

**Introduced by Senator Alquist**February 22, 2007

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An act to amend Section 798.74 of the Civil Code, relating to mobilehomes.

## LEGISLATIVE COUNSEL'S DIGEST

SB 541, as introduced, Alquist. Mobilehome parks.

The Mobilehome Residency Law grants the management of a mobilehome park the right of prior approval of a purchaser of a mobilehome that will remain in the park, as specified. Under that law, approval by management cannot be withheld if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. Under that law, the management may require a purchaser to document the amount and source of his or her gross monthly income or means of financial support.

This bill would additionally provide that in determining whether the purchaser has the financial ability to pay the rent and charges of the park, the management shall not withhold approval based solely on the purchaser's failure to evidence an income that is greater than 3 times the sum of the amount of current rent and charges of the park, and the management shall consider the purchaser's financial assets, including, but not limited to, savings accounts, certificates of deposit, and similar financial assets.

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 798.74 of the Civil Code is amended to  
 2 read:  
 3 798.74. (a) (1) The management may require the right of prior  
 4 approval of a purchaser of a mobilehome that will remain in the  
 5 park and that the selling homeowner or his or her agent give notice  
 6 of the sale to the management before the close of the sale. Approval  
 7 cannot be withheld if the purchaser has the financial ability to pay  
 8 the rent and charges of the park unless the management reasonably  
 9 determines that, based on the purchaser’s prior tenancies, he or  
 10 she will not comply with the rules and regulations of the park. ~~In~~  
 11 (2) *In* determining whether the purchaser has the financial ability  
 12 to pay the rent and charges of the park, ~~the~~ *all of the following*  
 13 *shall apply:*  
 14 (A) *The management shall not require the purchaser to submit*  
 15 *copies of any personal income tax returns in order to obtain*  
 16 *approval for residency in the park. However, management*  
 17 (B) *The management may require the purchaser to document*  
 18 *the amount and source of his or her gross monthly income or means*  
 19 *of financial support.*  
 20 (C) *The management shall not withhold approval based solely*  
 21 *on the purchaser’s failure to evidence an income that is greater*  
 22 *than three times the sum of the amount of current rent and charges*  
 23 *of the park.*  
 24 (D) *The management shall consider the purchaser’s financial*  
 25 *assets, including, but not limited to, savings accounts, certificates*  
 26 *of deposit, and similar financial assets.*  
 27 ~~Upon~~  
 28 (3) *Upon* request of ~~any~~ *a* prospective homeowner who proposes  
 29 to purchase a mobilehome that will remain in the park, management  
 30 shall inform that person of the information management will  
 31 require in order to determine if the person will be acceptable as a  
 32 homeowner in the park.  
 33 ~~Within~~  
 34 (4) *Within* 15 business days of receiving all of the information  
 35 requested from the prospective homeowner, the management shall  
 36 notify the seller and the prospective homeowner, in writing, of  
 37 either acceptance or rejection of the application, and the reason if  
 38 rejected. During this 15-day period the prospective homeowner

1 shall comply with the management's request, if any, for a personal  
2 interview. If the approval of a prospective homeowner is withheld  
3 for any reason other than those stated in this article, the  
4 management or owner may be held liable for all damages  
5 proximately resulting therefrom.

6 (b) If the management collects a fee or charge from a prospective  
7 purchaser of a mobilehome in order to obtain a financial report or  
8 credit rating, the full amount of the fee or charge shall be credited  
9 toward payment of the first month's rent for that mobilehome  
10 purchaser. If, for whatever reason, the prospective purchaser is  
11 rejected by the management, the management shall refund to the  
12 prospective purchaser the full amount of that fee or charge within  
13 30 days from the date of rejection. If the prospective purchaser is  
14 approved by the management, but, for whatever reason, the  
15 prospective purchaser elects not to purchase the mobilehome, the  
16 management may retain the fee, or a portion thereof, to defray its  
17 administrative costs under this section.

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