

AMENDED IN ASSEMBLY MAY 7, 2014
AMENDED IN ASSEMBLY APRIL 7, 2014
AMENDED IN ASSEMBLY MARCH 20, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2430

Introduced by Assembly Member Maienschein

February 21, 2014

An act to amend Sections 4528 and 4530 of the Civil Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2430, as amended, Maienschein. Transfer disclosures.

The Davis-Stirling Common Interest Development Act requires an association, upon written request, to provide the owner of a separate interest, or a recipient authorized by the owner, with a copy of specific documents relating to transfer disclosures that the owner is required to make to a prospective purchaser of the owner's separate interest. That act authorizes the association to collect a reasonable cost for delivery of those documents but prohibits any additional fees for electronic delivery.

This bill would require the cost for providing the required documents to be separately stated and billed from other charges that are part of the transfer or sales transaction. This bill would authorize an association to collect a reasonable fee from a seller for its actual costs in providing documents under these provisions and would require a seller to be responsible for compensating an association, person, or entity for providing documents under these provisions. This bill would also require a seller to provide a prospective purchaser with certain current

documents that the seller possesses free of charge. This bill would prohibit a seller from giving a prospective purchaser the required documents bundled with other documents. This bill would make conforming changes to a codified form.

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 4528 of the Civil Code is amended to
2 read:
3 4528. The form for billing disclosures required by Section
4 4530 shall be in at least 10-point type and substantially the
5 following form:

6
7 CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION
8 4525*

- 9
- 10
- 11 Property Address
- 12
- 13 Owner of Property
- 14
- 15 Owner’s Mailing Address (If known or different from property address.)
- 16
- 17
- 18 Provider of the Section 4525 Items:
- 19
- 20
- 21
- 22 Print Name _____ Position or Title _____ Association or Agent
- 23
- 24 Date Form Completed
- 25
- 26 Check or Complete Applicable Column or Columns Below
- 27

1			Not Available
2	Document	Civil Code Section	(N/A), Not
3		Included	Document Applicable
4			(N/App), or
5			Directly
6			Provided by
7			Seller and
8			confirmed in
9			writing by
10			Seller as a
11			current
12			document (DP)
13			
14	Articles of Incorporation or	Section 4525(a)(1)	
15	statement that not incorporated		
16			
17	CC&Rs	Section 4525(a)(1)	
18			
19	Bylaws	Section 4525(a)(1)	
20			
21	Operating Rules	Section 4525(a)(1)	
22			
23	Age restrictions, if any	Section 4525(a)(2)	
24			
25	Rental restrictions, if any	Section 4525(a)(9)	
26			
27	Annual budget report or	Sections 5300 and	
28	summary, including reserve	4525(a)(3)	
29	study		
30			
31	Assessment and reserve	Sections 5300 and	
32	funding disclosure summary	4525(a)(4)	
33			
34	Financial statement review	Sections 5305 and	
35		4525(a)(3)	
36			
37	Assessment enforcement policy	Sections 5310 and	
38		4525(a)(4)	
39			

1	Insurance summary	Sections 5300 and
2		4525(a)(3)
3		
4	Regular assessment	Section 4525(a)(4)
5		
6	Special assessment	Section 4525(a)(4)
7		
8	Emergency assessment	Section 4525(a)(4)
9		
10	Other unpaid obligations of	Sections 5675 and
11	seller	4525(a)(4)
12		
13	Approved changes to	Sections 5300 and
14	assessments	4525(a)(4), (8)
15		
16	Settlement notice regarding	Sections
17	common area defects	4525(a)(6), (7),
18		and 6100
19		
20	Preliminary list of defects	Sections
21		4525(a)(6), 6000,
22		and 6100
23		
24	Notice(s) of violation	Sections 5855 and
25		4525(a)(5)
26		
27	Required statement of fees	Section 4525
28		
29	Minutes of regular board	Section
30	meetings conducted over the	4525(a)(10)
31	previous 12 months, if	
32	requested	
33		

34 Total fees for these documents:

35

36 * The information provided by this form may not include all fees that may be
37 imposed before the close of escrow. Additional fees that are not related to the
38 requirements of Section 4525 shall be charged separately.

39

40 SEC. 2. Section 4530 of the Civil Code is amended to read:

1 4530. (a) (1) Upon written request, the association shall,
2 within 10 days of the mailing or delivery of the request, provide
3 the owner of a separate interest, or any other recipient authorized
4 by the owner, with a copy of all of the requested documents
5 specified in Section 4525.

6 (2) The documents required to be made available pursuant to
7 this section may be maintained in electronic form, and may be
8 posted on the association's Internet Web site. Requesting parties
9 shall have the option of receiving the documents by electronic
10 transmission if the association maintains the documents in
11 electronic form.

12 (3) Delivery of the documents required by this section shall not
13 be withheld for any reason nor subject to any condition except the
14 payment of the fee authorized pursuant to subdivision (b).

15 (b) (1) The association may collect a reasonable fee from the
16 seller based upon the association's actual cost for the procurement,
17 preparation, reproduction, and delivery of the documents requested
18 pursuant to this section. ~~Additional fees~~ *An additional fee* shall
19 not be charged for the electronic delivery in lieu of a hard copy
20 delivery of the documents requested.

21 (2) Upon receipt of a written request, the association shall
22 provide, on the form described in Section 4528, a written or
23 electronic estimate of the fees that will be assessed for providing
24 the requested documents *prior to processing the request in*
25 *paragraph (1) of subdivision (a).*

26 (3) (A) A cancellation fee for documents specified in
27 subdivision (a) shall not be collected if either of the following
28 applies:

29 (i) The request was canceled in writing by the same party that
30 placed the order and work had not yet been performed on the order.

31 (ii) The request was canceled in writing and any work that had
32 been performed on the order was compensated.

33 (B) The association shall refund all fees collected pursuant to
34 paragraph (1) if the request was canceled in writing and work had
35 not yet been performed on the order.

36 (C) If the request was canceled in writing, the association shall
37 refund the share of fees collected pursuant to paragraph (1) that
38 represents the portion of the work not performed on the order.

39 (4) Fees for any documents required by this section shall be
40 distinguished from, separately stated, and separately billed from,

1 all other fees, fines, or assessments billed as part of the transfer or
2 sales transaction.

3 (5) Any documents not expressly required by Section 4525 to
4 be provided to a prospective purchaser by the seller shall not be
5 included in the document disclosure required by this section.
6 Bundling of documents required to be provided pursuant to this
7 section with other documents relating to the transaction is
8 prohibited.

9 (6) A seller shall provide to the prospective purchaser, at no
10 cost, current copies of any documents specified by Section 4525
11 that are in the possession of the seller.

12 (7) The fee for each document provided to the seller for the
13 purpose of transmission to the prospective purchaser shall be
14 individually itemized in the statement required to be provided by
15 the seller to the prospective purchaser.

16 (8) It is the responsibility of the seller to compensate the
17 association, person, or entity that provides the documents required
18 to be provided by Section 4525 to the prospective purchaser.

19 (c) An association may contract with any person or entity to
20 facilitate compliance with this section on behalf of the association.

21 (d) The association shall also provide a recipient authorized by
22 the owner of a separate interest with a copy of the completed form
23 specified in Section 4528 at the time the required documents are
24 delivered.