

Assembly Bill No. 2546

CHAPTER 817

An act to add Section 1368.1 to the Civil Code, relating to common interest developments.

[Approved by Governor September 23, 2002. Filed with Secretary of State September 23, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2546, Nation. Common interest developments: marketing and sales.

Existing law, the Davis-Stirling Common Interest Development Act, requires that a common interest development be managed by an association, as defined.

This bill would provide that any rule or regulation of an association that arbitrarily or unreasonably restricts an owner's ability to market, as defined, his or her interest in a common interest development is void. The bill would also prohibit an association from adopting, enforcing, or otherwise imposing any rule or regulation that: (1) imposes an assessment or fee in connection with the marketing of an owner's interest in the common interest development in an amount that exceeds the association's actual or direct costs; or (2) establishes an exclusive relationship with a real estate broker through which the sale or marketing of interests in the development is required to occur, except for sales and marketing by the association, as specified. The bill would include a specified exception from these provisions.

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

SECTION 1. Section 1368.1 is added to the Civil Code, to read:

1368.1. (a) Any rule or regulation of an association that arbitrarily or unreasonably restricts an owner's ability to market his or her interest in a common interest development is void.

(b) No association may adopt, enforce, or otherwise impose any rule or regulation that does either of the following:

(1) Imposes an assessment or fee in connection with the marketing of an owner's interest in an amount that exceeds the association's actual or direct costs. That assessment or fee shall be deemed to violate the limitation set forth in Section 1366.1.

(2) Establishes an exclusive relationship with a real estate broker through which the sale or marketing of interests in the development is



required to occur. The limitation set forth in this paragraph does not apply to the sale or marketing of separate interests owned by the association or to the sale or marketing of common areas by the association.

(c) For purposes of this section, “market” and “marketing” mean listing, advertising, or obtaining or providing access to show the owner’s interest in the development.

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

