

## Assembly Bill No. 1938

### CHAPTER 477

An act to amend Sections 798.17 and 798.39.5 of the Civil Code, relating to mobilehomes.

[Approved by Governor September 23, 2012. Filed with Secretary of State September 23, 2012.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1938, Williams. Mobilehomes: rental agreements.

The Mobilehome Residency Law governs the terms and conditions of residency in mobilehome parks. Among other things, the Mobilehome Residency Law 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 permit the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner returning the signed rental agreement to management, if the homeowner is provided a copy of the signed rental agreement at the time the signed rental agreement is returned to management. The bill would also require that the rental agreement permit the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner receiving an executed copy of the rental agreement, as specified, if the homeowner is not provided with a copy of the signed rental agreement at the time the homeowner returns the signed rental agreement to management.

Existing law prohibits the management of a mobilehome park from charging or imposing upon a homeowner any fee or increase in rent which reflects the cost to the management of certain fines, fees, or damages assessed or awarded by a court against the management for a violation of the Mobilehome Residency Law.

This bill would extend the above provisions to fines, fees, or damages assessed or awarded by the court or an enforcement agency against the management for a violation of specified laws pertaining to mobilehome parks. The bill would also clarify that these provisions do not apply to violations for which the registered owner of the mobilehome is initially responsible, as specified.

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

SECTION 1. Section 798.17 of the Civil Code is amended to read:

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

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

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

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

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

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

(4) The homeowner who signs a rental agreement pursuant to this section may void the rental agreement by notifying management in writing within 72 hours of returning the signed rental agreement to management. This paragraph shall only apply if management provides the homeowner a copy of the signed rental agreement at the time the homeowner returns the signed rental agreement.

(5) The homeowner who signs a rental agreement pursuant to this section may void the agreement within 72 hours of receiving an executed copy of the rental agreement pursuant to Section 798.16. This paragraph shall only apply if management does not provide the homeowner with a copy of the signed rental agreement at the time the homeowner returns the signed rental agreement.

(c) If, pursuant to paragraph (3) or (4) of subdivision (b), the homeowner rejects the offered rental agreement or rescinds a signed rental agreement, the homeowner shall be entitled to instead accept, pursuant to Section 798.18,

a rental agreement for a term of 12 months or less from the date the offered rental agreement was to have begun. In the event the homeowner elects to have a rental agreement for a term of 12 months or less, including a month-to-month rental agreement, the rental agreement shall contain the same rental charges, terms, and conditions as the rental agreement offered pursuant to subdivision (b), during the first 12 months, except for options, if any, contained in the offered rental agreement to extend or renew the rental agreement.

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

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

(f) At the time the rental agreement is first offered to the homeowner, the management shall provide written notice to the homeowner of the homeowner's right (1) to have at least 30 days to inspect the rental agreement, and (2) to void the rental agreement by notifying management in writing within 72 hours of receipt of an executed copy of the rental agreement. The failure of the management to provide the written notice shall make the rental agreement voidable at the homeowner's option upon the homeowner's discovery of the failure. The receipt of any written notice provided pursuant to this subdivision shall be acknowledged in writing by the homeowner.

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

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

SEC. 2. Section 798.39.5 of the Civil Code is amended to read:

798.39.5. (a) (1) The management shall not charge or impose upon a homeowner any fee or increase in rent which reflects the cost to the management of any fine, forfeiture, penalty, money damages, or fee assessed or awarded by a court of law or an enforcement agency against the management for a violation of this chapter or Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code, including any attorney's fees and costs incurred by the management in connection therewith.

(2) This section shall not apply to violations for which the registered owner of the mobilehome is initially responsible pursuant to subdivision (b) of Section 18420 of the Health and Safety Code.

(b) A court shall consider the remoteness in time of the assessment or award against the management of any fine, forfeiture, penalty, money damages, or fee in determining whether the homeowner has met the burden of proof that the fee or increase in rent is in violation of this section.

(c) Any provision in a rental agreement entered into, renewed, or modified on or after January 1, 1995, that permits a fee or increase in rent that reflects the cost to the management of any money damages awarded against the management for a violation of this chapter shall be void.