (3) Any subcontractor or design professional, or insurer for that
7 subcontractor, design professional, or additional insured, who so
8 chooses, may, at any time, make a written request to the dispute
9 resolution facilitator for designation as a peripheral party. That
10 request shall be served contemporaneously on the association and
11 the respondent. If no objection to that designation is received within
12 15 days, or upon rejection of that objection, the dispute resolution
13 facilitator shall designate that subcontractor or design professional
14 as a peripheral party, and shall thereafter seek to limit the
15 attendance of that subcontractor or design professional only to
16 those dispute resolution sessions deemed peripheral party sessions
17 or to those sessions during which the dispute resolution facilitator
18 believes settlement as to peripheral parties may be finalized.
19 Nothing in this subdivision shall preclude a party who has been
20 designated a peripheral party from being reclassified as a
21 nonperipheral party, nor shall this subdivision preclude a party
22 designated as a nonperipheral party from being reclassified as a
23 peripheral party after notice to all parties and an opportunity to
24 object. For purposes of this subdivision, a peripheral party is a
25 party having total claimed exposure of less than twenty-five
26 thousand dollars (\$25,000).

27 (f) (1) Within 20 days of sending the notice set forth in
28 paragraph (2) of subdivision (e), the association, respondent,
29 subcontractors, design professionals, and their insurers who have
30 been sent a notice as described in paragraph (2) of subdivision (e)
31 shall meet and confer in an effort to select a dispute resolution
32 facilitator to preside over the mandatory dispute resolution process
33 prescribed by this section. Any subcontractor or design professional
34 who has been given timely notice of this meeting but who does
35 not participate, waives any challenge he or she may have as to the
36 selection of the dispute resolution facilitator. The role of the dispute
37 resolution facilitator is to attempt to resolve the conflict in a fair
38 manner. The dispute resolution facilitator shall be sufficiently
39 knowledgeable in the subject matter and be able to devote sufficient
40 time to the case. The dispute resolution facilitator shall not be

1 required to reside in or have an office in the county in which the
2 project is located. The dispute resolution facilitator and the
3 participating parties shall agree to a date, time, and location to
4 hold a case management meeting of all parties and the dispute
5 resolution facilitator, to discuss the claims being asserted and the
6 scheduling of events under this section. The case management
7 meeting with the dispute resolution facilitator shall be held within
8 100 days of service of the Notice of Commencement of Legal
9 Proceedings at a location in the county where the project is located.
10 Written notice of the case management meeting with the dispute
11 resolution facilitator shall be sent by the respondent to the
12 association, subcontractors and design professionals, and their
13 insurers who are known to the respondent to be on notice of the
14 claim, no later than 10 days prior to the case management meeting,
15 and shall specify its date, time, and location. The dispute resolution
16 facilitator in consultation with the respondent shall maintain a
17 contact list of the participating parties.

18 (2) No later than 10 days prior to the case management meeting,
19 the dispute resolution facilitator shall disclose to the parties all
20 matters that could cause a person aware of the facts to reasonably
21 entertain a doubt that the proposed dispute resolution facilitator
22 would be able to resolve the conflict in a fair manner. The
23 facilitator's disclosure shall include the existence of any ground
24 specified in Section 170.1 of the Code of Civil Procedure for
25 disqualification of a judge, any attorney-client relationship the
26 facilitator has or had with any party or lawyer for a party to the
27 dispute resolution process, and any professional or significant
28 personal relationship the facilitator or his or her spouse or minor
29 child living in the household has or had with any party to the
30 dispute resolution process. The disclosure shall also be provided
31 to any subsequently noticed subcontractor or design professional
32 within 10 days of the notice.

33 (3) A dispute resolution facilitator shall be disqualified by the
34 court if he or she fails to comply with this subdivision and any
35 party to the dispute resolution process serves a notice of
36 disqualification prior to the case management meeting. If the
37 dispute resolution facilitator complies with this subdivision, he or
38 she shall be disqualified by the court on the basis of the disclosure
39 if any party to the dispute resolution process serves a notice of
40 disqualification prior to the case management meeting.

1 (4) If the parties cannot mutually agree to a dispute resolution
2 facilitator, then each party shall submit a list of three dispute
3 resolution facilitators. Each party may then strike one nominee
4 from the other parties' list, and petition the court, pursuant to the
5 procedure described in subdivisions (n) and (o), for final selection
6 of the dispute resolution facilitator. The court may issue an order
7 for final selection of the dispute resolution facilitator pursuant to
8 this paragraph.

9 (5) Any subcontractor or design professional who receives notice
10 of the association's claim without having previously received
11 timely notice of the meet and confer to select the dispute resolution
12 facilitator shall be notified by the respondent regarding the name,
13 address, and telephone number of the dispute resolution facilitator.
14 Any such subcontractor or design professional may serve upon
15 the parties and the dispute resolution facilitator a written objection
16 to the dispute resolution facilitator within 15 days of receiving
17 notice of the claim. Within seven days after service of this
18 objection, the subcontractor or design professional may petition
19 the superior court to replace the dispute resolution facilitator. The
20 court may replace the dispute resolution facilitator only upon a
21 showing of good cause, liberally construed. Failure to satisfy the
22 deadlines set forth in this subdivision shall constitute a waiver of
23 the right to challenge the dispute resolution facilitator.

24 (6) The costs of the dispute resolution facilitator shall be
25 apportioned in the following manner: one-third to be paid by the
26 association; one-third to be paid by the respondent; and one-third
27 to be paid by the subcontractors and design professionals, as
28 allocated among them by the dispute resolution facilitator. The
29 costs of the dispute resolution facilitator shall be recoverable by
30 the prevailing party in any subsequent litigation pursuant to Section
31 1032 of the Code of Civil Procedure, provided however that any
32 nonsettling party may, prior to the filing of the complaint, petition
33 the facilitator to reallocate the costs of the dispute resolution
34 facilitator as they apply to any nonsettling party. The determination
35 of the dispute resolution facilitator with respect to the allocation
36 of these costs shall be binding in any subsequent litigation. The
37 dispute resolution facilitator shall take into account all relevant
38 factors and equities between all parties in the dispute resolution
39 process when reallocating costs.

1 (7) In the event the dispute resolution facilitator is replaced at
2 any time, the case management statement created pursuant to
3 subdivision (h) shall remain in full force and effect.

4 (8) The dispute resolution facilitator shall be empowered to
5 enforce all provisions of this section.

6 (g) (1) No later than the case management meeting, the parties
7 shall begin to generate a data compilation showing the following
8 information regarding the alleged defects at issue:

9 (A) The scope of the work performed by each potentially
10 responsible subcontractor.

11 (B) The tract or phase number in which each subcontractor
12 provided goods or services, or both.

13 (C) The units, either by address, unit number, or lot number, at
14 which each subcontractor provided goods or services, or both.

15 (2) This data compilation shall be updated as needed to reflect
16 additional information. Each party attending the case management
17 meeting, and any subsequent meeting pursuant to this section, shall
18 provide all information available to that party relevant to this data
19 compilation.

20 (h) At the case management meeting, the parties shall, with the
21 assistance of the dispute resolution facilitator, reach agreement on
22 a case management statement, which shall set forth all of the
23 elements set forth in paragraphs (1) to (8), inclusive, except that
24 the parties may dispense with one or more of these elements if
25 they agree that it is appropriate to do so. The case management
26 statement shall provide that the following elements shall take place
27 in the following order:

28 (1) Establishment of a document depository, located in the
29 county where the project is located, for deposit of documents,
30 defect lists, demands, and other information provided for under
31 this section. All documents exchanged by the parties and all
32 documents created pursuant to this subdivision shall be deposited
33 in the document depository, which shall be available to all parties
34 throughout the pre-filing dispute resolution process and in any
35 subsequent litigation. When any document is deposited in the
36 document depository, the party depositing the document shall
37 provide written notice identifying the document to all other parties.
38 The costs of maintaining the document depository shall be
39 apportioned among the parties in the same manner as the costs of
40 the dispute resolution facilitator.

1 (2) Provision of a more detailed list of defects by the association
2 to the respondent after the association completes a visual inspection
3 of the project. This list of defects shall provide sufficient detail
4 for the respondent to ensure that all potentially responsible
5 subcontractors and design professionals are provided with notice
6 of the dispute resolution process. If not already completed prior
7 to the case management meeting, the Notice of Commencement
8 of Legal Proceedings shall be served by the respondent on all
9 additional subcontractors and design professionals whose potential
10 responsibility appears on the face of the more detailed list of
11 defects within seven days of receipt of the more detailed list. The
12 respondent shall serve a copy of the case management statement,
13 including the name, address, and telephone number of the dispute
14 resolution facilitator, to all the potentially responsible
15 subcontractors and design professionals at the same time.

16 (3) Nonintrusive visual inspection of the project by the
17 respondent, subcontractors, and design professionals.

18 (4) Invasive testing conducted by the association, if the
19 association deems appropriate. All parties may observe and
20 photograph any testing conducted by the association pursuant to
21 this paragraph, but may not take samples or direct testing unless,
22 by mutual agreement, costs of testing are shared by the parties.

23 (5) Provision by the association of a comprehensive demand
24 which provides sufficient detail for the parties to engage in
25 meaningful dispute resolution as contemplated under this section.

26 (6) Invasive testing conducted by the respondent, subcontractors,
27 and design professionals, if they deem appropriate.

28 (7) Allowance for modification of the demand by the association
29 if new issues arise during the testing conducted by the respondent,
30 subcontractors, or design professionals.

31 (8) Facilitated dispute resolution of the claim, with all parties,
32 including peripheral parties, as appropriate, and insurers, if any,
33 present and having settlement authority. The dispute resolution
34 facilitators shall endeavor to set specific times for the attendance
35 of specific parties at dispute resolution sessions. If the dispute
36 resolution facilitator does not set specific times for the attendance
37 of parties at dispute resolution sessions, the dispute resolution
38 facilitator shall permit those parties to participate in dispute
39 resolution sessions by telephone.

- 1 (i) In addition to the foregoing elements of the case management
- 2 statement described in subdivision (h), upon mutual agreement of
- 3 the parties, the dispute resolution facilitator may include any or
- 4 all of the following elements in a case management statement: the
- 5 exchange of consultant or expert photographs; expert presentations;
- 6 expert meetings; or any other mechanism deemed appropriate by
- 7 the parties in the interest of resolving the dispute.
- 8 (j) The dispute resolution facilitator, with the guidance of the
- 9 parties, shall at the time the case management statement is
- 10 established, set deadlines for the occurrence of each event set forth
- 11 in the case management statement, taking into account such factors
- 12 as the size and complexity of the case, and the requirement of this
- 13 section that this dispute resolution process not exceed 180 days
- 14 absent agreement of the parties to an extension of time.
- 15 (k) (1) At a time to be determined by the dispute resolution
- 16 facilitator, the respondent may submit to the association all of the
- 17 following:
 - 18 (A) A request to meet with the board to discuss a written
 - 19 settlement offer.
 - 20 (B) A written settlement ~~offer~~, *offer* and a concise explanation
 - 21 of the reasons for the terms of the offer.
 - 22 (C) A statement that the respondent has access to sufficient
 - 23 funds to satisfy the conditions of the settlement offer.
 - 24 (D) A summary of the results of testing conducted for the
 - 25 purposes of determining the nature and extent of defects, if this
 - 26 testing has been conducted, unless the association provided the
 - 27 respondent with actual test results.
- 28 (2) If the respondent does not timely submit the items required
- 29 by this subdivision, the association shall be relieved of any further
- 30 obligation to satisfy the requirements of this subdivision only.
- 31 (3) No less than 10 days after the respondent submits the items
- 32 required by this paragraph, the respondent and the board shall meet
- 33 and confer about the respondent's settlement offer.
- 34 (4) If the board rejects a settlement offer presented at the
- 35 meeting held pursuant to this subdivision, the board shall hold a
- 36 meeting open to each member of the association. The meeting
- 37 shall be held no less than 15 days before the association
- 38 commences an action for damages against the respondent.

1 (5) No less than 15 days before this meeting is held, a written
2 notice shall be sent to each member of the association specifying
3 all of the following:

4 (A) That a meeting will take place to discuss problems that may
5 lead to the filing of a civil action, and the time and place of this
6 meeting.

7 (B) The options that are available to address the problems,
8 including the filing of a civil action and a statement of the various
9 alternatives that are reasonably foreseeable by the association to
10 pay for those options and whether these payments are expected to
11 be made from the use of reserve account funds or the imposition
12 of regular or special assessments, or emergency assessment
13 increases.

14 (C) The complete text of any written settlement ~~offer~~, *offer* and
15 a concise explanation of the specific reasons for the terms of the
16 offer submitted to the board at the meeting held pursuant to
17 subdivision (d) that was received from the respondent.

18 (6) The respondent shall pay all expenses attributable to sending
19 the settlement offer to all members of the association. The
20 respondent shall also pay the expense of holding the meeting, not
21 to exceed three dollars (\$3) per association member.

22 (7) The discussions at the meeting and the contents of the notice
23 and the items required to be specified in the notice pursuant to
24 paragraph (5) are privileged communications and are not admissible
25 in evidence in any civil action, unless the association consents to
26 their admission.

27 (8) No more than one request to meet and discuss a written
28 settlement offer may be made by the respondent pursuant to this
29 subdivision.

30 (l) All defect lists and demands, communications, negotiations,
31 and settlement offers made in the course of the prelitigation dispute
32 resolution process provided by this section shall be inadmissible
33 pursuant to Sections 1119 to 1124, inclusive, of the Evidence Code
34 and all applicable decisional law. This inadmissibility shall not be
35 extended to any other documents or communications which would
36 not otherwise be deemed inadmissible.

37 (m) Any subcontractor or design professional may, at any time,
38 petition the dispute resolution facilitator to release that party from
39 the dispute resolution process upon a showing that the
40 subcontractor or design professional is not potentially responsible

1 for the defect claims at issue. The petition shall be served
2 contemporaneously on all other parties, who shall have 15 days
3 from the date of service to object. If a subcontractor or design
4 professional is released, and it later appears to the dispute
5 resolution facilitator that it may be a responsible party in light of
6 the current defect list or demand, the respondent shall renotify the
7 party as provided by paragraph (2) of subdivision (e), provide a
8 copy of the current defect list or demand, and direct the party to
9 attend a dispute resolution session at a stated time and location. A
10 party who subsequently appears after having been released by the
11 dispute resolution facilitator shall not be prejudiced by its absence
12 from the dispute resolution process as the result of having been
13 previously released by the dispute resolution facilitator.

14 (n) Any party may, at any time, petition the superior court in
15 the county where the project is located, upon a showing of good
16 cause, and the court may issue an order, for any of the following,
17 or for appointment of a referee to resolve a dispute regarding any
18 of the following:

19 (1) To take a deposition of any party to the process, or subpoena
20 a third party for deposition or production of documents, which is
21 necessary to further prelitigation resolution of the dispute.

22 (2) To resolve any disputes concerning inspection, testing,
23 production of documents, or exchange of information provided
24 for under this section.

25 (3) To resolve any disagreements relative to the timing or
26 contents of the case management statement.

27 (4) To authorize internal extensions of timeframes set forth in
28 the case management statement.

29 (5) To seek a determination that a settlement is a good faith
30 settlement pursuant to Section 877.6 of the Code of Civil Procedure
31 and all related authorities. The page limitations and meet and confer
32 requirements specified in this section shall not apply to these
33 motions, which may be made on shortened notice. Instead, these
34 motions shall be subject to other applicable state law, rules of
35 court, and local rules. A determination made by the court pursuant
36 to this motion shall have the same force and effect as the
37 determination of a postfiling application or motion for good faith
38 settlement.

1 (6) To ensure compliance, on shortened notice, with the
2 obligation to provide a Statement of Insurance pursuant to
3 paragraph (2) of subdivision (e).

4 (7) For any other relief appropriate to the enforcement of the
5 provisions of this section, including the ordering of parties, and
6 insurers, if any, to the dispute resolution process with settlement
7 authority.

8 (o) (1) A petition filed pursuant to subdivision (n) shall be filed
9 in the superior court in the county in which the project is located.
10 The court shall hear and decide the petition within 10 days after
11 filing. The petitioning party shall serve the petition on all parties,
12 including the date, time, and location of the hearing no later than
13 five business days prior to the hearing. Any responsive papers
14 shall be filed and served no later than three business days prior to
15 the hearing. Any petition or response filed under this section shall
16 be no more than three pages in length.

17 (2) All parties shall meet with the dispute resolution facilitator,
18 if one has been appointed and confer in person or by the telephone
19 prior to the filing of that petition to attempt to resolve the matter
20 without requiring court intervention.

21 (p) As used in this section:

22 (1) “Association” shall have the same meaning as defined in
23 Section 6528.

24 (2) “Builder” means the declarant, as defined in Section 6544.

25 (3) “Common interest development” shall have the same
26 meaning as in Section 6534, except that it shall not include
27 developments or projects with less than 20 units.

28 (q) The alternative dispute resolution process and procedures
29 described in this section shall have no application or legal effect
30 other than as described in this section.

31 (r) This section shall become operative on July 1, 2002, however
32 it shall not apply to any pending suit or claim for which notice has
33 previously been given.

34 (s) This section shall become inoperative on July 1, 2017, and,
35 as of January 1, 2018, is repealed, unless a later enacted statute,
36 that becomes operative on or before January 1, 2018, deletes or
37 extends the dates on which it becomes inoperative and is repealed.

38 6874. (a) As soon as is reasonably practicable after the
39 association and the builder have entered into a settlement
40 agreement or the matter has otherwise been resolved regarding

1 alleged defects in the common areas, alleged defects in the separate
2 interests that the association is obligated to maintain or repair, or
3 alleged defects in the separate interests that arise out of, or are
4 integrally related to, defects in the common areas or separate
5 interests that the association is obligated to maintain or repair,
6 where the defects giving rise to the dispute have not been corrected,
7 the association shall, in writing, inform only the members of the
8 association whose names appear on the records of the association
9 that the matter has been resolved, by settlement agreement or other
10 means, and disclose all of the following:

11 (1) A general description of the defects that the association
12 reasonably believes, as of the date of the disclosure, will be
13 corrected or replaced.

14 (2) A good faith estimate, as of the date of the disclosure, of
15 when the association believes that the defects identified in
16 paragraph (1) will be corrected or replaced. The association may
17 state that the estimate may be modified.

18 (3) The status of the claims for defects in the design or
19 construction of the common interest development that were not
20 identified in paragraph (1) whether expressed in a preliminary list
21 of defects sent to each member of the association or otherwise
22 claimed and disclosed to the members of the association.

23 (b) Nothing in this section shall preclude an association from
24 amending the disclosures required pursuant to subdivision (a), and
25 any amendments shall supersede any prior conflicting information
26 disclosed to the members of the association and shall retain any
27 privilege attached to the original disclosures.

28 (c) Disclosure of the information required pursuant to
29 subdivision (a) or authorized by subdivision (b) shall not waive
30 any privilege attached to the information.

31 (d) For the purposes of the disclosures required pursuant to this
32 section, the term “defects” shall be defined to include any damage
33 resulting from defects.

34 6876. (a) Not later than 30 days prior to the filing of any civil
35 action by the association against the declarant or other developer
36 of a common interest development for alleged damage to the
37 common areas, alleged damage to the separate interests that the
38 association is obligated to maintain or repair, or alleged damage
39 to the separate interests that arises out of, or is integrally related
40 to, damage to the common areas or separate interests that the

1 association is obligated to maintain or repair, the board shall
2 provide a written notice to each member of the association who
3 appears on the records of the association when the notice is
4 provided. This notice shall specify all of the following:

5 (1) That a meeting will take place to discuss problems that may
6 lead to the filing of a civil action.

7 (2) The options, including civil actions, that are available to
8 address the problems.

9 (3) The time and place of this meeting.

10 (b) Notwithstanding subdivision (a), if the association has reason
11 to believe that the applicable statute of limitations will expire
12 before the association files the civil action, the association may
13 give the notice, as described above, within 30 days after the filing
14 of the action.

15 ~~SEC. 21.~~

16 *SEC. 22.* Section 86 of the Code of Civil Procedure, as amended
17 by Section 42 of Chapter 181 of the Statutes of 2012, is amended
18 to read:

19 86. (a) The following civil cases and proceedings are limited
20 civil cases:

21 (1) A case at law in which the demand, exclusive of interest, or
22 the value of the property in controversy amounts to twenty-five
23 thousand dollars (\$25,000) or less. This paragraph does not apply
24 to a case that involves the legality of any tax, impost, assessment,
25 toll, or municipal fine, except an action to enforce payment of
26 delinquent unsecured personal property taxes if the legality of the
27 tax is not contested by the defendant.

28 (2) An action for dissolution of partnership where the total assets
29 of the partnership do not exceed twenty-five thousand dollars
30 (\$25,000); an action of interpleader where the amount of money
31 or the value of the property involved does not exceed twenty-five
32 thousand dollars (\$25,000).

33 (3) An action to cancel or rescind a contract when the relief is
34 sought in connection with an action to recover money not
35 exceeding twenty-five thousand dollars (\$25,000) or property of
36 a value not exceeding twenty-five thousand dollars (\$25,000), paid
37 or delivered under, or in consideration of, the contract; an action
38 to revise a contract where the relief is sought in an action upon the
39 contract if the action otherwise is a limited civil case.

1 (4) A proceeding in forcible entry or forcible or unlawful
2 detainer where the whole amount of damages claimed is
3 twenty-five thousand dollars (\$25,000) or less.

4 (5) An action to enforce and foreclose a lien on personal
5 property where the amount of the lien is twenty-five thousand
6 dollars (\$25,000) or less.

7 (6) An action to enforce and foreclose, or a petition to release,
8 a lien arising under Chapter 4 (commencing with Section 8400)
9 of Title 2 of Part 6 of Division 4 of the Civil Code, or to enforce
10 and foreclose an assessment lien on a common interest
11 development as defined in Section 4100 or 6534 of the Civil Code,
12 where the amount of the liens is twenty-five thousand dollars
13 (\$25,000) or less. However, if an action to enforce the lien affects
14 property that is also affected by a similar pending action that is
15 not a limited civil case, or if the total amount of liens sought to be
16 foreclosed against the same property aggregates an amount in
17 excess of twenty-five thousand dollars (\$25,000), the action is not
18 a limited civil case.

19 (7) An action for declaratory relief when brought pursuant to
20 either of the following:

21 (A) By way of cross-complaint as to a right of indemnity with
22 respect to the relief demanded in the complaint or a cross-complaint
23 in an action or proceeding that is otherwise a limited civil case.

24 (B) To conduct a trial after a nonbinding fee arbitration between
25 an attorney and client, pursuant to Article 13 (commencing with
26 Section 6200) of Chapter 4 of Division 3 of the Business and
27 Professions Code, where the amount in controversy is twenty-five
28 thousand dollars (\$25,000) or less.

29 (8) An action to issue a temporary restraining order or
30 preliminary injunction; to take an account, where necessary to
31 preserve the property or rights of any party to a limited civil case;
32 to make any order or perform any act, pursuant to Title 9
33 (commencing with Section 680.010) of Part 2 (enforcement of
34 judgments) in a limited civil case; to appoint a receiver pursuant
35 to Section 564 in a limited civil case; to determine title to personal
36 property seized in a limited civil case.

37 (9) An action under Article 3 (commencing with Section
38 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the
39 recovery of an interest in personal property or to enforce the
40 liability of the debtor of a judgment debtor where the interest

1 claimed adversely is of a value not exceeding twenty-five thousand
2 dollars (\$25,000) or the debt denied does not exceed twenty-five
3 thousand dollars (\$25,000).

4 (10) An arbitration-related petition filed pursuant to either of
5 the following:

6 (A) Article 2 (commencing with Section 1292) of Chapter 5 of
7 Title 9 of Part 3, except for uninsured motorist arbitration
8 proceedings in accordance with Section 11580.2 of the Insurance
9 Code, if the petition is filed before the arbitration award becomes
10 final and the matter to be resolved by arbitration is a limited civil
11 case under paragraphs (1) to (9), inclusive, of subdivision (a) or
12 if the petition is filed after the arbitration award becomes final and
13 the amount of the award and all other rulings, pronouncements,
14 and decisions made in the award are within paragraphs (1) to (9),
15 inclusive, of subdivision (a).

16 (B) To confirm, correct, or vacate a fee arbitration award
17 between an attorney and client that is binding or has become
18 binding, pursuant to Article 13 (commencing with Section 6200)
19 of Chapter 4 of Division 3 of the Business and Professions Code,
20 where the arbitration award is twenty-five thousand dollars
21 (\$25,000) or less.

22 (b) The following cases in equity are limited civil cases:

23 (1) A case to try title to personal property when the amount
24 involved is not more than twenty-five thousand dollars (\$25,000).

25 (2) A case when equity is pleaded as a defensive matter in any
26 case that is otherwise a limited civil case.

27 (3) A case to vacate a judgment or order of the court obtained
28 in a limited civil case through extrinsic fraud, mistake,
29 inadvertence, or excusable neglect.

30 ~~SEC. 22.~~

31 *SEC. 23.* Section 116.540 of the Code of Civil Procedure, as
32 amended by Section 43 of Chapter 181 of the Statutes of 2012, is
33 amended to read:

34 116.540. (a) Except as permitted by this section, no individual
35 other than the plaintiff and the defendant may take part in the
36 conduct or defense of a small claims action.

37 (b) Except as additionally provided in subdivision (i), a
38 corporation may appear and participate in a small claims action
39 only through a regular employee, or a duly appointed or elected
40 officer or director, who is employed, appointed, or elected for

1 purposes other than solely representing the corporation in small
2 claims court.

3 (c) A party who is not a corporation or a natural person may
4 appear and participate in a small claims action only through a
5 regular employee, or a duly appointed or elected officer or director,
6 or in the case of a partnership, a partner, engaged for purposes
7 other than solely representing the party in small claims court.

8 (d) If a party is an individual doing business as a sole
9 proprietorship, the party may appear and participate in a small
10 claims action by a representative and without personally appearing
11 if both of the following conditions are met:

12 (1) The claim can be proved or disputed by evidence of an
13 account that constitutes a business record as defined in Section
14 1271 of the Evidence Code, and there is no other issue of fact in
15 the case.

16 (2) The representative is a regular employee of the party for
17 purposes other than solely representing the party in small claims
18 actions and is qualified to testify to the identity and mode of
19 preparation of the business record.

20 (e) A plaintiff is not required to personally appear, and may
21 submit declarations to serve as evidence supporting his or her claim
22 or allow another individual to appear and participate on his or her
23 behalf, if (1) the plaintiff is serving on active duty in the United
24 States Armed Forces outside this state, (2) the plaintiff was
25 assigned to his or her duty station after his or her claim arose, (3)
26 the assignment is for more than six months, (4) the representative
27 is serving without compensation, and (5) the representative has
28 appeared in small claims actions on behalf of others no more than
29 four times during the calendar year. The defendant may file a claim
30 in the same action in an amount not to exceed the jurisdictional
31 limits stated in Sections 116.220, 116.221, and 116.231.

32 (f) A party incarcerated in a county jail, a Department of
33 Corrections and Rehabilitation facility, or a Division of Juvenile
34 Facilities facility is not required to personally appear, and may
35 submit declarations to serve as evidence supporting his or her
36 claim, or may authorize another individual to appear and participate
37 on his or her behalf if that individual is serving without
38 compensation and has appeared in small claims actions on behalf
39 of others no more than four times during the calendar year.

1 (g) A defendant who is a nonresident owner of real property
2 may defend against a claim relating to that property without
3 personally appearing by (1) submitting written declarations to
4 serve as evidence supporting his or her defense, (2) allowing
5 another individual to appear and participate on his or her behalf if
6 that individual is serving without compensation and has appeared
7 in small claims actions on behalf of others no more than four times
8 during the calendar year, or (3) taking the action described in both
9 (1) and (2).

10 (h) A party who is an owner of rental real property may appear
11 and participate in a small claims action through a property agent
12 under contract with the owner to manage the rental of that property,
13 if (1) the owner has retained the property agent principally to
14 manage the rental of that property and not principally to represent
15 the owner in small claims court, and (2) the claim relates to the
16 rental property.

17 (i) A party that is an association created to manage a common
18 interest development, as defined in Section 4100 or in Sections
19 6528 and 6534 of the Civil Code, may appear and participate in a
20 small claims action through an agent, a management company
21 representative, or bookkeeper who appears on behalf of that
22 association.

23 (j) At the hearing of a small claims action, the court shall require
24 any individual who is appearing as a representative of a party under
25 subdivisions (b) to (i), inclusive, to file a declaration stating (1)
26 that the individual is authorized to appear for the party, and (2)
27 the basis for that authorization. If the representative is appearing
28 under subdivision (b), (c), (d), (h), or (i), the declaration also shall
29 state that the individual is not employed solely to represent the
30 party in small claims court. If the representative is appearing under
31 subdivision (e), (f), or (g), the declaration also shall state that the
32 representative is serving without compensation, and has appeared
33 in small claims actions on behalf of others no more than four times
34 during the calendar year.

35 (k) A husband or wife who sues or who is sued with his or her
36 spouse may appear and participate on behalf of his or her spouse
37 if (1) the claim is a joint claim, (2) the represented spouse has
38 given his or her consent, and (3) the court determines that the
39 interests of justice would be served.

1 (l) If the court determines that a party cannot properly present
 2 his or her claim or defense and needs assistance, the court may in
 3 its discretion allow another individual to assist that party.

4 (m) Nothing in this section shall operate or be construed to
 5 authorize an attorney to participate in a small claims action except
 6 as expressly provided in Section 116.530.

7 ~~SEC. 23.~~

8 *SEC. 24.* Section 12191 of the Government Code is amended
 9 to read:

10 12191. The miscellaneous business entity filing fees are the
 11 following:

12 (a) Foreign associations, as defined in Sections 170 and 171 of
 13 the Corporations Code:

14 (1) Filing the statement and designation upon the qualification
 15 of a foreign association pursuant to Section 2105 of the
 16 Corporations Code: One hundred dollars (\$100).

17 (2) Filing an amended statement and designation by a foreign
 18 association pursuant to Section 2107 of the Corporations Code:
 19 Thirty dollars (\$30).

20 (3) Filing a certificate showing the surrender of the right of a
 21 foreign association to transact intrastate business pursuant to
 22 Section 2112 of the Corporations Code: No fee.

23 (b) Unincorporated Associations:

24 (1) Filing a statement in accordance with Section 18200 of the
 25 Corporations Code as to principal place of office or place for
 26 sending notices or designating agent for service: Twenty-five
 27 dollars (\$25).

28 (2) Insignia Registrations: Ten dollars (\$10).

29 (c) Community Associations and Common Interest
 30 Developments:

31 (1) Filing a statement by a community association in accordance
 32 with Section 5405 of the Civil Code to register the common interest
 33 development that it manages: An amount not to exceed thirty
 34 dollars (\$30).

35 (2) Filing an amended statement by a community association
 36 in accordance with Section 5405 of the Civil Code: No fee.

37 ~~SEC. 24.~~

38 *SEC. 25.* Section 12956.1 of the Government Code, as amended
 39 by Section 49 of Chapter 181 of the Statutes of 2012, is amended
 40 to read:

1 12956.1. (a) As used in this section, “association,” “governing
2 documents,” and “declaration” have the same meanings as set forth
3 in Sections 4080, 4135, and 4150 or Sections 6528, 6546, and
4 6552 of the Civil Code.

5 (b) (1) A county recorder, title insurance company, escrow
6 company, real estate broker, real estate agent, or association that
7 provides a copy of a declaration, governing document, or deed to
8 any person shall place a cover page or stamp on the first page of
9 the previously recorded document or documents stating, in at least
10 14-point boldface type, the following:

11
12 “If this document contains any restriction based on race, color,
13 religion, sex, gender, gender identity, gender expression, sexual
14 orientation, familial status, marital status, disability, genetic
15 information, national origin, source of income as defined in
16 subdivision (p) of Section 12955, or ancestry, that restriction
17 violates state and federal fair housing laws and is void, and may
18 be removed pursuant to Section 12956.2 of the Government Code.
19 Lawful restrictions under state and federal law on the age of
20 occupants in senior housing or housing for older persons shall not
21 be construed as restrictions based on familial status.”

22
23 (2) The requirements of paragraph (1) shall not apply to
24 documents being submitted for recordation to a county recorder.

25 (c) Any person who records a document for the express purpose
26 of adding a racially restrictive covenant is guilty of a misdemeanor.
27 The county recorder shall not incur any liability for recording the
28 document. Notwithstanding any other provision of law, a
29 prosecution for a violation of this subdivision shall commence
30 within three years after the discovery of the recording of the
31 document.

32 ~~SEC. 25.~~

33 *SEC. 26.* Section 12956.2 of the Government Code, as amended
34 by Section 50 of Chapter 181 of the Statutes of 2012, is amended
35 to read:

36 12956.2. (a) A person who holds an ownership interest of
37 record in property that he or she believes is the subject of an
38 unlawfully restrictive covenant in violation of subdivision (l) of
39 Section 12955 may record a document titled Restrictive Covenant
40 Modification. The county recorder may choose to waive the fee

1 prescribed for recording and indexing instruments pursuant to
2 Section 27361 in the case of the modification document provided
3 for in this section. The modification document shall include a
4 complete copy of the original document containing the unlawfully
5 restrictive language with the unlawfully restrictive language
6 stricken.

7 (b) Before recording the modification document, the county
8 recorder shall submit the modification document and the original
9 document to the county counsel who shall determine whether the
10 original document contains an unlawful restriction based on race,
11 color, religion, sex, gender, gender identity, gender expression,
12 sexual orientation, familial status, marital status, disability, national
13 origin, source of income as defined in subdivision (p) of Section
14 12955, or ancestry. The county counsel shall return the documents
15 and inform the county recorder of its determination. The county
16 recorder shall refuse to record the modification document if the
17 county counsel finds that the original document does not contain
18 an unlawful restriction as specified in this paragraph.

19 (c) The modification document shall be indexed in the same
20 manner as the original document being modified. It shall contain
21 a recording reference to the original document in the form of a
22 book and page or instrument number, and date of the recording.

23 (d) Subject to covenants, conditions, and restrictions that were
24 recorded after the recording of the original document that contains
25 the unlawfully restrictive language and subject to covenants,
26 conditions, and restrictions that will be recorded after the
27 Restrictive Covenant Modification, the restrictions in the
28 Restrictive Covenant Modification, once recorded, are the only
29 restrictions having effect on the property. The effective date of the
30 terms and conditions of the modification document shall be the
31 same as the effective date of the original document.

32 (e) The county recorder shall make available to the public
33 Restrictive Covenant Modification forms.

34 (f) If the holder of an ownership interest of record in property
35 causes to be recorded a modified document pursuant to this section
36 that contains modifications not authorized by this section, the
37 county recorder shall not incur liability for recording the document.
38 The liability that may result from the unauthorized recordation is
39 the sole responsibility of the holder of the ownership interest of
40 record who caused the modified recordation.

1 (g) This section does not apply to persons holding an ownership
 2 interest in property that is part of a common interest development
 3 as defined in Section 4100 or 6534 of the Civil Code if the board
 4 of directors of that common interest development is subject to the
 5 requirements of subdivision (b) of Section 4225 or of subdivision
 6 (b) of Section 6606 of the Civil Code.

7 ~~SEC. 26.~~

8 *SEC. 27.* Section 53341.5 of the Government Code, as amended
 9 by Section 51 of Chapter 181 of the Statutes of 2012, is amended
 10 to read:

11 53341.5. (a) If a lot, parcel, or unit of a subdivision is subject
 12 to a special tax levied pursuant to this chapter, the subdivider, his
 13 or her agent, or representative, shall not sell, or lease for a term
 14 exceeding five years, or permit a prospective purchaser or lessor
 15 to sign a contract of purchase or a deposit receipt or any
 16 substantially equivalent document in the event of a lease with
 17 respect to the lot, parcel, or unit, or cause it to be sold or leased
 18 for a term exceeding five years, until the prospective purchaser or
 19 lessee of the lot, parcel, or unit has been furnished with and has
 20 signed a written notice as provided in this section. The notice shall
 21 contain the heading "NOTICE OF SPECIAL TAX" in type no
 22 smaller than 8-point type, and shall be in substantially the following
 23 form. The form may be modified as needed to clearly and
 24 accurately describe the tax structure and other characteristics of
 25 districts created before January 1, 1993, or to clearly and accurately
 26 consolidate information about the tax structure and other
 27 characteristics of two or more districts that levy or are authorized
 28 to levy special taxes with respect to the lot, parcel, or unit:

29
 30
 31 NOTICE OF SPECIAL TAX
 32 COMMUNITY FACILITIES DISTRICT NO. ____
 33 COUNTY OF ____, CALIFORNIA
 34

35
 36 TO: THE PROSPECTIVE PURCHASER OF THE REAL
 37 PROPERTY KNOWN AS:
 38
 39
 40 _____

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THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a special tax, that is in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the parcel. It is imposed on this property because it is a new development, and is not necessarily imposed generally upon property outside of this new development. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The maximum special tax that may be levied against this parcel to pay for public facilities is \$_____ during the ____-__ tax year. This amount will increase by __ percent per year after that (if applicable). The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid, but in any case not after the ____-__ tax year. An additional special tax will be used to pay for ongoing service costs, if applicable. The maximum amount of this tax is ____ dollars (\$____) during the ____-__ tax year. This amount may increase by ____, if applicable, and that part may be levied until the ____-__ tax year (or forever, as applicable).

(3) The authorized facilities that are being paid for by the special taxes, and by the money received from the sale of bonds that are being repaid by the special taxes, are:

These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for costs of the following services:

1 YOU MAY OBTAIN A COPY OF THE RESOLUTION OF
 2 FORMATION THAT AUTHORIZED CREATION OF THE
 3 COMMUNITY FACILITIES DISTRICT, AND THAT SPECIFIES
 4 MORE PRECISELY HOW THE SPECIAL TAX IS
 5 APPORTIONED AND HOW THE PROCEEDS OF THE TAX
 6 WILL BE USED, FROM THE ____ (name of jurisdiction) BY
 7 CALLING ____ (telephone number). THERE MAY BE A
 8 CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE
 9 REASONABLE COST OF PROVIDING THE DOCUMENT.

10 I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS
 11 NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR
 12 TO ENTERING INTO A CONTRACT TO PURCHASE OR
 13 SIGNING A DEPOSIT RECEIPT WITH RESPECT TO THE
 14 ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND
 15 THAT I (WE) MAY TERMINATE THE CONTRACT TO
 16 PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS
 17 AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN
 18 FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY
 19 GIVING WRITTEN NOTICE OF THAT TERMINATION TO
 20 THE OWNER, SUBDIVIDER, OR AGENT SELLING THE
 21 PROPERTY.

22
 23
 24 DATE: _____
 25 _____
 26 _____

27
 28
 29 (b) "Subdivision," as used in subdivision (a), means improved
 30 or unimproved land that is divided or proposed to be divided for
 31 the purpose of sale, lease, or financing, whether immediate or
 32 future, into two or more lots, parcels, or units and includes a
 33 condominium project, as defined by Section 4125 or 6542 of the
 34 Civil Code, a community apartment project, a stock cooperative,
 35 and a limited-equity housing cooperative, as defined in Sections
 36 11004, 11003.2, and 11003.4, respectively, of the Business and
 37 Professions Code.

38 (c) The buyer shall have three days after delivery in person or
 39 five days after delivery by deposit in the mail of any notice required

1 by this section, to terminate his or her agreement by delivery of
2 written notice of that termination to the owner, subdivider, or agent.

3 (d) The failure to furnish the notice to the buyer or lessee, and
4 failure of the buyer or lessee to sign the notice of a special tax,
5 shall not invalidate any grant, conveyance, lease, or encumbrance.

6 (e) Any person or entity who willfully violates the provisions
7 of this section shall be liable to the purchaser of a lot or unit that
8 is subject to the provisions of this section, for actual damages, and
9 in addition thereto, shall be guilty of a public offense punishable
10 by a fine in an amount not to exceed five hundred dollars (\$500).
11 In an action to enforce a liability or fine, the prevailing party shall
12 be awarded reasonable attorney's fees.

13 ~~SEC. 27.~~

14 *SEC. 28.* Section 65008 of the Government Code, as amended
15 by Section 52 of Chapter 181 of the Statutes of 2012, is amended
16 to read:

17 65008. (a) Any action pursuant to this title by any city, county,
18 city and county, or other local governmental agency in this state
19 is null and void if it denies to any individual or group of individuals
20 the enjoyment of residence, landownership, tenancy, or any other
21 land use in this state because of any of the following reasons:

22 (1) (A) The lawful occupation, age, or any characteristic of the
23 individual or group of individuals listed in subdivision (a) or (d)
24 of Section 12955, as those bases are defined in Sections 12926,
25 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
26 Section 12955 and Section 12955.2.

27 (B) Notwithstanding subparagraph (A), with respect to familial
28 status, subparagraph (A) shall not be construed to apply to housing
29 for older persons, as defined in Section 12955.9. With respect to
30 familial status, nothing in subparagraph (A) shall be construed to
31 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
32 Civil Code, relating to housing for senior citizens. Subdivision (d)
33 of Section 51, Section 4760, and Section 6714 of the Civil Code,
34 and subdivisions (n), (o), and (p) of Section 12955 of this code
35 shall apply to subparagraph (A).

36 (2) The method of financing of any residential development of
37 the individual or group of individuals.

38 (3) The intended occupancy of any residential development by
39 persons or families of very low, low, moderate, or middle income.

1 (b) (1) No city, county, city and county, or other local
2 governmental agency shall, in the enactment or administration of
3 ordinances pursuant to any law, including this title, prohibit or
4 discriminate against any residential development or emergency
5 shelter for any of the following reasons:

6 (A) Because of the method of financing.

7 (B) (i) Because of the lawful occupation, age, or any
8 characteristic listed in subdivision (a) or (d) of Section 12955, as
9 those characteristics are defined in Sections 12926, 12926.1,
10 subdivision (m) and paragraph (1) of subdivision (p) of Section
11 12955, and Section 12955.2 of the owners or intended occupants
12 of the residential development or emergency shelter.

13 (ii) Notwithstanding clause (i), with respect to familial status,
14 clause (i) shall not be construed to apply to housing for older
15 persons, as defined in Section 12955.9. With respect to familial
16 status, nothing in clause (i) shall be construed to affect Sections
17 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating
18 to housing for senior citizens. Subdivision (d) of Section 51,
19 Section 4760, and Section 6714 of the Civil Code, and subdivisions
20 (n), (o), and (p) of Section 12955 of this code shall apply to clause
21 (i).

22 (C) Because the development or shelter is intended for
23 occupancy by persons and families of very low, low, or moderate
24 income, as defined in Section 50093 of the Health and Safety Code,
25 or persons and families of middle income.

26 (D) Because the development consists of a multifamily
27 residential project that is consistent with both the jurisdiction's
28 zoning ordinance and general plan as they existed on the date the
29 application was deemed complete, except that a project shall not
30 be deemed to be inconsistent with the zoning designation for the
31 site if that zoning designation is inconsistent with the general plan
32 only because the project site has not been rezoned to conform with
33 a more recently adopted general plan.

34 (2) The discrimination prohibited by this subdivision includes
35 the denial or conditioning of a residential development or shelter
36 because of, in whole or in part, either of the following:

37 (A) The method of financing.

38 (B) The occupancy of the development by persons protected by
39 this subdivision, including, but not limited to, persons and families
40 of very low, low, or moderate income.

1 (3) A city, county, city and county, or other local government
2 agency may not, pursuant to subdivision (d) of Section 65589.5,
3 disapprove a housing development project or condition approval
4 of a housing development project in a manner that renders the
5 project infeasible if the basis for the disapproval or conditional
6 approval includes any of the reasons prohibited in paragraph (1)
7 or (2).

8 (c) For the purposes of this section, “persons and families of
9 middle income” means persons and families whose income does
10 not exceed 150 percent of the median income for the county in
11 which the persons or families reside.

12 (d) (1) No city, county, city and county, or other local
13 governmental agency may impose different requirements on a
14 residential development or emergency shelter that is subsidized,
15 financed, insured, or otherwise assisted by the federal or state
16 government or by a local public entity, as defined in Section 50079
17 of the Health and Safety Code, than those imposed on nonassisted
18 developments, except as provided in subdivision (e). The
19 discrimination prohibited by this subdivision includes the denial
20 or conditioning of a residential development or emergency shelter
21 based in whole or in part on the fact that the development is
22 subsidized, financed, insured, or otherwise assisted as described
23 in this paragraph.

24 (2) (A) No city, county, city and county, or other local
25 governmental agency may, because of the lawful occupation age,
26 or any characteristic of the intended occupants listed in subdivision
27 (a) or (d) of Section 12955, as those characteristics are defined in
28 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
29 subdivision (p) of Section 12955, and Section 12955.2 or because
30 the development is intended for occupancy by persons and families
31 of very low, low, moderate, or middle income, impose different
32 requirements on these residential developments than those imposed
33 on developments generally, except as provided in subdivision (e).

34 (B) Notwithstanding subparagraph (A), with respect to familial
35 status, subparagraph (A) shall not be construed to apply to housing
36 for older persons, as defined in Section 12955.9. With respect to
37 familial status, nothing in subparagraph (A) shall be construed to
38 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
39 Civil Code, relating to housing for senior citizens. Subdivision (d)
40 of Section 51, Section 4760, and Section 6714 of the Civil Code,

1 and subdivisions (n), (o), and (p) of Section 12955 of this code
2 shall apply to subparagraph (A).

3 (e) Notwithstanding subdivisions (a) to (d), inclusive, this
4 section and this title do not prohibit either of the following:

5 (1) The County of Riverside from enacting and enforcing zoning
6 to provide housing for older persons, in accordance with state or
7 federal law, if that zoning was enacted prior to January 1, 1995.

8 (2) Any city, county, or city and county from extending
9 preferential treatment to residential developments or emergency
10 shelters assisted by the federal or state government or by a local
11 public entity, as defined in Section 50079 of the Health and Safety
12 Code, or other residential developments or emergency shelters
13 intended for occupancy by persons and families of low and
14 moderate income, as defined in Section 50093 of the Health and
15 Safety Code, or persons and families of middle income, or
16 agricultural employees, as defined in subdivision (b) of Section
17 1140.4 of the Labor Code, and their families. This preferential
18 treatment may include, but need not be limited to, reduction or
19 waiver of fees or changes in architectural requirements, site
20 development and property line requirements, building setback
21 requirements, or vehicle parking requirements that reduce
22 development costs of these developments.

23 (f) “Residential development,” as used in this section, means a
24 single-family residence or a multifamily residence, including
25 manufactured homes, as defined in Section 18007 of the Health
26 and Safety Code.

27 (g) This section shall apply to chartered cities.

28 (h) The Legislature finds and declares that discriminatory
29 practices that inhibit the development of housing for persons and
30 families of very low, low, moderate, and middle incomes, or
31 emergency shelters for the homeless, are a matter of statewide
32 concern.

33 ~~SEC. 28.~~

34 *SEC. 29.* Section 66411 of the Government Code, as amended
35 by Section 55 of Chapter 181 of the Statutes of 2012, is amended
36 to read:

37 66411. Regulation and control of the design and improvement
38 of subdivisions are vested in the legislative bodies of local
39 agencies. Each local agency shall, by ordinance, regulate and
40 control the initial design and improvement of common interest

1 developments as defined in Section 4100 or 6534 of the Civil Code
2 and subdivisions for which this division requires a tentative and
3 final or parcel map. In the development, adoption, revision, and
4 application of this type of ordinance, the local agency shall comply
5 with the provisions of Section 65913.2. The ordinance shall
6 specifically provide for proper grading and erosion control,
7 including the prevention of sedimentation or damage to offsite
8 property. Each local agency may by ordinance regulate and control
9 other subdivisions, provided that the regulations are not more
10 restrictive than the regulations for those subdivisions for which a
11 tentative and final or parcel map are required by this division, and
12 provided further that the regulations shall not be applied to
13 short-term leases (terminable by either party on not more than 30
14 days' notice in writing) of a portion of the operating right-of-way
15 of a railroad corporation as defined by Section 230 of the Public
16 Utilities Code unless a showing is made in individual cases, under
17 substantial evidence, that public policy necessitates the application
18 of the regulations to those short-term leases in individual cases.

19 ~~SEC. 29.~~

20 *SEC. 30.* Section 66412 of the Government Code, as amended
21 by Section 56 of Chapter 181 of the Statutes of 2012, is amended
22 to read:

23 66412. This division shall be inapplicable to any of the
24 following:

25 (a) The financing or leasing of apartments, offices, stores, or
26 similar space within apartment buildings, industrial buildings,
27 commercial buildings, mobilehome parks, or trailer parks.

28 (b) Mineral, oil, or gas leases.

29 (c) Land dedicated for cemetery purposes under the Health and
30 Safety Code.

31 (d) A lot line adjustment between four or fewer existing
32 adjoining parcels, where the land taken from one parcel is added
33 to an adjoining parcel, and where a greater number of parcels than
34 originally existed is not thereby created, if the lot line adjustment
35 is approved by the local agency, or advisory agency. A local agency
36 or advisory agency shall limit its review and approval to a
37 determination of whether or not the parcels resulting from the lot
38 line adjustment will conform to the local general plan, any
39 applicable specific plan, any applicable coastal plan, and zoning
40 and building ordinances. An advisory agency or local agency shall

1 not impose conditions or exactions on its approval of a lot line
2 adjustment except to conform to the local general plan, any
3 applicable specific plan, any applicable coastal plan, and zoning
4 and building ordinances, to require the prepayment of real property
5 taxes prior to the approval of the lot line adjustment, or to facilitate
6 the relocation of existing utilities, infrastructure, or easements. No
7 tentative map, parcel map, or final map shall be required as a
8 condition to the approval of a lot line adjustment. The lot line
9 adjustment shall be reflected in a deed, which shall be recorded.
10 No record of survey shall be required for a lot line adjustment
11 unless required by Section 8762 of the Business and Professions
12 Code. A local agency shall approve or disapprove a lot line
13 adjustment pursuant to the Permit Streamlining Act (Chapter 4.5
14 (commencing with Section 65920) of Division 1).

15 (e) Boundary line or exchange agreements to which the State
16 Lands Commission or a local agency holding a trust grant of tide
17 and submerged lands is a party.

18 (f) Any separate assessment under Section 2188.7 of the
19 Revenue and Taxation Code.

20 (g) The conversion of a community apartment project, as defined
21 in Section 4105 of the Civil Code, to a condominium, as defined
22 in Section 783 of the Civil Code, but only if all of the following
23 requirements are met:

24 (1) The property was subdivided before January 1, 1982, as
25 evidenced by a recorded deed creating the community apartment
26 project.

27 (2) Subject to compliance with Sections 4290 and 4295 of the
28 Civil Code, all conveyances and other documents necessary to
29 effectuate the conversion shall be executed by the required number
30 of owners in the project as specified in the bylaws or other
31 organizational documents. If the bylaws or other organizational
32 documents do not expressly specify the number of owners
33 necessary to execute the conveyances and other documents, a
34 majority of owners in the project shall be required to execute the
35 conveyances or other documents. Conveyances and other
36 documents executed under the foregoing provisions shall be
37 binding upon and affect the interests of all parties in the project.

38 (3) If subdivision, as defined in Section 66424, of the property
39 occurred after January 1, 1964, both of the following requirements
40 are met:

1 (A) A final or parcel map of that subdivision was approved by
2 the local agency and recorded, with all of the conditions of that
3 map remaining in effect after the conversion.

4 (B) No more than 49 percent of the units in the project were
5 owned by any one person as defined in Section 17, including an
6 incorporator or director of the community apartment project, on
7 January 1, 1982.

8 (4) The local agency certifies that the above requirements were
9 satisfied if the local agency, by ordinance, provides for that
10 certification.

11 (h) The conversion of a stock cooperative, as defined in Section
12 4190 or 6566 of the Civil Code, to a condominium, as defined in
13 Section 783 of the Civil Code, but only if all of the following
14 requirements are met:

15 (1) The property was subdivided before January 1, 1982, as
16 evidenced by a recorded deed creating the stock cooperative, an
17 assignment of lease, or issuance of shares to a stockholder.

18 (2) A person renting a unit in a cooperative shall be entitled at
19 the time of conversion to all tenant rights in state or local law,
20 including, but not limited to, rights respecting first refusal, notice,
21 and displacement and relocation benefits.

22 (3) Subject to compliance with Sections 4290 and 4295, or with
23 Sections 6626 and 6628, of the Civil Code, all conveyances and
24 other documents necessary to effectuate the conversion shall be
25 executed by the required number of owners in the cooperative as
26 specified in the bylaws or other organizational documents. If the
27 bylaws or other organizational documents do not expressly specify
28 the number of owners necessary to execute the conveyances and
29 other documents, a majority of owners in the cooperative shall be
30 required to execute the conveyances or other documents.
31 Conveyances and other documents executed under the foregoing
32 provisions shall be binding upon and affect the interests of all
33 parties in the cooperative.

34 (4) If subdivision, as defined in Section 66424, of the property
35 occurred after January 1, 1980, both of the following requirements
36 are met:

37 (A) A final or parcel map of that subdivision was approved by
38 the local agency and recorded, with all of the conditions of that
39 map remaining in effect after the conversion.

1 (B) No more than 49 percent of the shares in the project were
2 owned by any one person as defined in Section 17, including an
3 incorporator or director of the cooperative, on January 1, 1982.

4 (5) The local agency certifies that the above requirements were
5 satisfied if the local agency, by ordinance, provides for that
6 certification.

7 (i) The leasing of, or the granting of an easement to, a parcel of
8 land, or any portion or portions thereof, in conjunction with the
9 financing, erection, and sale or lease of a wind powered electrical
10 generation device on the land, if the project is subject to
11 discretionary action by the advisory agency or legislative body.

12 (j) The leasing or licensing of a portion of a parcel, or the
13 granting of an easement, use permit, or similar right on a portion
14 of a parcel, to a telephone corporation as defined in Section 234
15 of the Public Utilities Code, exclusively for the placement and
16 operation of cellular radio transmission facilities, including, but
17 not limited to, antennae support structures, microwave dishes,
18 structures to house cellular communications transmission
19 equipment, power sources, and other equipment incidental to the
20 transmission of cellular communications, if the project is subject
21 to discretionary action by the advisory agency or legislative body.

22 (k) Leases of agricultural land for agricultural purposes. As used
23 in this subdivision, “agricultural purposes” means the cultivation
24 of food or fiber, or the grazing or pasturing of livestock.

25 (l) The leasing of, or the granting of an easement to, a parcel of
26 land, or any portion or portions thereof, in conjunction with the
27 financing, erection, and sale or lease of a solar electrical generation
28 device on the land, if the project is subject to review under other
29 local agency ordinances regulating design and improvement or, if
30 the project is subject to other discretionary action by the advisory
31 agency or legislative body.

32 (m) The leasing of, or the granting of an easement to, a parcel
33 of land or any portion or portions of the land in conjunction with
34 a biogas project that uses, as part of its operation, agricultural waste
35 or byproducts from the land where the project is located and
36 reduces overall emissions of greenhouse gases from agricultural
37 operations on the land if the project is subject to review under
38 other local agency ordinances regulating design and improvement
39 or if the project is subject to discretionary action by the advisory
40 agency or legislative body.

1 ~~SEC. 30.~~

2 *SEC. 31.* Section 66424 of the Government Code, as amended
3 by Section 57 of Chapter 181 of the Statutes of 2012, is amended
4 to read:

5 66424. “Subdivision” means the division, by any subdivider,
6 of any unit or units of improved or unimproved land, or any portion
7 thereof, shown on the latest equalized county assessment roll as a
8 unit or as contiguous units, for the purpose of sale, lease, or
9 financing, whether immediate or future. Property shall be
10 considered as contiguous units, even if it is separated by roads,
11 streets, utility easement, or railroad rights-of-way. “Subdivision”
12 includes a condominium project, as defined in Section 4125 or
13 6542 of the Civil Code, a community apartment project, as defined
14 in Section 4105 of the Civil Code, or the conversion of five or
15 more existing dwelling units to a stock cooperative, as defined in
16 of Section 4190 or 6566 of the Civil Code.

17 ~~SEC. 31.~~

18 *SEC. 32.* Section 66427 of the Government Code, as amended
19 by Section 58 of Chapter 181 of the Statutes of 2012, is amended
20 to read:

21 66427. (a) A map of a condominium project, a community
22 apartment project, or of the conversion of five or more existing
23 dwelling units to a stock cooperative project need not show the
24 buildings or the manner in which the buildings or the airspace
25 above the property shown on the map are to be divided, nor shall
26 the governing body have the right to refuse approval of a parcel,
27 tentative, or final map of the project on account of the design or
28 the location of buildings on the property shown on the map that
29 are not violative of local ordinances or on account of the manner
30 in which airspace is to be divided in conveying the condominium.

31 (b) A map need not include a condominium plan or plans, as
32 defined in Section 4120 or 6540 of the Civil Code, and the
33 governing body may not refuse approval of a parcel, tentative, or
34 final map of the project on account of the absence of a
35 condominium plan.

36 (c) Fees and lot design requirements shall be computed and
37 imposed with respect to those maps on the basis of parcels or lots
38 of the surface of the land shown thereon as included in the project.

1 (d) Nothing herein shall be deemed to limit the power of the
2 legislative body to regulate the design or location of buildings in
3 a project by or pursuant to local ordinances.

4 (e) If the governing body has approved a parcel map or final
5 map for the establishment of condominiums on property pursuant
6 to the requirements of this division, the separation of a
7 three-dimensional portion or portions of the property from the
8 remainder of the property or the division of that three-dimensional
9 portion or portions into condominiums shall not constitute a further
10 subdivision as defined in Section 66424, provided each of the
11 following conditions has been satisfied:

12 (1) The total number of condominiums established is not
13 increased above the number authorized by the local agency in
14 approving the parcel map or final map.

15 (2) A perpetual estate or an estate for years in the remainder of
16 the property is held by the condominium owners in undivided
17 interests in common, or by an association as defined in Section
18 4100 or 6528 of the Civil Code, and the duration of the estate in
19 the remainder of the property is the same as the duration of the
20 estate in the condominiums.

21 (3) The three-dimensional portion or portions of property are
22 described on a condominium plan or plans, as defined in Section
23 4120 or 6540 of the Civil Code.

24 ~~SEC. 32.~~

25 *SEC. 33.* Section 66452.10 of the Government Code, as
26 amended by Section 59 of Chapter 181 of the Statutes of 2012, is
27 amended to read:

28 66452.10. A stock cooperative, as defined in Section 11003.2
29 of the Business and Professions Code, or a community apartment
30 project, as defined in Section 11004 of the Business and
31 Professions Code, shall not be converted to a condominium, as
32 defined in Section 783 of the Civil Code, unless the required
33 number of (1) owners and (2) trustees or beneficiaries of each
34 recorded deed of trust and mortgagees of each recorded mortgage
35 in the cooperative or project, as specified in the bylaws, or other
36 organizational documents, have voted in favor of the conversion.
37 If the bylaws or other organizational documents do not expressly
38 specify the number of votes required to approve the conversion,
39 a majority vote of the (1) owners and (2) trustees or beneficiaries
40 of each recorded deed of trust and mortgagees of each recorded

1 mortgage in the cooperative or project shall be required. Upon
2 approval of the conversion as set forth above and in compliance
3 with Sections 4290 and 4295 or Sections 6626 and 6628 of the
4 Civil Code, all conveyances and other documents necessary to
5 effectuate the conversion shall be executed by the required number
6 of owners in the cooperative or project as specified in the bylaws
7 or other organizational documents. If the bylaws or other
8 organizational documents do not expressly specify the number of
9 owners necessary to execute the conveyances or other documents,
10 a majority of owners in the cooperative or project shall be required
11 to execute the conveyances and other documents. Conveyances
12 and other documents executed under the foregoing provisions shall
13 be binding upon and affect the interests of all parties in the
14 cooperative or project. The provisions of Section 66499.31 shall
15 not apply to a violation of this section.

16 ~~SEC. 33.~~

17 *SEC. 34.* Section 66475.2 of the Government Code, as amended
18 by Section 60 of Chapter 181 of the Statutes of 2012, is amended
19 to read:

20 66475.2. (a) There may be imposed by local ordinance a
21 requirement of a dedication or an irrevocable offer of dedication
22 of land within the subdivision for local transit facilities such as
23 bus turnouts, benches, shelters, landing pads, and similar items
24 that directly benefit the residents of a subdivision. The irrevocable
25 offers may be terminated as provided in subdivisions (c) and (d)
26 of Section 66477.2.

27 (b) Only the payment of fees in lieu of the dedication of land
28 may be required in subdivisions that consist of the subdivision of
29 airspace in existing buildings into condominium projects, stock
30 cooperatives, or community apartment projects, as those terms are
31 defined in Sections 4105, 4125, and 4190 or Sections 6542 and
32 6566 of the Civil Code.

33 ~~SEC. 34.~~

34 *SEC. 35.* Section 13132.7 of the Health and Safety Code, as
35 amended by Section 63 of Chapter 181 of the Statutes of 2012, is
36 amended to read:

37 13132.7. (a) Within a very high fire hazard severity zone
38 designated by the Director of Forestry and Fire Protection pursuant
39 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
40 2 of Division 4 of the Public Resources Code and within a very

1 high hazard severity zone designated by a local agency pursuant
2 to Chapter 6.8 (commencing with Section 51175) of Part 1 of
3 Division 1 of Title 5 of the Government Code, the entire roof
4 covering of every existing structure where more than 50 percent
5 of the total roof area is replaced within any one-year period, every
6 new structure, and any roof covering applied in the alteration,
7 repair, or replacement of the roof of every existing structure, shall
8 be a fire retardant roof covering that is at least class B as defined
9 in the Uniform Building Code, as adopted and amended by the
10 State Building Standards Commission.

11 (b) In all other areas, the entire roof covering of every existing
12 structure where more than 50 percent of the total roof area is
13 replaced within any one-year period, every new structure, and any
14 roof covering applied in the alteration, repair, or replacement of
15 the roof of every existing structure, shall be a fire retardant roof
16 covering that is at least class C as defined in the Uniform Building
17 Code, as adopted and amended by the State Building Standards
18 Commission.

19 (c) Notwithstanding subdivision (b), within state responsibility
20 areas classified by the State Board of Forestry and Fire Protection
21 pursuant to Article 3 (commencing with Section 4125) of Chapter
22 1 of Part 2 of Division 4 of the Public Resources Code, except for
23 those state responsibility areas designated as moderate fire hazard
24 responsibility zones, the entire roof covering of every existing
25 structure where more than 50 percent of the total roof area is
26 replaced within any one-year period, every new structure, and any
27 roof covering applied in the alteration, repair, or replacement of
28 the roof of every existing structure, shall be a fire retardant roof
29 covering that is at least class B as defined in the Uniform Building
30 Code, as adopted and amended by the State Building Standards
31 Commission.

32 (d) (1) Notwithstanding subdivision (a), (b), or (c), within very
33 high fire hazard severity zones designated by the Director of
34 Forestry and Fire Protection pursuant to Article 9 (commencing
35 with Section 4201) of Chapter 1 of Part 2 of Division 4 of the
36 Public Resources Code or by a local agency pursuant to Chapter
37 6.8 (commencing with Section 51175) of Part 1 of Division 1 of
38 Title 5 of the Government Code, the entire roof covering of every
39 existing structure where more than 50 percent of the total roof area
40 is replaced within any one-year period, every new structure, and

1 any roof covering applied in the alteration, repair, or replacement
2 of the roof of every existing structure, shall be a fire retardant roof
3 covering that is at least class A as defined in the Uniform Building
4 Code, as adopted and amended by the State Building Standards
5 Commission.

6 (2) Paragraph (1) does not apply to any jurisdiction containing
7 a very high fire hazard severity zone if the jurisdiction fulfills both
8 of the following requirements:

9 (A) Adopts the model ordinance approved by the State Fire
10 Marshal pursuant to Section 51189 of the Government Code or an
11 ordinance that substantially conforms to the model ordinance of
12 the State Fire Marshal.

13 (B) Transmits, upon adoption, a copy of the ordinance to the
14 State Fire Marshal.

15 (e) The State Building Standards Commission shall incorporate
16 the requirements set forth in subdivisions (a), (b), and (c) by
17 publishing them as an amendment to the California Building
18 Standards Code in accordance with Chapter 4 (commencing with
19 Section 18935) of Part 2.5 of Division 13.

20 (f) Nothing in this section shall limit the authority of a city,
21 county, city and county, or fire protection district in establishing
22 more restrictive requirements, in accordance with current law, than
23 those specified in this section.

24 (g) This section shall not affect the validity of an ordinance,
25 adopted prior to the effective date for the relevant roofing standard
26 specified in subdivisions (a) and (b), by a city, county, city and
27 county, or fire protection district, unless the ordinance mandates
28 a standard that is less stringent than the standards set forth in
29 subdivision (a), in which case the ordinance shall not be valid on
30 or after the effective date for the relevant roofing standard specified
31 in subdivisions (a) and (b).

32 (h) Any qualified historical building or structure as defined in
33 Section 18955 may, on a case-by-case basis, utilize alternative
34 roof constructions as provided by the State Historical Building
35 Code.

36 (i) The installer of the roof covering shall provide certification
37 of the roof covering classification, as provided by the manufacturer
38 or supplier, to the building owner and, when requested, to the
39 agency responsible for enforcement of this part. The installer shall

1 also install the roof covering in accordance with the manufacturer’s
2 listing.

3 (j) No wood roof covering materials shall be sold or applied in
4 this state unless both of the following conditions are met:

5 (1) The materials have been approved and listed by the State
6 Fire Marshal as complying with the requirements of this section.

7 (2) The materials have passed at least five years of the 10-year
8 natural weathering test. The 10-year natural weathering test
9 required by this subdivision shall be conducted in accordance with
10 standard 15-2 of the 1994 edition of the Uniform Building Code
11 at a testing facility recognized by the State Fire Marshal.

12 (k) The Insurance Commissioner shall accept the use of fire
13 retardant wood roof covering material that complies with the
14 requirements of this section, used in the partial repair or
15 replacement of nonfire retardant wood roof covering material, as
16 complying with the requirement in Section 2695.9 of Title 10 of
17 the California Code of Regulations relative to matching
18 replacement items in quality, color, and size.

19 (l) No common interest development, as defined in Section 4100
20 or 6534 of the Civil Code, may require an owner to install or repair
21 a roof in a manner that is in violation of this section. The governing
22 documents, as defined in Section 4150 or 6552 of the Civil Code,
23 of a common interest development within a very high fire severity
24 zone shall allow for at least one type of fire retardant roof covering
25 material that meets the requirements of this section.

26 ~~SEC. 35.~~

27 *SEC. 36.* Section 19850 of the Health and Safety Code, as
28 amended by Section 64 of Chapter 181 of the Statutes of 2012, is
29 amended to read:

30 19850. The building department of every city or county shall
31 maintain an official copy, which may be on microfilm or other
32 type of photographic copy, of the plans of every building, during
33 the life of the building, for which the department issued a building
34 permit.

35 “Building department” means the department, bureau, or officer
36 charged with the enforcement of laws or ordinances regulating the
37 erection, construction, or alteration of buildings.

38 Except for plans of a common interest development as defined
39 in Section 4100 or 6534 of the Civil Code, plans need not be filed
40 for:

1 (a) Single or multiple dwellings not more than two stories and
 2 basement in height.

3 (b) Garages and other structures appurtenant to buildings
 4 described under subdivision (a).

5 (c) Farm or ranch buildings.

6 (d) Any one-story building where the span between bearing
 7 walls does not exceed 25 feet. The exemption in this subdivision
 8 does not, however, apply to a steel frame or concrete building.

9 ~~SEC. 36.~~

10 *SEC. 37.* Section 25400.22 of the Health and Safety Code, as
 11 amended by Section 65 of Chapter 181 of the Statutes of 2012, is
 12 amended to read:

13 25400.22. (a) No later than 10 working days after the date
 14 when a local health officer determines that property is contaminated
 15 pursuant to subdivision (b) of Section 25400.20, the local health
 16 officer shall do all of the following:

17 (1) Except as provided in paragraph (2), if the property is real
 18 property, record with the county recorder a lien on the property.
 19 The lien shall specify all of the following:

20 (A) The name of the agency on whose behalf the lien is imposed.

21 (B) The date on which the property is determined to be
 22 contaminated.

23 (C) The legal description of the real property and the assessor's
 24 parcel number.

25 (D) The record owner of the property.

26 (E) The amount of the lien, which shall be the greater of two
 27 hundred dollars (\$200) or the costs incurred by the local health
 28 officer in compliance with this chapter, including, but not limited
 29 to, the cost of inspection performed pursuant to Section 25400.19
 30 and the county recorder's fee.

31 (2) (A) If the property is a mobilehome or manufactured home
 32 specified in paragraph (2) of subdivision (t) of Section 25400.11,
 33 amend the permanent record with a restraint on the mobilehome,
 34 or manufactured home with the Department of Housing and
 35 Community Development, in the form prescribed by that
 36 department, providing notice of the determination that the property
 37 is contaminated.

38 (B) If the property is a recreational vehicle specified in
 39 paragraph (2) of subdivision (t) of Section 25400.11, perfect by
 40 filing with the Department of Motor Vehicles a vehicle license

1 stop on the recreational vehicle in the form prescribed by that
2 department, providing notice of the determination that the property
3 is contaminated.

4 (C) If the property is a mobilehome or manufactured home, not
5 subject to paragraph (2) of subdivision (t) of Section 25400.11, is
6 located on real property, and is not attached to that real property,
7 the local health officer shall record a lien for the real property with
8 the county recorder, and the Department of Housing and
9 Community Development shall amend the permanent record with
10 a restraint for the mobilehome or manufactured home, in the form
11 and with the contents prescribed by that department.

12 (3) A lien, restraint, or vehicle license stop issued pursuant to
13 paragraph (2) shall specify all of the following:

14 (A) The name of the agency on whose behalf the lien, restraint,
15 or vehicle license stop is imposed.

16 (B) The date on which the property is determined to be
17 contaminated.

18 (C) The legal description of the real property and the assessor's
19 parcel number, and the mailing and street address or space number
20 of the manufactured home, mobilehome, or recreational vehicle
21 or the vehicle identification number of the recreational vehicle, if
22 applicable.

23 (D) The registered owner of the mobilehome, manufactured
24 home, or recreational vehicle, if applicable, or the name of the
25 owner of the real property as indicated in the official county
26 records.

27 (E) The amount of the lien, if applicable, which shall be the
28 greater of two hundred dollars (\$200) or the costs incurred by the
29 local health officer in compliance with this chapter, including, but
30 not limited to, the cost of inspection performed pursuant to Section
31 25400.19 and the fee charged by the Department of Housing and
32 Community Development and the Department of Motor Vehicles
33 pursuant to paragraph (2) of subdivision (b).

34 (F) Other information required by the county recorder for the
35 lien, the Department of Housing and Community Development
36 for the restraint, or the Department of Motor Vehicles for the
37 vehicle license stop.

38 (4) Issue to persons specified in subdivisions (d), (e), and (f) an
39 order prohibiting the use or occupancy of the contaminated portions
40 of the property.

1 (b) (1) The county recorder's fees for recording and indexing
2 documents provided for in this section shall be in the amount
3 specified in Article 5 (commencing with Section 27360) of Chapter
4 6 of Part 3 of Title 3 of the Government Code.

5 (2) The Department of Housing and Community Development
6 and the Department of Motor Vehicles may charge a fee to cover
7 its administrative costs for recording and indexing documents
8 provided for in paragraph (2) of subdivision (a).

9 (c) (1) A lien recorded pursuant to subdivision (a) shall have
10 the force, effect, and priority of a judgment lien. The restraint
11 amending the permanent record pursuant to subdivision (a) shall
12 be displayed on any manufactured home or mobilehome title search
13 until the restraint is released. The vehicle license stop shall remain
14 in effect until it is released.

15 (2) The local health officer shall not authorize the release of a
16 lien, restraint, or vehicle license stop made pursuant to subdivision
17 (a), until one of the following occurs:

18 (A) The property owner satisfies the real property lien, or the
19 contamination in the mobilehome, manufactured home, or
20 recreational vehicle is abated to the satisfaction of the local health
21 officer consistent with the notice in the restraint, or vehicle license
22 stop and the local health officer issues a release pursuant to Section
23 25400.27.

24 (B) For a manufactured home or mobilehome, the local health
25 officer determines that the unit will be destroyed or permanently
26 salvaged. For the purposes of this paragraph, the unit shall not be
27 reregistered after this determination is made unless the local health
28 officer issues a release pursuant to Section 25400.27.

29 (C) The lien, restraint, or vehicle license stop is extinguished
30 by a senior lien in a foreclosure sale.

31 (d) Except as otherwise specified in this section, an order issued
32 pursuant to this section shall be served, either personally or by
33 certified mail, return receipt requested, in the following manner:

34 (1) For real property, to all known occupants of the property
35 and to all persons who have an interest in the property, as contained
36 in the records of the recorder's office of the county in which the
37 property is located.

38 (2) In the case of a mobilehome or manufactured home, the
39 order shall be served to the legal owner, as defined in Section

1 18005.8, each junior lienholder, as defined in Section 18005.3,
2 and the registered owner, as defined in Section 18009.5.

3 (3) In the case of a recreational vehicle, the order shall be served
4 on the legal owner, as defined in Section 370 of the Vehicle Code,
5 and the registered owner, as defined in Section 505 of the Vehicle
6 Code.

7 (e) If the whereabouts of the person described in subdivision
8 (d) are unknown and cannot be ascertained by the local health
9 officer, in the exercise of reasonable diligence, and the local health
10 officer makes an affidavit to that effect, the local health officer
11 shall serve the order by personal service or by mailing a copy of
12 the order by certified mail, postage prepaid, return receipt
13 requested, as follows:

14 (1) The order related to real property shall be served to each
15 person at the address appearing on the last equalized tax assessment
16 roll of the county where the property is located, and to all occupants
17 of the affected unit.

18 (2) In the case of a mobilehome or manufactured home, the
19 order shall be served to the legal owner, as defined in Section
20 18005.8, each junior lienholder, as defined in Section 18005.3,
21 and the registered owner, as defined in Section 18009.5, at the
22 address appearing on the permanent record and all occupants of
23 the affected unit at the mobilehome park space.

24 (3) In the case of a recreational vehicle, the order shall be served
25 on the legal owner, as defined in Section 370 of the Vehicle Code,
26 and the registered owner, as defined in Section 505 of the Vehicle
27 Code, at the address appearing on the permanent record and all
28 occupants of the affected vehicle at the mobilehome park or special
29 occupancy park space.

30 (f) (1) The local health officer shall also mail a copy of the
31 order required by this section to the address of each person or party
32 having a recorded right, title, estate, lien, or interest in the property
33 and to the association of a common interest development, as
34 defined in Sections 4080 and 4100 or Sections 6528 and 6534 of
35 the Civil Code.

36 (2) In addition to the requirements of paragraph (1), if the
37 affected property is a mobilehome, manufactured home, or
38 recreational vehicle, specified in paragraph (2) of subdivision (t)
39 of Section 25400.11, the order issued by the local health officer
40 shall also be served, either personally or by certified mail, return

1 receipt requested, to the owner of the mobilehome park or special
2 occupancy park.

3 (g) The order issued pursuant to this section shall include all of
4 the following information:

5 (1) A description of the property.

6 (2) The parcel identification number, address, or space number,
7 if applicable.

8 (3) The vehicle identification number, if applicable.

9 (4) A description of the local health officer’s intended course
10 of action.

11 (5) A specification of the penalties for noncompliance with the
12 order.

13 (6) A prohibition on the use of all or portions of the property
14 that are contaminated.

15 (7) A description of the measures the property owner is required
16 to take to decontaminate the property.

17 (8) An indication of the potential health hazards involved.

18 (9) A statement that a property owner who fails to provide a
19 notice or disclosure that is required by this chapter is subject to a
20 civil penalty of up to five thousand dollars (\$5,000).

21 (h) The local health officer shall provide a copy of the order to
22 the local building or code enforcement agency or other appropriate
23 agency responsible for the enforcement of the State Housing Law
24 (Part 1.5 (commencing with Section 17910) of Division 13).

25 (i) The local health officer shall post the order in a conspicuous
26 place on the property within one working day of the date that the
27 order is issued.

28 ~~SEC. 37.~~

29 *SEC. 38.* Section 25915.2 of the Health and Safety Code, as
30 amended by Section 66 of Chapter 181 of the Statutes of 2012, is
31 amended to read:

32 25915.2. (a) Notice provided pursuant to this chapter shall be
33 provided in writing to each individual employee, and shall be
34 mailed to other owners designated to receive the notice pursuant
35 to subdivision (a) of Section 25915.5, within 15 days of the first
36 receipt by the owner of information identifying the presence or
37 location of asbestos-containing construction materials in the
38 building. This notice shall be provided annually thereafter. In
39 addition, if new information regarding those items specified in
40 paragraphs (1) to (5), inclusive, of subdivision (a) of Section 25915

1 has been obtained within 90 days after the notice required by this
2 subdivision is provided or any subsequent 90-day period, then a
3 supplemental notice shall be provided within 15 days of the close
4 of that 90-day period.

5 (b) Notice provided pursuant to this chapter shall be provided
6 to new employees within 15 days of commencement of work in
7 the building.

8 (c) Notice provided pursuant to this chapter shall be mailed to
9 any new owner designated to receive the notice pursuant to
10 subdivision (a) of Section 25915.5 within 15 days of the effective
11 date of the agreement under which a person becomes a new owner.

12 (d) Subdivisions (a) and (c) shall not be construed to require
13 owners of a building or part of a building within a residential
14 common interest development to mail written notification to other
15 owners of a building or part of a building within the residential
16 common interest development, if all the following conditions are
17 met:

18 (1) The association conspicuously posts, in each building or
19 part of a building known to contain asbestos-containing materials,
20 a large sign in a prominent location that fully informs persons
21 entering each building or part of a building within the common
22 interest development that the association knows the building
23 contains asbestos-containing materials.

24 The sign shall also inform persons of the location where further
25 information, as required by this chapter, is available about the
26 asbestos-containing materials known to be located in the building.

27 (2) The owners or association disclose, as soon as practicable
28 before the transfer of title of a separate interest in the common
29 interest development, to a transferee the existence of
30 asbestos-containing material in a building or part of a building
31 within the common interest development.

32 Failure to comply with this section shall not invalidate the
33 transfer of title of real property. This paragraph shall only apply
34 to transfers of title of separate interests in the common interest
35 development of which the owners have knowledge. As used in
36 this section, “association” and “common interest development”
37 are defined in Sections 4080 and 4100 or Sections 6528 and 6534
38 of the Civil Code.

39 (e) If a person contracting with an owner receives notice
40 pursuant to this chapter, that contractor shall provide a copy of the

1 notice to his or her employees or contractors working within the
2 building.

3 (f) If the asbestos-containing construction material in the
4 building is limited to an area or areas within the building that meet
5 all the following criteria:

6 (1) Are unique and physically defined.

7 (2) Contain asbestos-containing construction materials in
8 structural, mechanical, or building materials which are not
9 replicated throughout the building.

10 (3) Are not connected to other areas through a common
11 ventilation system; then, an owner required to give notice to his
12 or her employees pursuant to subdivision (a) of Section 25915 or
13 25915.1 may provide that notice only to the employees working
14 within or entering that area or those areas of the building meeting
15 the conditions above.

16 (g) If the asbestos-containing construction material in the
17 building is limited to an area or areas within the building that meet
18 all the following criteria:

19 (1) Are accessed only by building maintenance employees or
20 contractors and are not accessed by tenants or employees in the
21 building, other than on an incidental basis.

22 (2) Contain asbestos-containing construction materials in
23 structural, mechanical, or building materials which are not
24 replicated in areas of the building which are accessed by tenants
25 and employees.

26 (3) The owner knows that no asbestos fibers are being released
27 or have the reasonable possibility to be released from the material;
28 then, as to that asbestos-containing construction material, an owner
29 required to give notice to his or her employees pursuant to
30 subdivision (a) of Section 25915 or Section 25915.1 may provide
31 that notice only to its building maintenance employees and
32 contractors who have access to that area or those areas of the
33 building meeting the conditions above.

34 (h) In those areas of a building where the asbestos-containing
35 construction material is composed only of asbestos fibers which
36 are completely encapsulated, if the owner knows that no asbestos
37 fibers are being released or have the reasonable possibility to be
38 released from that material in its present condition and has no
39 knowledge that other asbestos-containing material is present, then
40 an owner required to give notice pursuant to subdivision (a) of

1 Section 25915 shall provide the information required in paragraph
2 (2) of subdivision (a) of Section 25915 and may substitute the
3 following notice for the requirements of paragraphs (1), (3), (4),
4 and (5) of subdivision (a) of Section 25915:

5 (1) The existence of, conclusions from, and a description or list
6 of the contents of, that portion of any survey conducted to
7 determine the existence and location of asbestos-containing
8 construction materials within the building that refers to the
9 asbestos-containing materials described in this subdivision, and
10 information describing when and where the results of the survey
11 are available pursuant to Section 25917.

12 (2) Information to convey that moving, drilling, boring, or
13 otherwise disturbing the asbestos-containing construction material
14 identified may present a health risk and, consequently, should not
15 be attempted by an unqualified employee. The notice shall identify
16 the appropriate person the employee is required to contact if the
17 condition of the asbestos-containing construction material
18 deteriorates.

19 ~~SEC. 38.~~

20 *SEC. 39.* Section 33050 of the Health and Safety Code, as
21 amended by Section 68 of Chapter 181 of the Statutes of 2012, is
22 amended to read:

23 33050. (a) It is hereby declared to be the policy of the state
24 that in undertaking community redevelopment projects under this
25 part there shall be no discrimination because of any basis listed in
26 subdivision (a) or (d) of Section 12955 of the Government Code,
27 as those bases are defined in Sections 12926, 12926.1, subdivision
28 (m) and paragraph (1) of subdivision (p) of Section 12955, and
29 Section 12955.2 of the Government Code.

30 (b) Notwithstanding subdivision (a), with respect to familial
31 status, subdivision (a) shall not be construed to apply to housing
32 for older persons, as defined in Section 12955.9 of the Government
33 Code. With respect to familial status, nothing in subdivision (a)
34 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
35 and 799.5 of the Civil Code, relating to housing for senior citizens.
36 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
37 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
38 of the Government Code shall apply to subdivision (a).

1 ~~SEC. 39.~~

2 *SEC. 40.* Section 33435 of the Health and Safety Code, as
3 amended by Section 69 of Chapter 181 of the Statutes of 2012, is
4 amended to read:

5 33435. (a) Agencies shall obligate lessees and purchasers of
6 real property acquired in redevelopment projects and owners of
7 property improved as a part of a redevelopment project to refrain
8 from restricting the rental, sale, or lease of the property on any
9 basis listed in subdivision (a) or (d) of Section 12955 of the
10 Government Code, as those bases are defined in Sections 12926,
11 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
12 Section 12955, and Section 12955.2 of the Government Code. All
13 deeds, leases, or contracts for the sale, lease, sublease, or other
14 transfer of any land in a redevelopment project shall contain or be
15 subject to the nondiscrimination or nonsegregation clauses hereafter
16 prescribed.

17 (b) Notwithstanding subdivision (a), with respect to familial
18 status, subdivision (a) shall not be construed to apply to housing
19 for older persons, as defined in Section 12955.9 of the Government
20 Code. With respect to familial status, nothing in subdivision (a)
21 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
22 and 799.5 of the Civil Code, relating to housing for senior citizens.
23 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
24 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
25 of the Government Code shall apply to subdivision (a).

26 ~~SEC. 40.~~

27 *SEC. 41.* Section 33436 of the Health and Safety Code, as
28 amended by Section 70 of Chapter 181 of the Statutes of 2012, is
29 amended to read:

30 33436. Express provisions shall be included in all deeds, leases,
31 and contracts that the agency proposes to enter into with respect
32 to the sale, lease, sublease, transfer, use, occupancy, tenure, or
33 enjoyment of any land in a redevelopment project in substantially
34 the following form:

35 (a) (1) In deeds the following language shall appear—“The
36 grantee herein covenants by and for himself or herself, his or her
37 heirs, executors, administrators, and assigns, and all persons
38 claiming under or through them, that there shall be no
39 discrimination against or segregation of, any person or group of
40 persons on account of any basis listed in subdivision (a) or (d) of

1 Section 12955 of the Government Code, as those bases are defined
2 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
3 subdivision (p) of Section 12955, and Section 12955.2 of the
4 Government Code, in the sale, lease, sublease, transfer, use,
5 occupancy, tenure, or enjoyment of the premises herein conveyed,
6 nor shall the grantee or any person claiming under or through him
7 or her, establish or permit any practice or practices of
8 discrimination or segregation with reference to the selection,
9 location, number, use, or occupancy of tenants, lessees, subtenants,
10 sublessees, or vendees in the premises herein conveyed. The
11 foregoing covenants shall run with the land.”

12 (2) Notwithstanding paragraph (1), with respect to familial
13 status, paragraph (1) shall not be construed to apply to housing for
14 older persons, as defined in Section 12955.9 of the Government
15 Code. With respect to familial status, nothing in paragraph (1)
16 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
17 and 799.5 of the Civil Code, relating to housing for senior citizens.
18 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
19 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
20 of the Government Code shall apply to paragraph (1).

21 (b) (1) In leases the following language shall appear—“The
22 lessee herein covenants by and for himself or herself, his or her
23 heirs, executors, administrators, and assigns, and all persons
24 claiming under or through him or her, and this lease is made and
25 accepted upon and subject to the following conditions:

26 That there shall be no discrimination against or segregation of
27 any person or group of persons, on account of any basis listed in
28 subdivision (a) or (d) of Section 12955 of the Government Code,
29 as those bases are defined in Sections 12926, 12926.1, subdivision
30 (m) and paragraph (1) of subdivision (p) of Section 12955, and
31 Section 12955.2 of the Government Code, in the leasing,
32 subleasing, transferring, use, occupancy, tenure, or enjoyment of
33 the premises herein leased nor shall the lessee himself or herself,
34 or any person claiming under or through him or her, establish or
35 permit any such practice or practices of discrimination or
36 segregation with reference to the selection, location, number, use,
37 or occupancy, of tenants, lessees, sublessees, subtenants, or vendees
38 in the premises herein leased.”

39 (2) Notwithstanding paragraph (1), with respect to familial
40 status, paragraph (1) shall not be construed to apply to housing for

1 older persons, as defined in Section 12955.9 of the Government
2 Code. With respect to familial status, nothing in paragraph (1)
3 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
4 and 799.5 of the Civil Code, relating to housing for senior citizens.
5 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
6 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
7 of the Government Code shall apply to paragraph (1).

8 (c) In contracts entered into by the agency relating to the sale,
9 transfer, or leasing of land or any interest therein acquired by the
10 agency within any survey area or redevelopment project the
11 foregoing provisions in substantially the forms set forth shall be
12 included and the contracts shall further provide that the foregoing
13 provisions shall be binding upon and shall obligate the contracting
14 party or parties and any subcontracting party or parties, or other
15 transferees under the instrument.

16 ~~SEC. 41.~~

17 *SEC. 42.* Section 35811 of the Health and Safety Code, as
18 amended by Section 72 of Chapter 181 of the Statutes of 2012, is
19 amended to read:

20 35811. (a) No financial institution shall discriminate in the
21 availability of, or in the provision of, financial assistance for the
22 purpose of purchasing, constructing, rehabilitating, improving, or
23 refinancing housing accommodations due, in whole or in part, to
24 the consideration of any basis listed in subdivision (a) or (d) of
25 Section 12955 of the Government Code, as those bases are defined
26 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
27 subdivision (p) of Section 12955, and Section 12955.2 of the
28 Government Code.

29 (b) Notwithstanding subdivision (a), with respect to familial
30 status, subdivision (a) shall not be construed to apply to housing
31 for older persons, as defined in Section 12955.9 of the Government
32 Code. With respect to familial status, nothing in subdivision (a)
33 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
34 and 799.5 of the Civil Code, relating to housing for senior citizens.
35 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
36 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
37 of the Government Code shall apply to subdivision (a).

1 ~~SEC. 42.~~

2 *SEC. 43.* Section 37630 of the Health and Safety Code, as
3 amended by Section 73 of Chapter 181 of the Statutes of 2012, is
4 amended to read:

5 37630. (a) The local agency shall require that any property
6 that is rehabilitated with financing obtained under this part shall
7 be open, upon sale or rental of any portion thereof, to all regardless
8 of any basis listed in subdivision (a) or (d) of Section 12955 of the
9 Government Code, as those bases are defined in Sections 12926,
10 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
11 Section 12955, and Section 12955.2 of the Government Code. The
12 local agency shall also require that contractors and subcontractors
13 engaged in historical rehabilitation financed under this part provide
14 equal opportunity for employment, without discrimination as to
15 any basis listed in subdivision (a) of Section 12940 of the
16 Government Code, as those bases are defined in Sections 12926
17 and 12926.1 of the Government Code, and except as otherwise
18 provided in Section 12940 of the Government Code. All contracts
19 and subcontracts for historical rehabilitation financed under this
20 part shall be let without discrimination as to any basis listed in
21 subdivision (a) of Section 12940 of the Government Code, as those
22 bases are defined in Sections 12926 and 12926.1 of the
23 Government Code, and except as otherwise provided in Section
24 12940 of the Government Code.

25 (b) Notwithstanding subdivision (a), with respect to familial
26 status, subdivision (a) shall not be construed to apply to housing
27 for older persons, as defined in Section 12955.9 of the Government
28 Code. With respect to familial status, nothing in subdivision (a)
29 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
30 and 799.5 of the Civil Code, relating to housing for senior citizens.
31 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
32 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
33 of the Government Code shall apply to subdivision (a).

34 ~~SEC. 43.~~

35 *SEC. 44.* Section 50955 of the Health and Safety Code, as
36 amended by Section 75 of Chapter 181 of the Statutes of 2012, is
37 amended to read:

38 50955. (a) The agency and every housing sponsor shall require
39 that occupancy of housing developments assisted under this part
40 shall be open to all regardless of any basis listed in subdivision (a)

1 or (d) of Section 12955 of the Government Code, as those bases
2 are defined in Sections 12926, 12926.1, subdivision (m) and
3 paragraph (1) of subdivision (p) of Section 12955, and Section
4 12955.2 of the Government Code, that contractors and
5 subcontractors engaged in the construction of housing
6 developments shall provide an equal opportunity for employment,
7 without discrimination as to any basis listed in subdivision (a) of
8 Section 12940 of the Government Code, as those bases are defined
9 in Sections 12926 and 12926.1 of the Government Code, and
10 except as otherwise provided in Section 12940 of the Government
11 Code, and that contractors and subcontractors shall submit and
12 receive approval of an affirmative action program prior to the
13 commencement of construction or rehabilitation. Affirmative action
14 requirements respecting apprenticeship shall be consistent with
15 Chapter 4 (commencing with Section 3070) of Division 3 of the
16 Labor Code.

17 All contracts for the management, construction, or rehabilitation
18 of housing developments, and contracts let by housing sponsors,
19 contractors, and subcontractors in the performance of management,
20 construction, or rehabilitation, shall be let without discrimination
21 as to any basis listed in subdivision (a) of Section 12940 of the
22 Government Code, as those bases are defined in Sections 12926
23 and 12926.1 of the Government Code, except as otherwise provided
24 in Section 12940 of the Government Code, and pursuant to an
25 affirmative action program, which shall be at not less than the
26 Federal Housing Administration affirmative action standards unless
27 the board makes a specific finding that the particular requirement
28 would be unworkable. The agency shall periodically review
29 implementation of affirmative action programs required by this
30 section.

31 It shall be the policy of the agency and housing sponsors to
32 encourage participation with respect to all projects by minority
33 developers, builders, and entrepreneurs in all levels of construction,
34 planning, financing, and management of housing developments.
35 In areas of minority concentration the agency shall require
36 significant participation of minorities in the sponsorship,
37 construction, planning, financing, and management of housing
38 developments. The agency shall (1) require that, to the greatest
39 extent feasible, opportunities for training and employment arising
40 in connection with the planning, construction, rehabilitation, and

1 operation of housing developments financed pursuant to this part
2 be given to persons of low income residing in the area of that
3 housing, and (2) determine and implement means to secure the
4 participation of small businesses in the performance of contracts
5 for work on housing developments and to develop the capabilities
6 of these small businesses to more efficiently and competently
7 participate in the economic mainstream. In order to achieve this
8 participation by small businesses, the agency may, among other
9 things, waive retention requirements otherwise imposed on
10 contractors or subcontractors by regulation of the agency and may
11 authorize or make advance payments for work to be performed.
12 The agency shall develop relevant selection criteria for the
13 participation of small businesses to ensure that, to the greatest
14 extent feasible, the participants possess the necessary nonfinancial
15 capabilities. The agency may, with respect to these small
16 businesses, waive bond requirements otherwise imposed upon
17 contractors or subcontractors by regulation of the agency, but the
18 agency shall in that case substantially reduce the risk through (1)
19 a pooled-risk bonding program, (2) a bond program in cooperation
20 with other federal or state agencies, or (3) development of a
21 self-insured bonding program with adequate reserves.

22 The agency shall adopt rules and regulations to implement this
23 section.

24 Prior to commitment of a mortgage loan, the agency shall require
25 each housing sponsor, except with respect to mutual self-help
26 housing, to submit an affirmative marketing program that meets
27 standards set forth in regulations of the agency. The agency shall
28 require each housing sponsor to conduct the affirmative marketing
29 program so approved. Additionally, the agency shall supplement
30 the efforts of individual housing sponsors by conducting affirmative
31 marketing programs with respect to housing at the state level.

32 (b) Notwithstanding subdivision (a), with respect to familial
33 status, subdivision (a) shall not be construed to apply to housing
34 for older persons, as defined in Section 12955.9 of the Government
35 Code. With respect to familial status, nothing in subdivision (a)
36 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
37 and 799.5 of the Civil Code, relating to housing for senior citizens.
38 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
39 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
40 of the Government Code shall apply to subdivision (a).

1 ~~SEC. 44.~~

2 *SEC. 45.* Section 51602 of the Health and Safety Code, as
3 amended by Section 76 of Chapter 181 of the Statutes of 2012, is
4 amended to read:

5 51602. (a) The agency shall require that occupancy of housing
6 for which a loan is insured pursuant to this part shall be open to
7 all regardless of any basis listed in subdivision (a) or (d) of Section
8 12955 of the Government Code, as those bases are defined in
9 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
10 subdivision (p) of Section 12955, and Section 12955.2 of the
11 Government Code, and that contractors and subcontractors engaged
12 in the construction or rehabilitation of housing funded by a loan
13 insured pursuant to this part shall provide an equal opportunity for
14 employment without discrimination as to any basis listed in
15 subdivision (a) of Section 12940 of the Government Code, as those
16 bases are defined in Sections 12926 and 12926.1 of the
17 Government Code, and except as otherwise provided in Section
18 12940 of the Government Code.

19 (b) Notwithstanding subdivision (a), with respect to familial
20 status, subdivision (a) shall not be construed to apply to housing
21 for older persons, as defined in Section 12955.9 of the Government
22 Code. With respect to familial status, nothing in subdivision (a)
23 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
24 and 799.5 of the Civil Code, relating to housing for senior citizens.
25 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
26 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
27 of the Government Code shall apply to subdivision (a).

28 (c) A qualified developer shall certify compliance with this
29 section and Section 50955 according to requirements specified by
30 the pertinent criteria of the agency.

31 ~~SEC. 45.~~

32 *SEC. 46.* Section 116048 of the Health and Safety Code, as
33 amended by Section 77 of Chapter 181 of the Statutes of 2012, is
34 amended to read:

35 116048. (a) On or after January 1, 1987, for public swimming
36 pools in any common interest development, as defined in Section
37 4100 or 6534 of the Civil Code, that consists of fewer than 25
38 separate interests, as defined in Section 4185 or 6564 of the Civil
39 Code, the person operating each pool open for use shall be required
40 to keep a record of the information required by subdivision (a) of

1 Section 65523 of Title 22 of the California Administrative Code,
2 except that the information shall be recorded at least two times per
3 week and at intervals no greater than four days apart.

4 (b) On or after January 1, 1987, any rule or regulation of the
5 department that is in conflict with subdivision (a) is invalid.

6 ~~SEC. 46.~~

7 *SEC. 47.* Section 790.031 of the Insurance Code, as amended
8 by Section 78 of Chapter 181 of the Statutes of 2012, is amended
9 to read:

10 790.031. The requirements of subdivision (b) of Section
11 790.034, and Sections 2071.1 and 10082.3 shall apply only to
12 policies of residential property insurance as defined in Section
13 10087, policies and endorsements containing those coverages
14 prescribed in Chapter 8.5 (commencing with Section 10081) of
15 Part 1 of Division 2, policies issued by the California Earthquake
16 Authority pursuant to Chapter 8.6 (commencing with Section
17 10089.5) of Part 1 of Division 2, policies and endorsements that
18 insure against property damage and are issued to common interest
19 developments or to associations managing common interest
20 developments, as those terms are defined in Sections 4080 and
21 4100 or Sections 6528 and 6534 of the Civil Code, and to policies
22 issued pursuant to Section 120 that insure against property damage
23 to residential units or contents thereof owned by one or more
24 persons located in this state.

25 ~~SEC. 47.~~

26 *SEC. 48.* Section 2188.6 of the Revenue and Taxation Code,
27 as amended by Section 79 of Chapter 181 of the Statutes of 2012,
28 is amended to read:

29 2188.6. (a) Unless a request for exemption has been recorded
30 pursuant to subdivision (d), prior to the creation of a condominium
31 as defined in Section 783 of the Civil Code, the county assessor
32 may separately assess each individual unit which is shown on the
33 condominium plan of a proposed condominium project when all
34 of the following documents have been recorded as required by
35 law:

36 (1) A subdivision final map or parcel map, as described in
37 Sections 66434 and 66445, respectively, of the Government Code.

38 (2) A condominium plan, as defined in Section 4120 or 6540
39 of the Civil Code.

1 (3) A declaration, as defined in Section 4135 or 6546 of the
2 Civil Code.

3 (b) The tax due on each individual unit shall constitute a lien
4 solely on that unit.

5 (c) The lien created pursuant to this section shall be a lien on
6 an undivided interest in a portion of real property coupled with a
7 separate interest in space called a unit as described in Section 4125
8 or 6542 of the Civil Code.

9 (d) The record owner of the real property may record with the
10 condominium plan a request that the real property be exempt from
11 separate assessment pursuant to this section. If a request for
12 exemption is recorded, separate assessment of a condominium unit
13 shall be made only in accordance with Section 2188.3.

14 (e) This section shall become operative on January 1, 1990, and
15 shall apply to condominium projects for which a condominium
16 plan is recorded after that date.

17 ~~SEC. 48.~~

18 *SEC. 49.* Section 21107.7 of the Vehicle Code, as amended by
19 Section 80 of Chapter 181 of the Statutes of 2012, is amended to
20 read:

21 21107.7. (a) Any city or county may, by ordinance or
22 resolution, find and declare that there are privately owned and
23 maintained roads as described in the ordinance or resolution within
24 the city or county that are not generally held open for use of the
25 public for purposes of vehicular travel but, by reason of their
26 proximity to or connection with highways, the interests of any
27 residents residing along the roads and the motoring public will
28 best be served by application of the provisions of this code to those
29 roads. No ordinance or resolution shall be enacted unless there is
30 first filed with the city or county a petition requesting it by a
31 majority of the owners of any privately owned and maintained
32 road, or by at least a majority of the board of directors of a common
33 interest development, as defined by Section 4100 or 6534 of the
34 Civil Code, that is responsible for maintaining the road, and without
35 a public hearing thereon and 10 days' prior written notice to all
36 owners of the road or all of the owners in the development. Upon
37 enactment of the ordinance or resolution, the provisions of this
38 code shall apply to the privately owned and maintained road if
39 appropriate signs are erected at the entrance to the road of the size,
40 shape, and color as to be readily legible during daylight hours from

1 a distance of 100 feet, to the effect that the road is subject to the
2 provisions of this code. The city or county may impose reasonable
3 conditions and may authorize the owners, or board of directors of
4 the common interest development, to erect traffic signs, signals,
5 markings, and devices which conform to the uniform standards
6 and specifications adopted by the Department of Transportation.

7 (b) The department shall not be required to provide patrol or
8 enforce any provisions of this code on any privately owned and
9 maintained road subjected to the provisions of this code under this
10 section, except those provisions applicable to private property
11 other than by action under this section.

12 (c) As used in this section, “privately owned and maintained
13 roads” includes roads owned and maintained by a city, county, or
14 district that are not dedicated to use by the public or are not
15 generally held open for use of the public for purposes of vehicular
16 travel.

17 ~~SEC. 49.~~

18 *SEC. 50.* Section 22651 of the Vehicle Code is amended to
19 read:

20 22651. A peace officer, as defined in Chapter 4.5 (commencing
21 with Section 830) of Title 3 of Part 2 of the Penal Code, or a
22 regularly employed and salaried employee, who is engaged in
23 directing traffic or enforcing parking laws and regulations, of a
24 city, county, or jurisdiction of a state agency in which a vehicle is
25 located, may remove a vehicle located within the territorial limits
26 in which the officer or employee may act, under the following
27 circumstances:

28 (a) When a vehicle is left unattended upon a bridge, viaduct, or
29 causeway or in a tube or tunnel where the vehicle constitutes an
30 obstruction to traffic.

31 (b) When a vehicle is parked or left standing upon a highway
32 in a position so as to obstruct the normal movement of traffic or
33 in a condition so as to create a hazard to other traffic upon the
34 highway.

35 (c) When a vehicle is found upon a highway or public land and
36 a report has previously been made that the vehicle is stolen or a
37 complaint has been filed and a warrant thereon is issued charging
38 that the vehicle was embezzled.

1 (d) When a vehicle is illegally parked so as to block the entrance
2 to a private driveway and it is impractical to move the vehicle from
3 in front of the driveway to another point on the highway.

4 (e) When a vehicle is illegally parked so as to prevent access
5 by firefighting equipment to a fire hydrant and it is impracticable
6 to move the vehicle from in front of the fire hydrant to another
7 point on the highway.

8 (f) When a vehicle, except highway maintenance or construction
9 equipment, is stopped, parked, or left standing for more than four
10 hours upon the right-of-way of a freeway that has full control of
11 access and no crossings at grade and the driver, if present, cannot
12 move the vehicle under its own power.

13 (g) When the person in charge of a vehicle upon a highway or
14 public land is, by reason of physical injuries or illness,
15 incapacitated to an extent so as to be unable to provide for its
16 custody or removal.

17 (h) (1) When an officer arrests a person driving or in control
18 of a vehicle for an alleged offense and the officer is, by this code
19 or other law, required or permitted to take, and does take, the
20 person into custody.

21 (2) When an officer serves a notice of an order of suspension
22 or revocation pursuant to Section 13388 or 13389.

23 (i) (1) When a vehicle, other than a rented vehicle, is found
24 upon a highway or public land, or is removed pursuant to this code,
25 and it is known that the vehicle has been issued five or more notices
26 of parking violations to which the owner or person in control of
27 the vehicle has not responded within 21 calendar days of notice
28 of citation issuance or citation issuance or 14 calendar days of the
29 mailing of a notice of delinquent parking violation to the agency
30 responsible for processing notices of parking violations, or the
31 registered owner of the vehicle is known to have been issued five
32 or more notices for failure to pay or failure to appear in court for
33 traffic violations for which a certificate has not been issued by the
34 magistrate or clerk of the court hearing the case showing that the
35 case has been adjudicated or concerning which the registered
36 owner's record has not been cleared pursuant to Chapter 6
37 (commencing with Section 41500) of Division 17, the vehicle may
38 be impounded until that person furnishes to the impounding law
39 enforcement agency all of the following:

40 (A) Evidence of his or her identity.

1 (B) An address within this state at which he or she can be
2 located.

3 (C) Satisfactory evidence that all parking penalties due for the
4 vehicle and all other vehicles registered to the registered owner of
5 the impounded vehicle, and all traffic violations of the registered
6 owner, have been cleared.

7 (2) The requirements in subparagraph (C) of paragraph (1) shall
8 be fully enforced by the impounding law enforcement agency on
9 and after the time that the Department of Motor Vehicles is able
10 to provide access to the necessary records.

11 (3) A notice of parking violation issued for an unlawfully parked
12 vehicle shall be accompanied by a warning that repeated violations
13 may result in the impounding of the vehicle. In lieu of furnishing
14 satisfactory evidence that the full amount of parking penalties or
15 bail has been deposited, that person may demand to be taken
16 without unnecessary delay before a magistrate, for traffic offenses,
17 or a hearing examiner, for parking offenses, within the county in
18 which the offenses charged are alleged to have been committed
19 and who has jurisdiction of the offenses and is nearest or most
20 accessible with reference to the place where the vehicle is
21 impounded. Evidence of current registration shall be produced
22 after a vehicle has been impounded, or, at the discretion of the
23 impounding law enforcement agency, a notice to appear for
24 violation of subdivision (a) of Section 4000 shall be issued to that
25 person.

26 (4) A vehicle shall be released to the legal owner, as defined in
27 Section 370, if the legal owner does all of the following:

28 (A) Pays the cost of towing and storing the vehicle.

29 (B) Submits evidence of payment of fees as provided in Section
30 9561.

31 (C) Completes an affidavit in a form acceptable to the
32 impounding law enforcement agency stating that the vehicle was
33 not in possession of the legal owner at the time of occurrence of
34 the offenses relating to standing or parking. A vehicle released to
35 a legal owner under this subdivision is a repossessed vehicle for
36 purposes of disposition or sale. The impounding agency shall have
37 a lien on any surplus that remains upon sale of the vehicle to which
38 the registered owner is or may be entitled, as security for the full
39 amount of the parking penalties for all notices of parking violations
40 issued for the vehicle and for all local administrative charges

1 imposed pursuant to Section 22850.5. The legal owner shall
2 promptly remit to, and deposit with, the agency responsible for
3 processing notices of parking violations from that surplus, on
4 receipt of that surplus, the full amount of the parking penalties for
5 all notices of parking violations issued for the vehicle and for all
6 local administrative charges imposed pursuant to Section 22850.5.

7 (5) The impounding agency that has a lien on the surplus that
8 remains upon the sale of a vehicle to which a registered owner is
9 entitled pursuant to paragraph (4) has a deficiency claim against
10 the registered owner for the full amount of the parking penalties
11 for all notices of parking violations issued for the vehicle and for
12 all local administrative charges imposed pursuant to Section
13 22850.5, less the amount received from the sale of the vehicle.

14 (j) When a vehicle is found illegally parked and there are no
15 license plates or other evidence of registration displayed, the
16 vehicle may be impounded until the owner or person in control of
17 the vehicle furnishes the impounding law enforcement agency
18 evidence of his or her identity and an address within this state at
19 which he or she can be located.

20 (k) When a vehicle is parked or left standing upon a highway
21 for 72 or more consecutive hours in violation of a local ordinance
22 authorizing removal.

23 (l) When a vehicle is illegally parked on a highway in violation
24 of a local ordinance forbidding standing or parking and the use of
25 a highway, or a portion thereof, is necessary for the cleaning,
26 repair, or construction of the highway, or for the installation of
27 underground utilities, and signs giving notice that the vehicle may
28 be removed are erected or placed at least 24 hours prior to the
29 removal by a local authority pursuant to the ordinance.

30 (m) When the use of the highway, or a portion of the highway,
31 is authorized by a local authority for a purpose other than the
32 normal flow of traffic or for the movement of equipment, articles,
33 or structures of unusual size, and the parking of a vehicle would
34 prohibit or interfere with that use or movement, and signs giving
35 notice that the vehicle may be removed are erected or placed at
36 least 24 hours prior to the removal by a local authority pursuant
37 to the ordinance.

38 (n) Whenever a vehicle is parked or left standing where local
39 authorities, by resolution or ordinance, have prohibited parking
40 and have authorized the removal of vehicles. Except as provided

1 in subdivisions (v) and (w), a vehicle shall not be removed unless
2 signs are posted giving notice of the removal.

3 (o) (1) When a vehicle is found or operated upon a highway,
4 public land, or an offstreet parking facility under the following
5 circumstances:

6 (A) With a registration expiration date in excess of six months
7 before the date it is found or operated on the highway, public lands,
8 or the offstreet parking facility.

9 (B) Displaying in, or upon, the vehicle, a registration card,
10 identification card, temporary receipt, license plate, special plate,
11 registration sticker, device issued pursuant to Section 4853, or
12 permit that was not issued for that vehicle, or is not otherwise
13 lawfully used on that vehicle under this code.

14 (C) Displaying in, or upon, the vehicle, an altered, forged,
15 counterfeit, or falsified registration card, identification card,
16 temporary receipt, license plate, special plate, registration sticker,
17 device issued pursuant to Section 4853, or permit.

18 (2) When a vehicle described in paragraph (1) is occupied, only
19 a peace officer, as defined in Chapter 4.5 (commencing with
20 Section 830) of Title 3 of Part 2 of the Penal Code, may remove
21 the vehicle.

22 (3) For the purposes of this subdivision, the vehicle shall be
23 released under either of the following circumstances:

24 (A) To the registered owner or person in control of the vehicle
25 only after the owner or person furnishes the storing law
26 enforcement agency with proof of current registration and a
27 currently valid driver's license to operate the vehicle.

28 (B) To the legal owner or the legal owner's agency, without
29 payment of any fees, fines, or penalties for parking tickets or
30 registration and without proof of current registration, if the vehicle
31 will only be transported pursuant to the exemption specified in
32 Section 4022 and if the legal owner does all of the following:

33 (i) Pays the cost of towing and storing the vehicle.

34 (ii) Completes an affidavit in a form acceptable to the
35 impounding law enforcement agency stating that the vehicle was
36 not in possession of the legal owner at the time of occurrence of
37 an offense relating to standing or parking. A vehicle released to a
38 legal owner under this subdivision is a repossessed vehicle for
39 purposes of disposition or sale. The impounding agency has a lien
40 on any surplus that remains upon sale of the vehicle to which the

1 registered owner is or may be entitled, as security for the full
 2 amount of parking penalties for any notices of parking violations
 3 issued for the vehicle and for all local administrative charges
 4 imposed pursuant to Section 22850.5. Upon receipt of any surplus,
 5 the legal owner shall promptly remit to, and deposit with, the
 6 agency responsible for processing notices of parking violations
 7 from that surplus, the full amount of the parking penalties for all
 8 notices of parking violations issued for the vehicle and for all local
 9 administrative charges imposed pursuant to Section 22850.5.

10 (4) The impounding agency that has a lien on the surplus that
 11 remains upon the sale of a vehicle to which a registered owner is
 12 entitled has a deficiency claim against the registered owner for the
 13 full amount of parking penalties for any notices of parking
 14 violations issued for the vehicle and for all local administrative
 15 charges imposed pursuant to Section 22850.5, less the amount
 16 received from the sale of the vehicle.

17 (5) As used in this subdivision, “offstreet parking facility” means
 18 an offstreet facility held open for use by the public for parking
 19 vehicles and includes a publicly owned facility for offstreet
 20 parking, and a privately owned facility for offstreet parking if a
 21 fee is not charged for the privilege to park and it is held open for
 22 the common public use of retail customers.

23 (p) When the peace officer issues the driver of a vehicle a notice
 24 to appear for a violation of Section 12500, 14601, 14601.1,
 25 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle is
 26 not impounded pursuant to Section 22655.5. A vehicle so removed
 27 from the highway or public land, or from private property after
 28 having been on a highway or public land, shall not be released to
 29 the registered owner or his or her agent, except upon presentation
 30 of the registered owner’s or his or her agent’s currently valid
 31 driver’s license to operate the vehicle and proof of current vehicle
 32 registration, to the impounding law enforcement agency, or upon
 33 order of a court.

34 (q) When a vehicle is parked for more than 24 hours on a portion
 35 of highway that is located within the boundaries of a common
 36 interest development, as defined in Section 4100 or 6534 of the
 37 Civil Code, and signs, as required by paragraph (1) of subdivision
 38 (a) of Section 22658 of this code, have been posted on that portion
 39 of highway providing notice to drivers that vehicles parked thereon

1 for more than 24 hours will be removed at the owner's expense,
2 pursuant to a resolution or ordinance adopted by the local authority.

3 (r) When a vehicle is illegally parked and blocks the movement
4 of a legally parked vehicle.

5 (s) (1) When a vehicle, except highway maintenance or
6 construction equipment, an authorized emergency vehicle, or a
7 vehicle that is properly permitted or otherwise authorized by the
8 Department of Transportation, is stopped, parked, or left standing
9 for more than eight hours within a roadside rest area or viewpoint.

10 (2) Notwithstanding paragraph (1), when a commercial motor
11 vehicle, as defined in paragraph (1) of subdivision (b) of Section
12 15210, is stopped, parked, or left standing for more than 10 hours
13 within a roadside rest area or viewpoint.

14 (3) For purposes of this subdivision, a roadside rest area or
15 viewpoint is a publicly maintained vehicle parking area, adjacent
16 to a highway, utilized for the convenient, safe stopping of a vehicle
17 to enable motorists to rest or to view the scenery. If two or more
18 roadside rest areas are located on opposite sides of the highway,
19 or upon the center divider, within seven miles of each other, then
20 that combination of rest areas is considered to be the same rest
21 area.

22 (t) When a peace officer issues a notice to appear for a violation
23 of Section 25279.

24 (u) When a peace officer issues a citation for a violation of
25 Section 11700 and the vehicle is being offered for sale.

26 (v) (1) When a vehicle is a mobile billboard advertising display,
27 as defined in Section 395.5, and is parked or left standing in
28 violation of a local resolution or ordinance adopted pursuant to
29 subdivision (m) of Section 21100, if the registered owner of the
30 vehicle was previously issued a warning citation for the same
31 offense, pursuant to paragraph (2).

32 (2) Notwithstanding subdivision (a) of Section 22507, a city or
33 county, in lieu of posting signs noticing a local ordinance
34 prohibiting mobile billboard advertising displays adopted pursuant
35 to subdivision (m) of Section 21100, may provide notice by issuing
36 a warning citation advising the registered owner of the vehicle that
37 he or she may be subject to penalties upon a subsequent violation
38 of the ordinance, that may include the removal of the vehicle as
39 provided in paragraph (1). A city or county is not required to

1 provide further notice for a subsequent violation prior to the
2 enforcement of penalties for a violation of the ordinance.

3 (w) (1) When a vehicle is parked or left standing in violation
4 of a local ordinance or resolution adopted pursuant to subdivision
5 (p) of Section 21100, if the registered owner of the vehicle was
6 previously issued a warning citation for the same offense, pursuant
7 to paragraph (2).

8 (2) Notwithstanding subdivision (a) of Section 22507, a city or
9 county, in lieu of posting signs noticing a local ordinance regulating
10 advertising signs adopted pursuant to subdivision (p) of Section
11 21100, may provide notice by issuing a warning citation advising
12 the registered owner of the vehicle that he or she may be subject
13 to penalties upon a subsequent violation of the ordinance that may
14 include the removal of the vehicle as provided in paragraph (1).
15 A city or county is not required to provide further notice for a
16 subsequent violation prior to the enforcement of penalties for a
17 violation of the ordinance.

18 ~~SEC. 50.~~

19 *SEC. 51.* Section 22651.05 of the Vehicle Code, as amended
20 by Section 82 of Chapter 181 of the Statutes of 2012, is amended
21 to read:

22 22651.05. (a) A trained volunteer of a state or local law
23 enforcement agency, who is engaged in directing traffic or
24 enforcing parking laws and regulations, of a city, county, or
25 jurisdiction of a state agency in which a vehicle is located, may
26 remove or authorize the removal of a vehicle located within the
27 territorial limits in which an officer or employee of that agency
28 may act, under any of the following circumstances:

29 (1) When a vehicle is parked or left standing upon a highway
30 for 72 or more consecutive hours in violation of a local ordinance
31 authorizing the removal.

32 (2) When a vehicle is illegally parked or left standing on a
33 highway in violation of a local ordinance forbidding standing or
34 parking and the use of a highway, or a portion thereof, is necessary
35 for the cleaning, repair, or construction of the highway, or for the
36 installation of underground utilities, and signs giving notice that
37 the vehicle may be removed are erected or placed at least 24 hours
38 prior to the removal by local authorities pursuant to the ordinance.

39 (3) Wherever the use of the highway, or a portion thereof, is
40 authorized by local authorities for a purpose other than the normal

1 flow of traffic or for the movement of equipment, articles, or
2 structures of unusual size, and the parking of a vehicle would
3 prohibit or interfere with that use or movement, and signs giving
4 notice that the vehicle may be removed are erected or placed at
5 least 24 hours prior to the removal by local authorities pursuant
6 to the ordinance.

7 (4) Whenever a vehicle is parked or left standing where local
8 authorities, by resolution or ordinance, have prohibited parking
9 and have authorized the removal of vehicles. A vehicle may not
10 be removed unless signs are posted giving notice of the removal.

11 (5) Whenever a vehicle is parked for more than 24 hours on a
12 portion of highway that is located within the boundaries of a
13 common interest development, as defined in Section 4100 or 6534
14 of the Civil Code, and signs, as required by Section 22658.2, have
15 been posted on that portion of highway providing notice to drivers
16 that vehicles parked thereon for more than 24 hours will be
17 removed at the owner's expense, pursuant to a resolution or
18 ordinance adopted by the local authority.

19 (b) The provisions of this chapter that apply to a vehicle
20 removed pursuant to Section 22651 apply to a vehicle removed
21 pursuant to subdivision (a).

22 (c) For purposes of subdivision (a), a "trained volunteer" is a
23 person who, of his or her own free will, provides services, without
24 any financial gain, to a local or state law enforcement agency, and
25 who is duly trained and certified to remove a vehicle by a local or
26 state law enforcement agency.

27 ~~SEC. 51.~~

28 *SEC. 52.* Section 22658 of the Vehicle Code, as amended by
29 Section 83 of Chapter 181 of the Statutes of 2012, is amended to
30 read:

31 22658. (a) The owner or person in lawful possession of private
32 property, including an association of a common interest
33 development as defined in Sections 4080 and 4100 or Sections
34 6528 and 6534 of the Civil Code, may cause the removal of a
35 vehicle parked on the property to a storage facility that meets the
36 requirements of subdivision (n) under any of the following
37 circumstances:

38 (1) There is displayed, in plain view at all entrances to the
39 property, a sign not less than 17 inches by 22 inches in size, with
40 lettering not less than one inch in height, prohibiting public parking

1 and indicating that vehicles will be removed at the owner's
2 expense, and containing the telephone number of the local traffic
3 law enforcement agency and the name and telephone number of
4 each towing company that is a party to a written general towing
5 authorization agreement with the owner or person in lawful
6 possession of the property. The sign may also indicate that a
7 citation may also be issued for the violation.

8 (2) The vehicle has been issued a notice of parking violation,
9 and 96 hours have elapsed since the issuance of that notice.

10 (3) The vehicle is on private property and lacks an engine,
11 transmission, wheels, tires, doors, windshield, or any other major
12 part or equipment necessary to operate safely on the highways,
13 the owner or person in lawful possession of the private property
14 has notified the local traffic law enforcement agency, and 24 hours
15 have elapsed since that notification.

16 (4) The lot or parcel upon which the vehicle is parked is
17 improved with a single-family dwelling.

18 (b) The tow truck operator removing the vehicle, if the operator
19 knows or is able to ascertain from the property owner, person in
20 lawful possession of the property, or the registration records of
21 the Department of Motor Vehicles the name and address of the
22 registered and legal owner of the vehicle, shall immediately give,
23 or cause to be given, notice in writing to the registered and legal
24 owner of the fact of the removal, the grounds for the removal, and
25 indicate the place to which the vehicle has been removed. If the
26 vehicle is stored in a storage facility, a copy of the notice shall be
27 given to the proprietor of the storage facility. The notice provided
28 for in this section shall include the amount of mileage on the
29 vehicle at the time of removal and the time of the removal from
30 the property. If the tow truck operator does not know and is not
31 able to ascertain the name of the owner or for any other reason is
32 unable to give the notice to the owner as provided in this section,
33 the tow truck operator shall comply with the requirements of
34 subdivision (c) of Section 22853 relating to notice in the same
35 manner as applicable to an officer removing a vehicle from private
36 property.

37 (c) This section does not limit or affect any right or remedy that
38 the owner or person in lawful possession of private property may
39 have by virtue of other provisions of law authorizing the removal
40 of a vehicle parked upon private property.

1 (d) The owner of a vehicle removed from private property
2 pursuant to subdivision (a) may recover for any damage to the
3 vehicle resulting from any intentional or negligent act of a person
4 causing the removal of, or removing, the vehicle.

5 (e) (1) An owner or person in lawful possession of private
6 property, or an association of a common interest development,
7 causing the removal of a vehicle parked on that property is liable
8 for double the storage or towing charges whenever there has been
9 a failure to comply with paragraph (1), (2), or (3) of subdivision
10 (a) or to state the grounds for the removal of the vehicle if requested
11 by the legal or registered owner of the vehicle as required by
12 subdivision (f).

13 (2) A property owner or owner's agent or lessee who causes the
14 removal of a vehicle parked on that property pursuant to the
15 exemption set forth in subparagraph (A) of paragraph (1) of
16 subdivision (l) and fails to comply with that subdivision is guilty
17 of an infraction, punishable by a fine of one thousand dollars
18 (\$1,000).

19 (f) An owner or person in lawful possession of private property,
20 or an association of a common interest development, causing the
21 removal of a vehicle parked on that property shall notify by
22 telephone or, if impractical, by the most expeditious means
23 available, the local traffic law enforcement agency within one hour
24 after authorizing the tow. An owner or person in lawful possession
25 of private property, an association of a common interest
26 development, causing the removal of a vehicle parked on that
27 property, or the tow truck operator who removes the vehicle, shall
28 state the grounds for the removal of the vehicle if requested by the
29 legal or registered owner of that vehicle. A towing company that
30 removes a vehicle from private property in compliance with
31 subdivision (l) is not responsible in a situation relating to the
32 validity of the removal. A towing company that removes the
33 vehicle under this section shall be responsible for the following:

34 (1) Damage to the vehicle in the transit and subsequent storage
35 of the vehicle.

36 (2) The removal of a vehicle other than the vehicle specified by
37 the owner or other person in lawful possession of the private
38 property.

1 (g) (1) (A) Possession of a vehicle under this section shall be
2 deemed to arise when a vehicle is removed from private property
3 and is in transit.

4 (B) Upon the request of the owner of the vehicle or that owner's
5 agent, the towing company or its driver shall immediately and
6 unconditionally release a vehicle that is not yet removed from the
7 private property and in transit.

8 (C) A person failing to comply with subparagraph (B) is guilty
9 of a misdemeanor.

10 (2) If a vehicle is released to a person in compliance with
11 subparagraph (B) of paragraph (1), the vehicle owner or authorized
12 agent shall immediately move that vehicle to a lawful location.

13 (h) A towing company may impose a charge of not more than
14 one-half of the regular towing charge for the towing of a vehicle
15 at the request of the owner, the owner's agent, or the person in
16 lawful possession of the private property pursuant to this section
17 if the owner of the vehicle or the vehicle owner's agent returns to
18 the vehicle after the vehicle is coupled to the tow truck by means
19 of a regular hitch, coupling device, drawbar, portable dolly, or is
20 lifted off the ground by means of a conventional trailer, and before
21 it is removed from the private property. The regular towing charge
22 may only be imposed after the vehicle has been removed from the
23 property and is in transit.

24 (i) (1) (A) A charge for towing or storage, or both, of a vehicle
25 under this section is excessive if the charge exceeds the greater of
26 the following:

27 (i) That which would have been charged for that towing or
28 storage, or both, made at the request of a law enforcement agency
29 under an agreement between a towing company and the law
30 enforcement agency that exercises primary jurisdiction in the city
31 in which is located the private property from which the vehicle
32 was, or was attempted to be, removed, or if the private property
33 is not located within a city, then the law enforcement agency that
34 exercises primary jurisdiction in the county in which the private
35 property is located.

36 (ii) That which would have been charged for that towing or
37 storage, or both, under the rate approved for that towing operator
38 by the Department of the California Highway Patrol for the
39 jurisdiction in which the private property is located and from which
40 the vehicle was, or was attempted to be, removed.

1 (B) A towing operator shall make available for inspection and
2 copying his or her rate approved by the Department of the
3 California Highway Patrol, if any, within 24 hours of a request
4 without a warrant to law enforcement, the Attorney General, district
5 attorney, or city attorney.

6 (2) If a vehicle is released within 24 hours from the time the
7 vehicle is brought into the storage facility, regardless of the
8 calendar date, the storage charge shall be for only one day. Not
9 more than one day's storage charge may be required for a vehicle
10 released the same day that it is stored.

11 (3) If a request to release a vehicle is made and the appropriate
12 fees are tendered and documentation establishing that the person
13 requesting release is entitled to possession of the vehicle, or is the
14 owner's insurance representative, is presented within the initial
15 24 hours of storage, and the storage facility fails to comply with
16 the request to release the vehicle or is not open for business during
17 normal business hours, then only one day's storage charge may
18 be required to be paid until after the first business day. A business
19 day is any day in which the lienholder is open for business to the
20 public for at least eight hours. If a request is made more than 24
21 hours after the vehicle is placed in storage, charges may be imposed
22 on a full calendar day basis for each day, or part thereof, that the
23 vehicle is in storage.

24 (j) (1) A person who charges a vehicle owner a towing, service,
25 or storage charge at an excessive rate, as described in subdivision
26 (h) or (i), is civilly liable to the vehicle owner for four times the
27 amount charged.

28 (2) A person who knowingly charges a vehicle owner a towing,
29 service, or storage charge at an excessive rate, as described in
30 subdivision (h) or (i), or who fails to make available his or her rate
31 as required in subparagraph (B) of paragraph (1) of subdivision
32 (i), is guilty of a misdemeanor, punishable by a fine of not more
33 than two thousand five hundred dollars (\$2,500), or by
34 imprisonment in a county jail for not more than three months, or
35 by both that fine and imprisonment.

36 (k) (1) A person operating or in charge of a storage facility
37 where vehicles are stored pursuant to this section shall accept a
38 valid bank credit card or cash for payment of towing and storage
39 by a registered owner, the legal owner, or the owner's agent
40 claiming the vehicle. A credit card shall be in the name of the

1 person presenting the card. “Credit card” means “credit card” as
2 defined in subdivision (a) of Section 1747.02 of the Civil Code,
3 except, for the purposes of this section, credit card does not include
4 a credit card issued by a retail seller.

5 (2) A person described in paragraph (1) shall conspicuously
6 display, in that portion of the storage facility office where business
7 is conducted with the public, a notice advising that all valid credit
8 cards and cash are acceptable means of payment.

9 (3) A person operating or in charge of a storage facility who
10 refuses to accept a valid credit card or who fails to post the required
11 notice under paragraph (2) is guilty of a misdemeanor, punishable
12 by a fine of not more than two thousand five hundred dollars
13 (\$2,500), or by imprisonment in a county jail for not more than
14 three months, or by both that fine and imprisonment.

15 (4) A person described in paragraph (1) who violates paragraph
16 (1) or (2) is civilly liable to the registered owner of the vehicle or
17 the person who tendered the fees for four times the amount of the
18 towing and storage charges.

19 (5) A person operating or in charge of the storage facility shall
20 have sufficient moneys on the premises of the primary storage
21 facility during normal business hours to accommodate, and make
22 change in, a reasonable monetary transaction.

23 (6) Credit charges for towing and storage services shall comply
24 with Section 1748.1 of the Civil Code. Law enforcement agencies
25 may include the costs of providing for payment by credit when
26 making agreements with towing companies as described in
27 subdivision (i).

28 (l) (1) (A) A towing company shall not remove or commence
29 the removal of a vehicle from private property without first
30 obtaining the written authorization from the property owner or
31 lessee, including an association of a common interest development,
32 or an employee or agent thereof, who shall be present at the time
33 of removal and verify the alleged violation, except that presence
34 and verification is not required if the person authorizing the tow
35 is the property owner, or the owner’s agent who is not a tow
36 operator, of a residential rental property of 15 or fewer units that
37 does not have an onsite owner, owner’s agent or employee, and
38 the tenant has verified the violation, requested the tow from that
39 tenant’s assigned parking space, and provided a signed request or
40 electronic mail, or has called and provides a signed request or

1 electronic mail within 24 hours, to the property owner or owner's
2 agent, which the owner or agent shall provide to the towing
3 company within 48 hours of authorizing the tow. The signed
4 request or electronic mail shall contain the name and address of
5 the tenant, and the date and time the tenant requested the tow. A
6 towing company shall obtain, within 48 hours of receiving the
7 written authorization to tow, a copy of a tenant request required
8 pursuant to this subparagraph. For the purpose of this subparagraph,
9 a person providing the written authorization who is required to be
10 present on the private property at the time of the tow does not have
11 to be physically present at the specified location of where the
12 vehicle to be removed is located on the private property.

13 (B) The written authorization under subparagraph (A) shall
14 include all of the following:

15 (i) The make, model, vehicle identification number, and license
16 plate number of the removed vehicle.

17 (ii) The name, signature, job title, residential or business address,
18 and working telephone number of the person, described in
19 subparagraph (A), authorizing the removal of the vehicle.

20 (iii) The grounds for the removal of the vehicle.

21 (iv) The time when the vehicle was first observed parked at the
22 private property.

23 (v) The time that authorization to tow the vehicle was given.

24 (C) (i) When the vehicle owner or his or her agent claims the
25 vehicle, the towing company prior to payment of a towing or
26 storage charge shall provide a photocopy of the written
27 authorization to the vehicle owner or the agent.

28 (ii) If the vehicle was towed from a residential property, the
29 towing company shall redact the information specified in clause
30 (ii) of subparagraph (B) in the photocopy of the written
31 authorization provided to the vehicle owner or the agent pursuant
32 to clause (i).

33 (iii) The towing company shall also provide to the vehicle owner
34 or the agent a separate notice that provides the telephone number
35 of the appropriate local law enforcement or prosecuting agency
36 by stating "If you believe that you have been wrongfully towed,
37 please contact the local law enforcement or prosecuting agency at
38 [insert appropriate telephone number]." The notice shall be in
39 English and in the most populous language, other than English,
40 that is spoken in the jurisdiction.

1 (D) A towing company shall not remove or commence the
2 removal of a vehicle from private property described in subdivision
3 (a) of Section 22953 unless the towing company has made a good
4 faith inquiry to determine that the owner or the property owner's
5 agent complied with Section 22953.

6 (E) (i) General authorization to remove or commence removal
7 of a vehicle at the towing company's discretion shall not be
8 delegated to a towing company or its affiliates except in the case
9 of a vehicle unlawfully parked within 15 feet of a fire hydrant or
10 in a fire lane, or in a manner which interferes with an entrance to,
11 or exit from, the private property.

12 (ii) In those cases in which general authorization is granted to
13 a towing company or its affiliate to undertake the removal or
14 commence the removal of a vehicle that is unlawfully parked within
15 15 feet of a fire hydrant or in a fire lane, or that interferes with an
16 entrance to, or exit from, private property, the towing company
17 and the property owner, or owner's agent, or person in lawful
18 possession of the private property shall have a written agreement
19 granting that general authorization.

20 (2) If a towing company removes a vehicle under a general
21 authorization described in subparagraph (E) of paragraph (1) and
22 that vehicle is unlawfully parked within 15 feet of a fire hydrant
23 or in a fire lane, or in a manner that interferes with an entrance to,
24 or exit from, the private property, the towing company shall take,
25 prior to the removal of that vehicle, a photograph of the vehicle
26 that clearly indicates that parking violation. Prior to accepting
27 payment, the towing company shall keep one copy of the
28 photograph taken pursuant to this paragraph, and shall present that
29 photograph and provide, without charge, a photocopy to the owner
30 or an agent of the owner, when that person claims the vehicle.

31 (3) A towing company shall maintain the original written
32 authorization, or the general authorization described in
33 subparagraph (E) of paragraph (1) and the photograph of the
34 violation, required pursuant to this section, and any written requests
35 from a tenant to the property owner or owner's agent required by
36 subparagraph (A) of paragraph (1), for a period of three years and
37 shall make them available for inspection and copying within 24
38 hours of a request without a warrant to law enforcement, the
39 Attorney General, district attorney, or city attorney.

1 (4) A person who violates this subdivision is guilty of a
2 misdemeanor, punishable by a fine of not more than two thousand
3 five hundred dollars (\$2,500), or by imprisonment in a county jail
4 for not more than three months, or by both that fine and
5 imprisonment.

6 (5) A person who violates this subdivision is civilly liable to
7 the owner of the vehicle or his or her agent for four times the
8 amount of the towing and storage charges.

9 (m) (1) A towing company that removes a vehicle from private
10 property under this section shall notify the local law enforcement
11 agency of that tow after the vehicle is removed from the private
12 property and is in transit.

13 (2) A towing company is guilty of a misdemeanor if the towing
14 company fails to provide the notification required under paragraph
15 (1) within 60 minutes after the vehicle is removed from the private
16 property and is in transit or 15 minutes after arriving at the storage
17 facility, whichever time is less.

18 (3) A towing company that does not provide the notification
19 under paragraph (1) within 30 minutes after the vehicle is removed
20 from the private property and is in transit is civilly liable to the
21 registered owner of the vehicle, or the person who tenders the fees,
22 for three times the amount of the towing and storage charges.

23 (4) If notification is impracticable, the times for notification, as
24 required pursuant to paragraphs (2) and (3), shall be tolled for the
25 time period that notification is impracticable. This paragraph is an
26 affirmative defense.

27 (n) A vehicle removed from private property pursuant to this
28 section shall be stored in a facility that meets all of the following
29 requirements:

30 (1) (A) Is located within a 10-mile radius of the property from
31 where the vehicle was removed.

32 (B) The 10-mile radius requirement of subparagraph (A) does
33 not apply if a towing company has prior general written approval
34 from the law enforcement agency that exercises primary
35 jurisdiction in the city in which is located the private property from
36 which the vehicle was removed, or if the private property is not
37 located within a city, then the law enforcement agency that
38 exercises primary jurisdiction in the county in which is located the
39 private property.

1 (2) (A) Remains open during normal business hours and releases
2 vehicles after normal business hours.

3 (B) A gate fee may be charged for releasing a vehicle after
4 normal business hours, weekends, and state holidays. However,
5 the maximum hourly charge for releasing a vehicle after normal
6 business hours shall be one-half of the hourly tow rate charged for
7 initially towing the vehicle, or less.

8 (C) Notwithstanding any other provision of law and for purposes
9 of this paragraph, “normal business hours” are Monday to Friday,
10 inclusive, from 8 a.m. to 5 p.m., inclusive, except state holidays.

11 (3) Has a public pay telephone in the office area that is open
12 and accessible to the public.

13 (o) (1) It is the intent of the Legislature in the adoption of
14 subdivision (k) to assist vehicle owners or their agents by, among
15 other things, allowing payment by credit cards for towing and
16 storage services, thereby expediting the recovery of towed vehicles
17 and concurrently promoting the safety and welfare of the public.

18 (2) It is the intent of the Legislature in the adoption of
19 subdivision (l) to further the safety of the general public by
20 ensuring that a private property owner or lessee has provided his
21 or her authorization for the removal of a vehicle from his or her
22 property, thereby promoting the safety of those persons involved
23 in ordering the removal of the vehicle as well as those persons
24 removing, towing, and storing the vehicle.

25 (3) It is the intent of the Legislature in the adoption of
26 subdivision (g) to promote the safety of the general public by
27 requiring towing companies to unconditionally release a vehicle
28 that is not lawfully in their possession, thereby avoiding the
29 likelihood of dangerous and violent confrontation and physical
30 injury to vehicle owners and towing operators, the stranding of
31 vehicle owners and their passengers at a dangerous time and
32 location, and impeding expedited vehicle recovery, without wasting
33 law enforcement’s limited resources.

34 (p) The remedies, sanctions, restrictions, and procedures
35 provided in this section are not exclusive and are in addition to
36 other remedies, sanctions, restrictions, or procedures that may be
37 provided in other provisions of law, including, but not limited to,
38 those that are provided in Sections 12110 and 34660.

39 (q) A vehicle removed and stored pursuant to this section shall
40 be released by the law enforcement agency, impounding agency,

1 or person in possession of the vehicle, or any person acting on
2 behalf of them, to the legal owner or the legal owner’s agent upon
3 presentation of the assignment, as defined in subdivision (b) of
4 Section 7500.1 of the Business and Professions Code; a release
5 from the one responsible governmental agency, only if required
6 by the agency; a government-issued photographic identification
7 card; and any one of the following as determined by the legal
8 owner or the legal owner’s agent: a certificate of repossession for
9 the vehicle, a security agreement for the vehicle, or title, whether
10 paper or electronic, showing proof of legal ownership for the
11 vehicle. Any documents presented may be originals, photocopies,
12 or facsimile copies, or may be transmitted electronically. The
13 storage facility shall not require any documents to be notarized.
14 The storage facility may require the agent of the legal owner to
15 produce a photocopy or facsimile copy of its repossession agency
16 license or registration issued pursuant to Chapter 11 (commencing
17 with Section 7500) of Division 3 of the Business and Professions
18 Code, or to demonstrate, to the satisfaction of the storage facility,
19 that the agent is exempt from licensure pursuant to Section 7500.2
20 or 7500.3 of the Business and Professions Code.

21 ~~SEC. 52.~~

22 *SEC. 53.* Section 13553 of the Water Code, as amended by
23 Section 84 of Chapter 181 of the Statutes of 2012, is amended to
24 read:

25 13553. (a) The Legislature hereby finds and declares that the
26 use of potable domestic water for toilet and urinal flushing in
27 structures is a waste or an unreasonable use of water within the
28 meaning of Section 2 of Article X of the California Constitution
29 if recycled water, for these uses, is available to the user and meets
30 the requirements set forth in Section 13550, as determined by the
31 state board after notice and a hearing.

32 (b) The state board may require a public agency or person
33 subject to this section to furnish any information that may be
34 relevant to making the determination required in subdivision (a).

35 (c) For purposes of this section and Section 13554, “structure”
36 or “structures” means commercial, retail, and office buildings,
37 theaters, auditoriums, condominium projects, schools, hotels,
38 apartments, barracks, dormitories, jails, prisons, and reformatories,
39 and other structures as determined by the State Department of
40 Public Health.

1 (d) Recycled water may be used in condominium projects, as
2 defined in Section 4125 or 6542 of the Civil Code, subject to all
3 of the following conditions:

4 (1) Prior to the indoor use of recycled water in any condominium
5 project, the agency delivering the recycled water to the
6 condominium project shall file a report with, and receive written
7 approval of the report from, the State Department of Public Health.
8 The report shall be consistent with the provisions of Title 22 of
9 the California Code of Regulations generally applicable to
10 dual-plumbed structures and shall include all the following:

11 (A) That potable water service to each condominium project
12 will be provided with a backflow protection device approved by
13 the State Department of Public Health to protect the agency’s
14 public water system, as defined in Section 116275 of the Health
15 and Safety Code. The backflow protection device approved by the
16 State Department of Public Health shall be inspected and tested
17 annually by a person certified in the inspection of backflow
18 prevention devices.

19 (B) That any plumbing modifications in the condominium unit
20 or any physical alteration of the structure will be done in
21 compliance with state and local plumbing codes.

22 (C) That each condominium project will be tested by the
23 recycled water agency or the responsible local agency at least once
24 every four years to ensure that there are no indications of a possible
25 cross connection between the condominium’s potable and
26 nonpotable systems.

27 (D) That recycled water lines will be color coded consistent
28 with current statutes and regulations.

29 (2) The recycled water agency or the responsible local agency
30 shall maintain records of all tests and annual inspections conducted.

31 (3) The condominium’s declaration, as defined in Section 4135
32 or 6546 of the Civil Code, shall provide that the laws and
33 regulations governing recycled water apply, shall not permit any
34 exceptions to those laws and regulations, shall incorporate the
35 report described in paragraph (1), and shall contain the following
36 statement:

37
38 “NOTICE OF USE OF RECYCLED WATER
39

1 This property is approved by the State Department of Public
2 Health for the use of recycled water for toilet and urinal
3 flushing. This water is not potable, is not suitable for indoor
4 purposes other than toilet and urinal flushing purposes, and
5 requires dual plumbing. Alterations and modifications to the
6 plumbing system require a permit and are prohibited without
7 first consulting with the appropriate local building code
8 enforcement agency and your property management company
9 or owners' association to ensure that the recycled water is not
10 mixed with the drinking water.”

11
12 (e) The State Department of Public Health may adopt regulations
13 as necessary to assist in the implementation of this section.

14 (f) This section shall only apply to condominium projects that
15 are created, within the meaning of Section 4030 or 6580 of the
16 Civil Code, on or after January 1, 2008.

17 (g) This section and Section 13554 do not apply to a pilot
18 program adopted pursuant to Section 13553.1.

O