

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1938

Introduced by Assembly Member Williams

February 22, 2012

An act to amend Sections 798.15 and 798.17 of, and to add Section 798.18.5 to, the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 1938, as amended, Williams. Mobilehomes: rental agreements.

The Mobilehome Residency Law governs the terms and conditions of residency in mobilehome parks. Existing law requires mobilehome rental agreements to *be in writing and to contain certain information*, including, among other things, the term of the tenancy, the rent, the rules and regulations of the park, ~~and a copy of the Mobilehome Residency Law, as specified~~ *and all other provisions governing the tenancy*.

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For rental agreements in excess of 12 months' duration, this bill would additionally require the management of a mobilehome park to include a written summary of all rent, utilities, and other specified charges a homeowner would be obligated to pay under the rental agreement. The bill would prohibit the inclusion of any provision in a rental agreement that would authorize the management to increase a homeowner's rent or otherwise separately charge the homeowner for losses incurred by the park owner, as specified. ~~The bill would prohibit the inclusion of any provision in a rental agreement that purports to deny a homeowner a right to a trial by jury or that would mandate~~

~~binding arbitration of any dispute between the management and the homeowner. The~~

This bill would also provide that any agreement that purports to deny a homeowner’s right to a trial by jury or mandates binding arbitration of any dispute between the management and the homeowner must be set forth in a written agreement, as specified, and be mutually agreed to by the homeowner and the management.

The Mobilehome Residency Law also exempts a rental agreement, that satisfies specified criteria, from any ordinance, rule, regulation, or initiative measure adopted by a local governmental entity that establishes a maximum amount a landlord may charge a tenant for rent. In order for the exemption to apply, existing law requires the rental agreement to, among other things, enable the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner’s execution of the agreement.

This bill would instead require that the rental agreement enable the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowners execution of a written acknowledgment indicating that the homeowner has received an executed copy of the rental agreement.

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 798.15 of the Civil Code is amended to
- 2 read:
- 3 798.15. (a) The rental agreement shall be in writing and shall
- 4 contain, in addition to the provisions otherwise required by law to
- 5 be included, all of the following:
- 6 (1) The term of the tenancy and the rent therefor.
- 7 (2) The rules and regulations of the park.
- 8 (3) A copy of the text of this chapter shall be attached as an
- 9 exhibit and shall be incorporated into the rental agreement by
- 10 reference. Management shall do one of the following prior to
- 11 February 1 of each year, if a significant change was made in this
- 12 chapter by legislation enacted in the prior year:
- 13 (A) Provide all homeowners with a copy of this chapter.
- 14 (B) Provide written notice to all homeowners that there has been
- 15 a change to this chapter and that they may obtain one copy of this

1 chapter from management at no charge. Management must provide
2 a copy within a reasonable time, not to exceed seven days upon
3 request.

4 (4) A provision specifying that (A) it is the responsibility of the
5 management to provide and maintain physical improvements in
6 the common facilities in good working order and condition and
7 (B) with respect to a sudden or unforeseeable breakdown or
8 deterioration of these improvements, the management shall have
9 a reasonable period of time to repair the sudden or unforeseeable
10 breakdown or deterioration and bring the improvements into good
11 working order and condition after management knows or should
12 have known of the breakdown or deterioration. For purposes of
13 this subdivision, a reasonable period of time to repair a sudden or
14 unforeseeable breakdown or deterioration shall be as soon as
15 possible in situations affecting a health or safety condition, and
16 shall not exceed 30 days in any other case except where exigent
17 circumstances justify a delay.

18 (5) A description of the physical improvements to be provided
19 the homeowner during his or her tenancy.

20 (6) A provision listing those services which will be provided at
21 the time the rental agreement is executed and will continue to be
22 offered for the term of tenancy and the fees, if any, to be charged
23 for those services.

24 (7) A provision stating that management may charge a
25 reasonable fee for services relating to the maintenance of the land
26 and premises upon which a mobilehome is situated in the event
27 the homeowner fails to maintain the land or premises in accordance
28 with the rules and regulations of the park after written notification
29 to the homeowner and the failure of the homeowner to comply
30 within 14 days. The written notice shall state the specific condition
31 to be corrected and an estimate of the charges to be imposed by
32 management if the services are performed by management or its
33 agent.

34 (8) ~~A~~ *For rental agreements in excess of 12 months' duration,*
35 *a summary page attached to the front of the rental agreement*
36 *entitled "Summary Page of Rent, Utilities and Other Charges" that*
37 *clearly and concisely summarizes each financial or monetary*
38 *charge the homeowner shall be liable for during the term of the*
39 *rental agreement, including, but not limited to, any amounts to be*
40 *paid for annual rent increases, the passthrough of any expense*

1 amount as part of rent, utilities, known incidental reasonable
2 charges for services actually rendered, rent increases intended to
3 take effect upon the sale or transfer of the mobilehome, or any
4 other rent increases that can be obtained during the term of the
5 rental agreement.

6 (9) All other provisions governing the tenancy.

7 (b) A rental agreement shall not contain any provision that
8 authorizes the management in any way to increase the amount of
9 rent to be paid by the homeowner, or to separately charge the
10 homeowner, for any of the following:

11 (1) Losses incurred by a park owner that are not fully
12 compensated by insurance.

13 (2) Losses or expenses that a park owner is ordered by any court
14 or arbitrator to pay as damages or to compensate any person or
15 group of persons, because of any claim, lawsuit, arbitration, or
16 administrative action brought against the park or park owner that
17 for any reason is not paid by insurance.

18 Any provision described in this subdivision contained in a rental
19 agreement shall be deemed void and unenforceable as contrary to
20 public policy.

21 ~~(c) A rental agreement shall not contain any provision that~~
22 ~~purports to deny a homeowner a right to a trial by jury or that~~
23 ~~would mandate binding arbitration of any dispute between the~~
24 ~~management and the homeowner.~~

25 SEC. 2. Section 798.17 of the Civil Code is amended to read:

26 798.17. (a) (1) Rental agreements meeting the criteria of
27 subdivision (b) shall be exempt from any ordinance, rule,
28 regulation, or initiative measure adopted by any local governmental
29 entity which establishes a maximum amount that a landlord may
30 charge a tenant for rent. The terms of a rental agreement meeting
31 the criteria of subdivision (b) shall prevail over conflicting
32 provisions of an ordinance, rule, regulation, or initiative measure
33 limiting or restricting rents in mobilehome parks, only during the
34 term of the rental agreement or one or more uninterrupted,
35 continuous extensions thereof. If the rental agreement is not
36 extended and no new rental agreement in excess of 12 months'
37 duration is entered into, then the last rental rate charged for the
38 space under the previous rental agreement shall be the base rent
39 for purposes of applicable provisions of law concerning rent
40 regulation, if any.

1 (2) In the first sentence of the first paragraph of a rental
2 agreement entered into on or after January 1, 1993, pursuant to
3 this section, there shall be set forth a provision in at least 12-point
4 boldface type if the rental agreement is printed, or in capital letters
5 if the rental agreement is typed, giving notice to the homeowner
6 that the rental agreement will be exempt from any ordinance, rule,
7 regulation, or initiative measure adopted by any local governmental
8 entity which establishes a maximum amount that a landlord may
9 charge a tenant for rent.

10 (b) Rental agreements subject to this section shall meet all of
11 the following criteria:

12 (1) The rental agreement shall be in excess of 12 months'
13 duration.

14 (2) The rental agreement shall be entered into between the
15 management and a homeowner for the personal and actual
16 residence of the homeowner.

17 (3) The homeowner shall have at least 30 days from the date
18 the rental agreement is first offered to the homeowner to accept
19 or reject the rental agreement.

20 (4) The homeowner who executes a rental agreement offered
21 pursuant to this section may void the rental agreement by notifying
22 management in writing within 72 hours of the homeowner's
23 execution of a written acknowledgment indicating that the
24 homeowner has received an executed copy of the rental agreement.

25 (c) If, pursuant to paragraph (3) or (4) of subdivision (b), the
26 homeowner rejects the offered rental agreement or rescinds a signed
27 rental agreement, the homeowner shall be entitled to instead accept,
28 pursuant to Section 798.18, a rental agreement for a term of 12
29 months or less from the date the offered rental agreement was to
30 have begun. In the event the homeowner elects to have a rental
31 agreement for a term of 12 months or less, including a
32 month-to-month rental agreement, the rental agreement shall
33 contain the same rental charges, terms, and conditions as the rental
34 agreement offered pursuant to subdivision (b), during the first 12
35 months, except for options, if any, contained in the offered rental
36 agreement to extend or renew the rental agreement.

37 (d) Nothing in subdivision (c) shall be construed to prohibit the
38 management from offering gifts of value, other than rental rate
39 reductions, to homeowners who execute a rental agreement
40 pursuant to this section.

1 (e) With respect to any space in a mobilehome park that is
 2 exempt under subdivision (a) from any ordinance, rule, regulation,
 3 or initiative measure adopted by any local governmental entity
 4 that establishes a maximum amount that a landlord may charge a
 5 homeowner for rent, and notwithstanding any ordinance, rule,
 6 regulation, or initiative measure, a mobilehome park shall not be
 7 assessed any fee or other exaction for a park space that is exempt
 8 under subdivision (a) imposed pursuant to any ordinance, rule,
 9 regulation, or initiative measure. No other fee or other exaction
 10 shall be imposed for a park space that is exempt under subdivision
 11 (a) for the purpose of defraying the cost of administration thereof.

12 (f) At the time the rental agreement is first offered to the
 13 homeowner, the management shall provide written notice to the
 14 homeowner of the homeowner’s right (1) to have at least 30 days
 15 to inspect the rental agreement, and (2) to void the rental agreement
 16 by notifying management in writing within 72 hours of the
 17 acceptance of a rental agreement. The failure of the management
 18 to provide the written notice shall make the rental agreement
 19 voidable at the homeowner’s option upon the homeowner’s
 20 discovery of the failure. The receipt of any written notice provided
 21 pursuant to this subdivision shall be acknowledged in writing by
 22 the homeowner.

23 (g) No rental agreement subject to subdivision (a) that is first
 24 entered into on or after January 1, 1993, shall have a provision
 25 which authorizes automatic extension or renewal of, or
 26 automatically extends or renews, the rental agreement for a period
 27 beyond the initial stated term at the sole option of either the
 28 management or the homeowner.

29 (h) This section does not apply to or supersede other provisions
 30 of this part or other state law.

31 SEC. 3. Section 798.18.5 is added to the Civil Code, to read:
 32 798.18.5. Any agreement that purports to deny a homeowner
 33 a right to a trial by jury or that would mandate binding arbitration
 34 of any dispute between the management and the homeowner shall
 35 not be contained in a rental agreement, as described in Section
 36 718.15, but instead shall be set forth in a separate written agreement
 37 in at least 12-point boldface type and must be mutually agreed to
 38 by the homeowner and the management.

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