

AMENDED IN ASSEMBLY JUNE 24, 2013

AMENDED IN SENATE APRIL 18, 2013

SENATE BILL

No. 752

Introduced by Senator Roth

February 22, 2013

An act to amend Sections 10153.2, 11003, 11003.2, 11004.5, *11010.3*, 23426.5, and 23428.20 of the Business and Professions Code, to amend Sections 714, 714.1, 782, 782.5, 783, 783.1, 1098, 1133, 1633.3, 2924b, 2955.1, and 4202 of, to add Part 5.3 (commencing with Section 6500) to Division 4 of, and to repeal Section 6870 of, the Civil Code, to amend Sections 86 and 116.540 of the Code of Civil Procedure, to amend Sections 12191, 12956.1, 12956.2, 53341.5, 65008, 66411, 66412, 66424, 66427, 66452.10, and 66475.2 of the Government Code, to amend Sections 13132.7, 19850, 25400.22, 25915.2, 33050, 33435, 33436, 35811, 37630, 50955, 51602, and 116048 of the Health and Safety Code, to amend Section 790.031 of the Insurance Code, to amend Section 2188.6 of the Revenue and Taxation Code, to amend Sections 21107.7, 22651, 22651.05, and 22658 of the Vehicle Code, and to amend Section 13553 of the Water Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

SB 752, as amended, Roth. Commercial and industrial common interest developments.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments, as defined, but exempts common interest developments that are limited to industrial or commercial uses from specified provisions of the act.

This bill would establish the Commercial and Industrial Common Interest Development Act, which would provide for the creation and regulation of commercial and industrial common interest developments. The bill would make various conforming changes.

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 10153.2 of the Business and Professions
2 Code, as amended by Section 2 of Chapter 181 of the Statutes of
3 2012, is amended to read:
4 10153.2. (a) An applicant to take the examination for an
5 original real estate broker license shall also submit evidence,
6 satisfactory to the commissioner, of successful completion, at an
7 accredited institution, of:
8 (1) A three-semester unit course, or the quarter equivalent
9 thereof, in each of the following:
10 (A) Real estate practice.
11 (B) Legal aspects of real estate.
12 (C) Real estate appraisal.
13 (D) Real estate financing.
14 (E) Real estate economics or accounting.
15 (2) A three-semester unit course, or the quarter equivalent
16 thereof, in three of the following:
17 (A) Advanced legal aspects of real estate.
18 (B) Advanced real estate finance.
19 (C) Advanced real estate appraisal.
20 (D) Business law.
21 (E) Escrows.
22 (F) Real estate principles.
23 (G) Property management.
24 (H) Real estate office administration.
25 (I) Mortgage loan brokering and lending.
26 (J) Computer applications in real estate.
27 (K) On and after July 1, 2004, California law that relates to
28 common interest developments, including, but not limited to, topics
29 addressed in the Davis-Stirling Common Interest Development
30 Act (Part 5 (commencing with Section 4000) of Division 4 of the
31 Civil Code) and in the Commercial and Industrial Common Interest

1 Development Act (Part 5.3 (commencing with Section 6500) of
2 Division 4 of the Civil Code).

3 (b) The commissioner shall waive the requirements of this
4 section for an applicant who is a member of the State Bar of
5 California and shall waive the requirements for which an applicant
6 has successfully completed an equivalent course of study as
7 determined under Section 10153.5.

8 (c) The commissioner shall extend credit under this section for
9 any course completed to satisfy requirements of Section 10153.3
10 or 10153.4.

11 SEC. 2. Section 11003 of the Business and Professions Code,
12 as amended by Section 4 of Chapter 181 of the Statutes of 2012,
13 is amended to read:

14 11003. “Planned development” has the same meaning as
15 specified in Section 4175 or 6562 of the Civil Code.

16 SEC. 3. Section 11003.2 of the Business and Professions Code,
17 as amended by Section 5 of Chapter 181 of the Statutes of 2012,
18 is amended to read:

19 11003.2. “Stock cooperative” has the same meaning as
20 specified in Section 4190 or 6566 of the Civil Code, except that,
21 as used in this chapter, a “stock cooperative” does not include a
22 limited-equity housing cooperative.

23 SEC. 4. Section 11004.5 of the Business and Professions Code,
24 as amended by Section 7 of Chapter 181 of the Statutes of 2012,
25 is amended to read:

26 11004.5. In addition to the provisions of Section 11000, the
27 reference in this code to “subdivided lands” and “subdivision”
28 shall include all of the following:

29 (a) Any planned development, as defined in Section 11003,
30 containing five or more lots.

31 (b) Any community apartment project, as defined by Section
32 11004, containing five or more apartments.

33 (c) Any condominium project containing five or more
34 condominiums, as defined in Section 783 of the Civil Code.

35 (d) Any stock cooperative as defined in Section 11003.2,
36 including any legal or beneficial interests therein, having or
37 intended to have five or more shareholders.

38 (e) Any limited-equity housing cooperative, as defined in
39 Section 11003.4.

1 (f) In addition, the following interests shall be subject to this
 2 chapter and the regulations of the commissioner adopted pursuant
 3 thereto:

4 (1) Any accompanying memberships or other rights or privileges
 5 created in, or in connection with, any of the forms of development
 6 referred to in subdivision (a), (b), (c), (d), or (e) by any deeds,
 7 conveyances, leases, subleases, assignments, declarations of
 8 restrictions, articles of incorporation, bylaws, or contracts
 9 applicable thereto.

10 (2) Any interests or memberships in any owners' association
 11 as defined in Section 4080 or 6528 of the Civil Code, created in
 12 connection with any of the forms of the development referred to
 13 in subdivision (a), (b), (c), (d), or (e).

14 (g) Notwithstanding this section, time-share plans, exchange
 15 programs, incidental benefits, and short-term product subject to
 16 Chapter 2 (commencing with Section 11210) are not "subdivisions"
 17 or "subdivided lands" subject to this chapter.

18 *SEC. 5. Section 11010.3 of the Business and Professions Code*
 19 *is amended to read:*

20 11010.3. ~~The provisions of this~~ (a) This chapter shall not apply
 21 to the proposed sale or lease of lots or other interests in a
 22 subdivision ~~in which lots or other interests are~~ (a) that is limited
 23 to industrial or commercial uses by zoning law or (b) limited to
 24 ~~industrial or commercial uses~~ by a declaration of covenants,
 25 conditions, and restrictions, ~~which declaration~~ that has been
 26 recorded in the official records of the county or counties in which
 27 the subdivision is located.

28 (b) For the purposes of this section, "commercial use" includes,
 29 but is not limited to, the operation of a business that provides
 30 facilities for the overnight stay of its customers, employees, or
 31 agents.

32 ~~SEC. 5.~~

33 *SEC. 6. Section 23426.5 of the Business and Professions Code,*
 34 *as amended by Section 17 of Chapter 181 of the Statutes of 2012,*
 35 *is amended to read:*

36 23426.5. (a) For purposes of this article, "club" also means
 37 any tennis club that maintains not less than four regulation tennis
 38 courts, together with the necessary facilities and clubhouse, has
 39 members paying regular monthly dues, has been in existence for
 40 not less than 45 years, and is not associated with a common interest

1 development as defined in Section 4100 or 6534 of the Civil Code,
2 a community apartment project as defined in Section 11004 of this
3 code, a project consisting of condominiums as defined in Section
4 783 of the Civil Code, or a mobilehome park as defined in Section
5 18214 of the Health and Safety Code.

6 (b) It shall be unlawful for any club licensed pursuant to this
7 section to make any discrimination, distinction, or restriction
8 against any person on account of age or any characteristic listed
9 or defined in subdivision (b) or (e) of Section 51 of the Civil Code.

10 ~~SEC. 6.~~

11 *SEC. 7.* Section 23428.20 of the Business and Professions
12 Code, as amended by Section 18 of Chapter 181 of the Statutes of
13 2012, is amended to read:

14 23428.20. (a) For the purposes of this article, “club” also
15 means any bona fide nonprofit corporation that has been in
16 existence for not less than nine years, has more than 8,500
17 memberships issued and outstanding to owners of condominiums
18 and owners of memberships in stock cooperatives, and owns,
19 leases, operates, or maintains recreational facilities for its members.

20 (b) For the purposes of this article, “club” also means any bona
21 fide nonprofit corporation that was formed as a condominium
22 homeowners’ association, has at least 250 members, has served
23 daily meals to its members and guests for a period of not less than
24 12 years, owns or leases, operates, and maintains a clubroom or
25 rooms for its membership, has an annual fee of not less than nine
26 hundred dollars (\$900) per year per member, and has as a condition
27 of membership that one member of each household be at least 54
28 years of age.

29 (c) Section 23399 and the numerical limitation of Section 23430
30 shall not apply to a club defined in this section.

31 (d) No license shall be issued pursuant to this section to any
32 club that withholds membership or denies facilities or services to
33 any person on account of any basis listed in subdivision (a) or (d)
34 of Section 12955 of the Government Code, as those bases are
35 defined in Sections 12926, 12926.1, subdivision (m) and paragraph
36 (1) of subdivision (p) of Section 12955, and Section 12955.2 of
37 the Government Code.

38 (e) Notwithstanding subdivision (d), with respect to familial
39 status, subdivision (d) shall not be construed to apply to housing
40 for older persons, as defined in Section 12955.9 of the Government

1 Code. With respect to familial status, nothing in subdivision (d)
2 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
3 and 799.5 of the Civil Code, relating to housing for senior citizens.
4 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
5 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
6 of the Government Code shall apply to subdivision (d).

7 ~~SEC. 7.~~

8 *SEC. 8.* Section 714 of the Civil Code, as amended by Section
9 20 of Chapter 181 of the Statutes of 2012, is amended to read:

10 714. (a) Any covenant, restriction, or condition contained in
11 any deed, contract, security instrument, or other instrument
12 affecting the transfer or sale of, or any interest in, real property,
13 and any provision of a governing document, as defined in Section
14 4150 or 6552, that effectively prohibits or restricts the installation
15 or use of a solar energy system is void and unenforceable.

16 (b) This section does not apply to provisions that impose
17 reasonable restrictions on solar energy systems. However, it is the
18 policy of the state to promote and encourage the use of solar energy
19 systems and to remove obstacles thereto. Accordingly, reasonable
20 restrictions on a solar energy system are those restrictions that do
21 not significantly increase the cost of the system or significantly
22 decrease its efficiency or specified performance, or that allow for
23 an alternative system of comparable cost, efficiency, and energy
24 conservation benefits.

25 (c) (1) A solar energy system shall meet applicable health and
26 safety standards and requirements imposed by state and local
27 permitting authorities.

28 (2) A solar energy system for heating water shall be certified
29 by the Solar Rating Certification Corporation (SRCC) or other
30 nationally recognized certification agencies. SRCC is a nonprofit
31 third party supported by the United States Department of Energy.
32 The certification shall be for the entire solar energy system and
33 installation.

34 (3) A solar energy system for producing electricity shall also
35 meet all applicable safety and performance standards established
36 by the National Electrical Code, the Institute of Electrical and
37 Electronics Engineers, and accredited testing laboratories such as
38 Underwriters Laboratories and, where applicable, rules of the
39 Public Utilities Commission regarding safety and reliability.

40 (d) For the purposes of this section:

1 (1) (A) For solar domestic water heating systems or solar
2 swimming pool heating systems that comply with state and federal
3 law, “significantly” means an amount exceeding 20 percent of the
4 cost of the system or decreasing the efficiency of the solar energy
5 system by an amount exceeding 20 percent, as originally specified
6 and proposed.

7 (B) For photovoltaic systems that comply with state and federal
8 law, “significantly” means an amount not to exceed two thousand
9 dollars (\$2,000) over the system cost as originally specified and
10 proposed, or a decrease in system efficiency of an amount
11 exceeding 20 percent as originally specified and proposed.

12 (2) “Solar energy system” has the same meaning as defined in
13 paragraphs (1) and (2) of subdivision (a) of Section 801.5.

14 (e) (1) Whenever approval is required for the installation or
15 use of a solar energy system, the application for approval shall be
16 processed and approved by the appropriate approving entity in the
17 same manner as an application for approval of an architectural
18 modification to the property, and shall not be willfully avoided or
19 delayed.

20 (2) For an approving entity that is an association, as defined in
21 Section 4080 or 6528, and that is not a public entity, both of the
22 following shall apply:

23 (A) The approval or denial of an application shall be in writing.

24 (B) If an application is not denied in writing within 60 days
25 from the date of receipt of the application, the application shall be
26 deemed approved, unless that delay is the result of a reasonable
27 request for additional information.

28 (f) Any entity, other than a public entity, that willfully violates
29 this section shall be liable to the applicant or other party for actual
30 damages occasioned thereby, and shall pay a civil penalty to the
31 applicant or other party in an amount not to exceed one thousand
32 dollars (\$1,000).

33 (g) In any action to enforce compliance with this section, the
34 prevailing party shall be awarded reasonable attorney’s fees.

35 (h) (1) A public entity that fails to comply with this section
36 may not receive funds from a state-sponsored grant or loan program
37 for solar energy. A public entity shall certify its compliance with
38 the requirements of this section when applying for funds from a
39 state-sponsored grant or loan program.

1 (2) A local public entity may not exempt residents in its
2 jurisdiction from the requirements of this section.

3 ~~SEC. 8.~~

4 *SEC. 9.* Section 714.1 of the Civil Code, as amended by Section
5 21 of Chapter 181 of the Statutes of 2012, is amended to read:

6 714.1. Notwithstanding Section 714, any association, as defined
7 in Section 4080 or 6528, may impose reasonable provisions which:

8 (a) Restrict the installation of solar energy systems installed in
9 common areas, as defined in Section 4095 or 6532, to those
10 systems approved by the association.

11 (b) Require the owner of a separate interest, as defined in Section
12 4185 or 6564, to obtain the approval of the association for the
13 installation of a solar energy system in a separate interest owned
14 by another.

15 (c) Provide for the maintenance, repair, or replacement of roofs
16 or other building components.

17 (d) Require installers of solar energy systems to indemnify or
18 reimburse the association or its members for loss or damage caused
19 by the installation, maintenance, or use of the solar energy system.

20 ~~SEC. 9.~~

21 *SEC. 10.* Section 782 of the Civil Code, as amended by Section
22 22 of Chapter 181 of the Statutes of 2012, is amended to read:

23 782. (a) Any provision in any deed of real property in
24 California, whether executed before or after the effective date of
25 this section, that purports to restrict the right of any persons to sell,
26 lease, rent, use, or occupy the property to persons having any
27 characteristic listed in subdivision (a) or (d) of Section 12955 of
28 the Government Code, as those bases are defined in Sections
29 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
30 (p) of Section 12955 and Section 12955.2 of the Government Code,
31 by providing for payment of a penalty, forfeiture, reverter, or
32 otherwise, is void.

33 (b) Notwithstanding subdivision (a), with respect to familial
34 status, subdivision (a) shall not be construed to apply to housing
35 for older persons, as defined in Section 12955.9 of the Government
36 Code. With respect to familial status, nothing in subdivision (a)
37 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
38 and 799.5 of this code, relating to housing for senior citizens.
39 Subdivision (d) of Section 51, Section 4760, and Section 6714 of

1 this code, and subdivisions (n), (o), and (p) of Section 12955 of
2 the Government Code shall apply to subdivision (a).

3 ~~SEC. 10.~~

4 *SEC. 11.* Section 782.5 of the Civil Code, as amended by
5 Section 23 of Chapter 181 of the Statutes of 2012, is amended to
6 read:

7 782.5. (a) Any deed or other written instrument that relates to
8 title to real property, or any written covenant, condition, or
9 restriction annexed or made a part of, by reference or otherwise,
10 any deed or instrument that relates to title to real property, which
11 contains any provision that purports to forbid, restrict, or condition
12 the right of any person or persons to sell, buy, lease, rent, use, or
13 occupy the property on account of any basis listed in subdivision
14 (a) or (d) of Section 12955 of the Government Code, as those bases
15 are defined in Sections 12926, 12926.1, subdivision (m) and
16 paragraph (1) of subdivision (p) of Section 12955, and Section
17 12955.2 of the Government Code, with respect to any person or
18 persons, shall be deemed to be revised to omit that provision.

19 (b) Notwithstanding subdivision (a), with respect to familial
20 status, subdivision (a) shall not be construed to apply to housing
21 for older persons, as defined in Section 12955.9 of the Government
22 Code. With respect to familial status, nothing in subdivision (a)
23 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
24 and 799.5 of this code, relating to housing for senior citizens.
25 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
26 this code, and subdivisions (n), (o), and (p) of Section 12955 of
27 the Government Code shall apply to subdivision (a).

28 (c) This section shall not be construed to limit or expand the
29 powers of a court to reform a deed or other written instrument.

30 ~~SEC. 11.~~

31 *SEC. 12.* Section 783 of the Civil Code, as amended by Section
32 24 of Chapter 181 of the Statutes of 2012, is amended to read:

33 783. A condominium is an estate in real property described in
34 Section 4125 or 6542. A condominium may, with respect to the
35 duration of its enjoyment, be either (1) an estate of inheritance or
36 perpetual estate, (2) an estate for life, (3) an estate for years, such
37 as a leasehold or a subleasehold, or (4) any combination of the
38 foregoing.

1 ~~SEC. 12.~~

2 *SEC. 13.* Section 783.1 of the Civil Code, as amended by
3 Section 25 of Chapter 181 of the Statutes of 2012, is amended to
4 read:

5 783.1. In a stock cooperative, as defined in Section 4190 or
6 6566, both the separate interest, as defined in paragraph (4) of
7 subdivision (a) of Section 4185 or in paragraph (3) of subdivision
8 (a) of Section 6564, and the correlative interest in the stock
9 cooperative corporation, however designated, are interests in real
10 property.

11 ~~SEC. 13.~~

12 *SEC. 14.* Section 1098 of the Civil Code, as amended by
13 Section 32 of Chapter 181 of the Statutes of 2012, is amended to
14 read:

15 1098. A “transfer fee” is any fee payment requirement imposed
16 within a covenant, restriction, or condition contained in any deed,
17 contract, security instrument, or other document affecting the
18 transfer or sale of, or any interest in, real property that requires a
19 fee be paid upon transfer of the real property. A transfer fee does
20 not include any of the following:

21 (a) Fees or taxes imposed by a governmental entity.

22 (b) Fees pursuant to mechanics’ liens.

23 (c) Fees pursuant to court-ordered transfers, payments, or
24 judgments.

25 (d) Fees pursuant to property agreements in connection with a
26 legal separation or dissolution of marriage.

27 (e) Fees, charges, or payments in connection with the
28 administration of estates or trusts pursuant to Division 7
29 (commencing with Section 7000), Division 8 (commencing with
30 Section 13000), or Division 9 (commencing with Section 15000)
31 of the Probate Code.

32 (f) Fees, charges, or payments imposed by lenders or purchasers
33 of loans, as these entities are described in subdivision (c) of Section
34 10232 of the Business and Professions Code.

35 (g) Assessments, charges, penalties, or fees authorized by the
36 Davis-Stirling Common Interest Development Act (Part 5
37 (commencing with Section 4000) of Division 4) or by the
38 Commercial and Industrial Common Interest Development Act
39 (Part 5.3 (commencing with Section 6500) of Division 4).

1 (h) Fees, charges, or payments for failing to comply with, or
2 for transferring the real property prior to satisfying, an obligation
3 to construct residential improvements on the real property.

4 (i) Any fee reflected in a document recorded against the property
5 on or before December 31, 2007, that is separate from any
6 covenants, conditions, and restrictions, and that substantially
7 complies with subdivision (a) of Section 1098.5 by providing a
8 prospective transferee notice of the following:

9 (1) Payment of a transfer fee is required.

10 (2) The amount or method of calculation of the fee.

11 (3) The date or circumstances under which the transfer fee
12 payment requirement expires, if any.

13 (4) The entity to which the fee will be paid.

14 (5) The general purposes for which the fee will be used.

15 ~~SEC. 14.~~

16 *SEC. 15.* Section 1133 of the Civil Code, as amended by
17 Section 35 of Chapter 181 of the Statutes of 2012, is amended to
18 read:

19 1133. (a) If a lot, parcel, or unit of a subdivision is subject to
20 a blanket encumbrance, as defined in Section 11013 of the Business
21 and Professions Code, but is exempt from a requirement of
22 compliance with Section 11013.2 of the Business and Professions
23 Code, the subdivider, his or her agent, or representative, shall not
24 sell, or lease for a term exceeding five years, the lot, parcel, or
25 unit, nor cause it to be sold, or leased for a term exceeding five
26 years, until the prospective purchaser or lessee of the lot, parcel,
27 or unit has been furnished with and has signed a true copy of the
28 following notice:

29
30 BUYER/LESSEE IS AWARE OF THE FACT THAT THE
31 LOT, PARCEL, OR UNIT WHICH HE OR SHE IS PROPOSING
32 TO PURCHASE OR LEASE IS SUBJECT TO A DEED OF
33 TRUST, MORTGAGE, OR OTHER LIEN KNOWN AS A
34 “BLANKET ENCUMBRANCE.”

35 IF BUYER/LESSEE PURCHASES OR LEASES THIS LOT,
36 PARCEL, OR UNIT, HE OR SHE COULD LOSE THAT
37 INTEREST THROUGH FORECLOSURE OF THE BLANKET
38 ENCUMBRANCE OR OTHER LEGAL PROCESS EVEN
39 THOUGH BUYER/LESSEE IS NOT DELINQUENT IN HIS OR

1 HER PAYMENTS OR OTHER OBLIGATIONS UNDER THE
2 MORTGAGE, DEED OF TRUST, OR LEASE.

3	_____	_____
4	Date	Signature of
5		Buyer or Lessee

6
7 (b) “Subdivision,” as used in subdivision (a), means improved
8 or unimproved land that is divided or proposed to be divided for
9 the purpose of sale, lease, or financing, whether immediate or
10 future, into two or more lots, parcels, or units and includes a
11 condominium project, as defined in Section 4125 or 6542, a
12 community apartment project, as defined in Section 4105, a stock
13 cooperative, as defined in Section 4190 or 6566, and a limited
14 equity housing cooperative, as defined in Section 4190.

15 (c) The failure of the buyer or lessee to sign the notice shall not
16 invalidate any grant, conveyance, lease, or encumbrance.

17 (d) Any person or entity who willfully violates the provisions
18 of this section shall be liable to the purchaser of a lot or unit which
19 is subject to the provisions of this section for actual damages, and,
20 in addition thereto, shall be guilty of a public offense punishable
21 by a fine in an amount not to exceed five hundred dollars (\$500).
22 In an action to enforce the liability or fine, the prevailing party
23 shall be awarded reasonable attorney’s fees.

24 ~~SEC. 15.~~

25 *SEC. 16.* Section 1633.3 of the Civil Code, as amended by
26 Section 36 of Chapter 181 of the Statutes of 2012, is amended to
27 read:

28 1633.3. (a) Except as otherwise provided in subdivisions (b)
29 and (c), this title applies to electronic records and electronic
30 signatures relating to a transaction.

31 (b) This title does not apply to transactions subject to the
32 following laws:

33 (1) A law governing the creation and execution of wills, codicils,
34 or testamentary trusts.

35 (2) Division 1 (commencing with Section 1101) of the Uniform
36 Commercial Code, except Sections 1107 and 1206.

37 (3) Divisions 3 (commencing with Section 3101), 4
38 (commencing with Section 4101), 5 (commencing with Section
39 5101), 8 (commencing with Section 8101), 9 (commencing with

1 Section 9101), and 11 (commencing with Section 11101) of the
2 Uniform Commercial Code.

3 (4) A law that requires that specifically identifiable text or
4 disclosures in a record or a portion of a record be separately signed,
5 including initialed, from the record. However, this paragraph does
6 not apply to Section 1677 or 1678 of this code or Section 1298 of
7 the Code of Civil Procedure.

8 (c) This title does not apply to any specific transaction described
9 in Section 17511.5 of the Business and Professions Code, Section
10 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,
11 or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of
12 Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,
13 1789.16, 1789.33, or 1793.23 of, Chapter 1 (commencing with
14 Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24,
15 1862.5, 1917.712, 1917.713, 1950.5, 1950.6, 1983, 2924b, 2924c,
16 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing
17 with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division
18 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with
19 Section 2981) or 2d (commencing with Section 2985.7) of Title
20 14 of Part 4 of Division 3 of, Section 3071.5 of, Part 5
21 (commencing with Section 4000) of Division 4 of, or Part 5.3
22 (commencing with Section 6500) of Division 4 of this code,
23 subdivision (b) of Section 18608 or Section 22328 of the Financial
24 Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371, or 18035.5
25 of the Health and Safety Code, Section 662, 663, 664, 667.5, 673,
26 677, 678, 678.1, 786, 10086, 10113.7, 10127.7, 10127.9, 10127.10,
27 10197, 10199.44, 10199.46, 10235.16, 10235.40, 10509.4, 10509.7,
28 11624.09, or 11624.1 of the Insurance Code, Section 779.1,
29 10010.1, or 16482 of the Public Utilities Code, or Section 9975
30 or 11738 of the Vehicle Code. An electronic record may not be
31 substituted for any notice that is required to be sent pursuant to
32 Section 1162 of the Code of Civil Procedure. Nothing in this
33 subdivision shall be construed to prohibit the recordation of any
34 document with a county recorder by electronic means.

35 (d) This title applies to an electronic record or electronic
36 signature otherwise excluded from the application of this title under
37 subdivision (b) when used for a transaction subject to a law other
38 than those specified in subdivision (b).

39 (e) A transaction subject to this title is also subject to other
40 applicable substantive law.

1 (f) The exclusion of a transaction from the application of this
2 title under subdivision (b) or (c) shall be construed only to exclude
3 the transaction from the application of this title, but shall not be
4 construed to prohibit the transaction from being conducted by
5 electronic means if the transaction may be conducted by electronic
6 means under any other applicable law.

7 ~~SEC. 16.~~

8 *SEC. 17.* Section 2924b of the Civil Code is amended to read:

9 2924b. (a) Any person desiring a copy of any notice of default
10 and of any notice of sale under any deed of trust or mortgage with
11 power of sale upon real property or an estate for years therein, as
12 to which deed of trust or mortgage the power of sale cannot be
13 exercised until these notices are given for the time and in the
14 manner provided in Section 2924 may, at any time subsequent to
15 recordation of the deed of trust or mortgage and prior to recordation
16 of notice of default thereunder, cause to be filed for record in the
17 office of the recorder of any county in which any part or parcel of
18 the real property is situated, a duly acknowledged request for a
19 copy of the notice of default and of sale. This request shall be
20 signed and acknowledged by the person making the request,
21 specifying the name and address of the person to whom the notice
22 is to be mailed, shall identify the deed of trust or mortgage by
23 stating the names of the parties thereto, the date of recordation
24 thereof, and the book and page where the deed of trust or mortgage
25 is recorded or the recorder’s number, and shall be in substantially
26 the following form:

27
28 “In accordance with Section 2924b, Civil Code, request is hereby
29 made that a copy of any notice of default and a copy of any notice of sale
30 under the deed of trust (or mortgage) recorded _____, _____, in Book
31 _____ page _____ records of _____ County, (or filed for record with
32 recorder’s serial number _____, _____ County) California, executed
33 by _____ as trustor (or mortgagor) in which _____ is named as
34 beneficiary (or mortgagee) and _____ as trustee be mailed to
35 _____ at _____.
36 Name Address

37 NOTICE: A copy of any notice of default and of any notice of sale will be
38 sent only to the address contained in this recorded request. If your address
39 changes, a new request must be recorded.

40 Signature _____”

1 Upon the filing for record of the request, the recorder shall index
2 in the general index of grantors the names of the trustors (or
3 mortgagors) recited therein and the names of persons requesting
4 copies.

5 (b) The mortgagee, trustee, or other person authorized to record
6 the notice of default or the notice of sale shall do each of the
7 following:

8 (1) Within 10 business days following recordation of the notice
9 of default, deposit or cause to be deposited in the United States
10 mail an envelope, sent by registered or certified mail with postage
11 prepaid, containing a copy of the notice with the recording date
12 shown thereon, addressed to each person whose name and address
13 are set forth in a duly recorded request therefor, directed to the
14 address designated in the request and to each trustor or mortgagor
15 at his or her last known address if different than the address
16 specified in the deed of trust or mortgage with power of sale.

17 (2) At least 20 days before the date of sale, deposit or cause to
18 be deposited in the United States mail an envelope, sent by
19 registered or certified mail with postage prepaid, containing a copy
20 of the notice of the time and place of sale, addressed to each person
21 whose name and address are set forth in a duly recorded request
22 therefor, directed to the address designated in the request and to
23 each trustor or mortgagor at his or her last known address if
24 different than the address specified in the deed of trust or mortgage
25 with power of sale.

26 (3) As used in paragraphs (1) and (2), the “last known address”
27 of each trustor or mortgagor means the last business or residence
28 physical address actually known by the mortgagee, beneficiary,
29 trustee, or other person authorized to record the notice of default.
30 For the purposes of this subdivision, an address is “actually known”
31 if it is contained in the original deed of trust or mortgage, or in
32 any subsequent written notification of a change of physical address
33 from the trustor or mortgagor pursuant to the deed of trust or
34 mortgage. For the purposes of this subdivision, “physical address”
35 does not include an email or any form of electronic address for a
36 trustor or mortgagor. The beneficiary shall inform the trustee of
37 the trustor’s last address actually known by the beneficiary.
38 However, the trustee shall incur no liability for failing to send any
39 notice to the last address unless the trustee has actual knowledge
40 of it.

1 (4) A “person authorized to record the notice of default or the
2 notice of sale” shall include an agent for the mortgagee or
3 beneficiary, an agent of the named trustee, any person designated
4 in an executed substitution of trustee, or an agent of that substituted
5 trustee.

6 (c) The mortgagee, trustee, or other person authorized to record
7 the notice of default or the notice of sale shall do the following:

8 (1) Within one month following recordation of the notice of
9 default, deposit or cause to be deposited in the United States mail
10 an envelope, sent by registered or certified mail with postage
11 prepaid, containing a copy of the notice with the recording date
12 shown thereon, addressed to each person set forth in paragraph
13 (2), provided that the estate or interest of any person entitled to
14 receive notice under this subdivision is acquired by an instrument
15 sufficient to impart constructive notice of the estate or interest in
16 the land or portion thereof that is subject to the deed of trust or
17 mortgage being foreclosed, and provided the instrument is recorded
18 in the office of the county recorder so as to impart that constructive
19 notice prior to the recording date of the notice of default and
20 provided the instrument as so recorded sets forth a mailing address
21 that the county recorder shall use, as instructed within the
22 instrument, for the return of the instrument after recording, and
23 which address shall be the address used for the purposes of mailing
24 notices herein.

25 (2) The persons to whom notice shall be mailed under this
26 subdivision are:

27 (A) The successor in interest, as of the recording date of the
28 notice of default, of the estate or interest or any portion thereof of
29 the trustor or mortgagor of the deed of trust or mortgage being
30 foreclosed.

31 (B) The beneficiary or mortgagee of any deed of trust or
32 mortgage recorded subsequent to the deed of trust or mortgage
33 being foreclosed, or recorded prior to or concurrently with the
34 deed of trust or mortgage being foreclosed but subject to a recorded
35 agreement or a recorded statement of subordination to the deed of
36 trust or mortgage being foreclosed.

37 (C) The assignee of any interest of the beneficiary or mortgagee
38 described in subparagraph (B), as of the recording date of the notice
39 of default.

1 (D) The vendee of any contract of sale, or the lessee of any
2 lease, of the estate or interest being foreclosed that is recorded
3 subsequent to the deed of trust or mortgage being foreclosed, or
4 recorded prior to or concurrently with the deed of trust or mortgage
5 being foreclosed but subject to a recorded agreement or statement
6 of subordination to the deed of trust or mortgage being foreclosed.

7 (E) The successor in interest to the vendee or lessee described
8 in subparagraph (D), as of the recording date of the notice of
9 default.

10 (F) The office of the Controller, Sacramento, California, where,
11 as of the recording date of the notice of default, a “Notice of Lien
12 for Postponed Property Taxes” has been recorded against the real
13 property to which the notice of default applies.

14 (3) At least 20 days before the date of sale, deposit or cause to
15 be deposited in the United States mail an envelope, sent by
16 registered or certified mail with postage prepaid, containing a copy
17 of the notice of the time and place of sale addressed to each person
18 to whom a copy of the notice of default is to be mailed as provided
19 in paragraphs (1) and (2), and addressed to the office of any state
20 taxing agency, Sacramento, California, that has recorded,
21 subsequent to the deed of trust or mortgage being foreclosed, a
22 notice of tax lien prior to the recording date of the notice of default
23 against the real property to which the notice of default applies.

24 (4) Provide a copy of the notice of sale to the Internal Revenue
25 Service, in accordance with Section 7425 of the Internal Revenue
26 Code and any applicable federal regulation, if a “Notice of Federal
27 Tax Lien under Internal Revenue Laws” has been recorded,
28 subsequent to the deed of trust or mortgage being foreclosed,
29 against the real property to which the notice of sale applies. The
30 failure to provide the Internal Revenue Service with a copy of the
31 notice of sale pursuant to this paragraph shall be sufficient cause
32 to rescind the trustee’s sale and invalidate the trustee’s deed, at
33 the option of either the successful bidder at the trustee’s sale or
34 the trustee, and in either case with the consent of the beneficiary.
35 Any option to rescind the trustee’s sale pursuant to this paragraph
36 shall be exercised prior to any transfer of the property by the
37 successful bidder to a bona fide purchaser for value. A rescision of
38 the trustee’s sale pursuant to this paragraph may be recorded in a
39 notice of rescision pursuant to Section 1058.5.

1 (5) The mailing of notices in the manner set forth in paragraph
2 (1) shall not impose upon any licensed attorney, agent, or employee
3 of any person entitled to receive notices as herein set forth any
4 duty to communicate the notice to the entitled person from the fact
5 that the mailing address used by the county recorder is the address
6 of the attorney, agent, or employee.

7 (d) Any deed of trust or mortgage with power of sale hereafter
8 executed upon real property or an estate for years therein may
9 contain a request that a copy of any notice of default and a copy
10 of any notice of sale thereunder shall be mailed to any person or
11 party thereto at the address of the person given therein, and a copy
12 of any notice of default and of any notice of sale shall be mailed
13 to each of these at the same time and in the same manner required
14 as though a separate request therefor had been filed by each of
15 these persons as herein authorized. If any deed of trust or mortgage
16 with power of sale executed after September 19, 1939, except a
17 deed of trust or mortgage of any of the classes excepted from the
18 provisions of Section 2924, does not contain a mailing address of
19 the trustor or mortgagor therein named, and if no request for special
20 notice by the trustor or mortgagor in substantially the form set
21 forth in this section has subsequently been recorded, a copy of the
22 notice of default shall be published once a week for at least four
23 weeks in a newspaper of general circulation in the county in which
24 the property is situated, the publication to commence within 10
25 business days after the filing of the notice of default. In lieu of
26 publication, a copy of the notice of default may be delivered
27 personally to the trustor or mortgagor within the 10 business days
28 or at any time before publication is completed, or by posting the
29 notice of default in a conspicuous place on the property and mailing
30 the notice to the last known address of the trustor or mortgagor.

31 (e) Any person required to mail a copy of a notice of default or
32 notice of sale to each trustor or mortgagor pursuant to subdivision
33 (b) or (c) by registered or certified mail shall simultaneously cause
34 to be deposited in the United States mail, with postage prepaid and
35 mailed by first-class mail, an envelope containing an additional
36 copy of the required notice addressed to each trustor or mortgagor
37 at the same address to which the notice is sent by registered or
38 certified mail pursuant to subdivision (b) or (c). The person shall
39 execute and retain an affidavit identifying the notice mailed,
40 showing the name and residence or business address of that person,

1 that he or she is over 18 years of age, the date of deposit in the
2 mail, the name and address of the trustor or mortgagor to whom
3 sent, and that the envelope was sealed and deposited in the mail
4 with postage fully prepaid. In the absence of fraud, the affidavit
5 required by this subdivision shall establish a conclusive
6 presumption of mailing.

7 (f) (1) Notwithstanding subdivision (a), with respect to separate
8 interests governed by an association, as defined in Section 4080
9 or 6528, the association may cause to be filed in the office of the
10 recorder in the county in which the separate interests are situated
11 a request that a mortgagee, trustee, or other person authorized to
12 record a notice of default regarding any of those separate interests
13 mail to the association a copy of any trustee's deed upon sale
14 concerning a separate interest. The request shall include a legal
15 description or the assessor's parcel number of all the separate
16 interests. A request recorded pursuant to this subdivision shall
17 include the name and address of the association and a statement
18 that it is an association as defined in Section 4080 or 6528.
19 Subsequent requests of an association shall supersede prior
20 requests. A request pursuant to this subdivision shall be recorded
21 before the filing of a notice of default. The mortgagee, trustee, or
22 other authorized person shall mail the requested information to
23 the association within 15 business days following the date of the
24 trustee's sale. Failure to mail the request, pursuant to this
25 subdivision, shall not affect the title to real property.

26 (2) A request filed pursuant to paragraph (1) does not, for
27 purposes of Section 27288.1 of the Government Code, constitute
28 a document that either effects or evidences a transfer or
29 encumbrance of an interest in real property or that releases or
30 terminates any interest, right, or encumbrance of an interest in real
31 property.

32 (g) No request for a copy of any notice filed for record pursuant
33 to this section, no statement or allegation in the request, and no
34 record thereof shall affect the title to real property or be deemed
35 notice to any person that any person requesting copies of notice
36 has or claims any right, title, or interest in, or lien or charge upon
37 the property described in the deed of trust or mortgage referred to
38 therein.

39 (h) "Business day," as used in this section, has the meaning
40 specified in Section 9.

1 ~~SEC. 17.~~

2 *SEC. 18.* Section 2955.1 of the Civil Code, as amended by
3 Section 41 of Chapter 181 of the Statutes of 2012, is amended to
4 read:

5 2955.1. (a) Any lender originating a loan secured by the
6 borrower's separate interest in a condominium project, as defined
7 in Section 4125 or 6542, which requires earthquake insurance or
8 imposes a fee or any other condition in lieu thereof pursuant to an
9 underwriting requirement imposed by an institutional third-party
10 purchaser shall disclose all of the following to the potential
11 borrower:

12 (1) That the lender or the institutional third party in question
13 requires earthquake insurance or imposes a fee or any other
14 condition in lieu thereof pursuant to an underwriting requirement
15 imposed by an institutional third-party purchaser.

16 (2) That not all lenders or institutional third parties require
17 earthquake insurance or impose a fee or any other condition in lieu
18 thereof pursuant to an underwriting requirement imposed by an
19 institutional third-party purchaser.

20 (3) Earthquake insurance may be required on the entire
21 condominium project.

22 (4) That lenders or institutional third parties may also require
23 that a condominium project maintain, or demonstrate an ability to
24 maintain, financial reserves in the amount of the earthquake
25 insurance deductible.

26 (b) For the purposes of this section, "institutional third party"
27 means the Federal Home Loan Mortgage Corporation, the Federal
28 National Mortgage Association, the Government National
29 Mortgage Association, and other substantially similar institutions,
30 whether public or private.

31 (c) The disclosure required by this section shall be made in
32 writing by the lender as soon as reasonably practicable.

33 ~~SEC. 18.~~

34 *SEC. 19.* Section 4202 of the Civil Code is amended to read:

35 4202. This part does not apply to a commercial or industrial
36 common interest development, as defined in Section 6531.

37 ~~SEC. 19.~~

38 *SEC. 20.* Part 5.3 (commencing with Section 6500) is added
39 to Division 4 of the Civil Code, to read:

1 PART 5.3. COMMERCIAL AND INDUSTRIAL COMMON
2 INTEREST DEVELOPMENTS

3
4 CHAPTER 1. GENERAL PROVISIONS

5
6 Article 1. Preliminary Provisions
7

8 6500. This part shall be known, and may be cited, as the
9 Commercial and Industrial Common Interest Development Act.
10 In a provision of this part, the part may be referred to as the act.

11 6502. Division, part, title, chapter, article, and section headings
12 do not in any manner affect the scope, meaning, or intent of this
13 act.

14 6505. Nothing in the act that added this part shall be construed
15 to invalidate a document prepared or action taken before January
16 1, 2014, if the document or action was proper under the law
17 governing common interest developments at the time that the
18 document was prepared or the action was taken. For the purposes
19 of this section, “document” does not include a governing document.

20 6510. Unless a contrary intent is clearly expressed, a local
21 zoning ordinance is construed to treat like structures, lots, parcels,
22 areas, or spaces in like manner regardless of the form of the
23 common interest development.

24 6512. (a) If a provision of this act requires that a document be
25 delivered to an association, the document shall be delivered to the
26 *person designated to receive documents on behalf of the*
27 *association, in a written notice delivered by the association to*
28 *members by individual delivery. If notice of this designation has*
29 *not been given, the document shall be delivered to the* president
30 or secretary of the association.

31 (b) A document delivered pursuant to this section may be
32 delivered by any of the following methods:

33 (1) First-class mail, postage prepaid, registered or certified mail,
34 express mail, or overnight delivery by an express service carrier.

35 (2) By email, facsimile, or other electronic means, if the
36 association has assented to that method of delivery.

37 (3) By personal delivery, if the association has assented to that
38 method of delivery. If the association accepts a document by
39 personal delivery it shall provide a written receipt acknowledging
40 delivery of the document.

1 6514. (a) If a provision of this act requires that an association
2 deliver a document by “individual delivery” or “individual notice,”
3 the document shall be delivered by one of the following methods:

4 (1) First-class mail, postage prepaid, registered or certified mail,
5 express mail, or overnight delivery by an express service carrier.
6 The document shall be addressed to the recipient at the address
7 last shown on the books of the association.

8 (2) Email, facsimile, or other electronic means, if the recipient
9 has consented, in writing, to that method of delivery. The consent
10 may be revoked, in writing, by the recipient.

11 (b) For the purposes of this section, an unrecorded provision of
12 the governing documents providing for a particular method of
13 delivery does not constitute agreement by a member to that method
14 of delivery.

15 6518. (a) This section governs the delivery of a document
16 pursuant to this act.

17 (b) If a document is delivered by mail, delivery is deemed to
18 be complete on deposit into the United States mail.

19 (c) If a document is delivered by electronic means, delivery is
20 complete at the time of transmission.

21 6520. If the association or a member has consented to receive
22 information by electronic delivery, and a provision of this act
23 requires that the information be in writing, that requirement is
24 satisfied if the information is provided in an electronic record
25 capable of retention by the recipient at the time of receipt. An
26 electronic record is not capable of retention by the recipient if the
27 sender or its information processing system inhibits the ability of
28 the recipient to print or store the electronic record.

29 6522. If a provision of this act requires that an action be
30 approved by a majority of all members, the action shall be approved
31 or ratified by an affirmative vote of a majority of the votes entitled
32 to be cast.

33 6524. If a provision of this act requires that an action be
34 approved by a majority of a quorum of the members, the action
35 shall be approved or ratified by an affirmative vote of a majority
36 of the votes represented and voting ~~at a duly held meeting at which~~
37 ~~a quorum is present~~ *in a duly held election in which a quorum is*
38 *represented*, which affirmative votes also constitute a majority of
39 the required quorum.

Article 2. Definitions

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6526. The definitions in this article govern the construction of this act.

6528. “Association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

6530. “Board” means the board of directors of the association.

6531. A “commercial or industrial common interest development” means a common interest development that is limited to industrial or commercial uses by ~~zoning law~~ or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of each county in which the common interest development is located. *For the purposes of this section, “commercial use” includes, but is not limited to, the operation of a business that provides facilities for the overnight stay of its customers, employees, or agents.*

6532. (a) “Common area” means the entire common interest development except the separate interests therein. The estate in the common area may be a fee, a life estate, an estate for years, or any combination of the foregoing.

(b) Notwithstanding subdivision (a), in a planned development described in subdivision (b) of Section 6562, the common area may consist of mutual or reciprocal easement rights appurtenant to the separate interests.

6534. “Common interest development” means any of the following:

- (a) A condominium project.
- (b) A planned development.
- (c) A stock cooperative.

6540. “Condominium plan” means a plan described in Section 6624.

6542. (a) A “condominium project” means a real property development consisting of condominiums.

(b) A condominium consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan in sufficient detail to locate all boundaries thereof. The area within these boundaries may be filled with air, earth, water, or fixtures, or any

1 combination thereof, and need not be physically attached to land
2 except by easements for access and, if necessary, support. The
3 description of the unit may refer to (1) boundaries described in the
4 recorded final map, parcel map, or condominium plan, (2) physical
5 boundaries, either in existence, or to be constructed, such as walls,
6 floors, and ceilings of a structure or any portion thereof, (3) an
7 entire structure containing one or more units, or (4) any
8 combination thereof.

9 (c) The portion or portions of the real property held in undivided
10 interest may be all of the real property, except for the separate
11 interests, or may include a particular three-dimensional portion
12 thereof, the boundaries of which are described on a recorded final
13 map, parcel map, or condominium plan. The area within these
14 boundaries may be filled with air, earth, water, or fixtures, or any
15 combination thereof, and need not be physically attached to land
16 except by easements for access and, if necessary, support.

17 (d) An individual condominium within a condominium project
18 may include, in addition, a separate interest in other portions of
19 the real property.

20 6544. “Declarant” means the person or group of persons
21 designated in the declaration as declarant, or if no declarant is
22 designated, the person or group of persons who sign the original
23 declaration or who succeed to special rights, preferences, or
24 privileges designated in the declaration as belonging to the signator
25 of the original declaration.

26 6546. “Declaration” means the document, however
27 denominated, that contains the information required by Section
28 6614.

29 6548. “Director” means a natural person who serves on the
30 board.

31 6550. (a) “Exclusive use common area” means a portion of
32 the common area designated by the declaration for the exclusive
33 use of one or more, but fewer than all, of the owners of the separate
34 interests and which is or will be appurtenant to the separate interest
35 or interests.

36 (b) Unless the declaration otherwise provides, any shutters,
37 awnings, window boxes, doorsteps, stoops, porches, balconies,
38 patios, exterior doors, doorframes, and hardware incident thereto,
39 screens and windows or other fixtures designed to serve a single
40 separate interest, but located outside the boundaries of the separate

1 interest, are exclusive use common area allocated exclusively to
2 that separate interest.

3 (c) Notwithstanding the provisions of the declaration, internal
4 and external telephone wiring designed to serve a single separate
5 interest, but located outside the boundaries of the separate interest,
6 is exclusive use common area allocated exclusively to that separate
7 interest.

8 6552. “Governing documents” means the declaration and any
9 other documents, such as bylaws, operating rules, articles of
10 incorporation, or articles of association, which govern the operation
11 of the common interest development or association.

12 6553. “Individual notice” means the delivery of a document
13 pursuant to Section 6514.

14 6554. “Member” means an owner of a separate interest.

15 6560. “Person” means a natural person, corporation,
16 government or governmental subdivision or agency, business trust,
17 estate, trust, partnership, limited liability company, association,
18 or other entity.

19 6562. “Planned development” means a real property
20 development other than a condominium project, or a stock
21 cooperative, having either or both of the following features:

22 (a) Common area that is owned either by an association or in
23 common by the owners of the separate interests who possess
24 appurtenant rights to the beneficial use and enjoyment of the
25 common area.

26 (b) Common area and an association that maintains the common
27 area with the power to levy assessments that may become a lien
28 upon the separate interests in accordance with Article 2
29 (commencing with Section 6808) of Chapter 7.

30 6564. (a) “Separate interest” has the following meanings:

31 (1) In a condominium project, “separate interest” means a
32 separately owned unit, as specified in Section 6542.

33 (2) In a planned development, “separate interest” means a
34 separately owned lot, parcel, area, or space.

35 (3) In a stock cooperative, “separate interest” means the
36 exclusive right to occupy a portion of the real property, as specified
37 in Section 6566.

38 (b) Unless the declaration or condominium plan, if any exists,
39 otherwise provides, if walls, floors, or ceilings are designated as
40 boundaries of a separate interest, the interior surfaces of the

1 perimeter walls, floors, ceilings, windows, doors, and outlets
2 located within the separate interest are part of the separate interest
3 and any other portions of the walls, floors, or ceilings are part of
4 the common area.

5 (c) The estate in a separate interest may be a fee, a life estate,
6 an estate for years, or any combination of the foregoing.

7 6566. “Stock cooperative” means a development in which a
8 corporation is formed or availed of, primarily for the purpose of
9 holding title to, either in fee simple or for a term of years, improved
10 real property, and all or substantially all of the shareholders of the
11 corporation receive a right of exclusive occupancy in a portion of
12 the real property, title to which is held by the corporation. The
13 owners’ interest in the corporation, whether evidenced by a share
14 of stock, a certificate of membership, or otherwise, shall be deemed
15 to be an interest in a common interest development and a real estate
16 development for purposes of subdivision (f) of Section 25100 of
17 the Corporations Code.

18

19

CHAPTER 2. APPLICATION OF ACT

20

21 6580. Subject to Section 6582, this act applies and a common
22 interest development is created whenever a separate interest
23 coupled with an interest in the common area or membership in the
24 association is, or has been, conveyed, provided all of the following
25 are recorded:

26

(a) A declaration.

27

(b) A condominium plan, if any exists.

28

(c) A final map or parcel map, if Division 2 (commencing with
29 Section 66410) of Title 7 of the Government Code requires the
30 recording of either a final map or parcel map for the common
31 interest development.

32

6582. (a) This act applies only to a commercial or industrial
33 common interest development.

34

(b) Nothing in this act may be construed to apply to a real
35 property development that does not contain common area. This
36 subdivision is declaratory of existing law.

CHAPTER 3. GOVERNING DOCUMENTS

Article 1. General Provisions

6600. (a) To the extent of any ~~inconsistency~~ *conflict* between the governing documents and the law, the law ~~controls~~ *shall prevail*.

(b) To the extent of any ~~inconsistency~~ *conflict* between the articles of incorporation and the declaration, the declaration ~~controls~~ *shall prevail*.

(c) To the extent of any ~~inconsistency~~ *conflict* between the bylaws and the articles of incorporation or declaration, the articles of incorporation or declaration ~~control~~ *shall prevail*.

(d) To the extent of any ~~inconsistency~~ *conflict* between the operating rules and the bylaws, articles of incorporation, or declaration, the bylaws, articles of incorporation, or declaration ~~control~~ *shall prevail*.

6602. Any deed, declaration, or condominium plan for a common interest development shall be liberally construed to facilitate the operation of the common interest development, and its provisions shall be presumed to be independent and severable. Nothing in Article 3 (commencing with Section 715) of Chapter 2 of Title 2 of Part 1 of Division 2 shall operate to invalidate any provisions of the governing documents.

6604. In interpreting deeds and condominium plans, the existing physical boundaries of a unit in a condominium project, when the boundaries of the unit are contained within a building, or of a unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or condominium plan, if any exists, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

6606. (a) No declaration or other governing document shall include a restrictive covenant in violation of Section 12955 of the Government Code.

(b) Notwithstanding any other provision of law or provision of the governing documents, the board, without approval of the members, shall amend any declaration or other governing document that includes a restrictive covenant prohibited by this section to

1 delete the restrictive covenant, and shall restate the declaration or
2 other governing document without the restrictive covenant but
3 with no other change to the declaration or governing document.

4 (c) If the declaration is amended under this section, the board
5 shall record the restated declaration in each county in which the
6 common interest development is located. If the articles of
7 incorporation are amended under this section, the board shall file
8 a certificate of amendment with the Secretary of State pursuant to
9 Section 7814 of the Corporations Code.

10 (d) If after providing written notice to an association, pursuant
11 to Section 6512, requesting that the association delete a restrictive
12 covenant that violates subdivision (a), and the association fails to
13 delete the restrictive covenant within 30 days of receiving the
14 notice, the Department of Fair Employment and Housing, a city
15 or county in which a common interest development is located, or
16 any person may bring an action against the association for
17 injunctive relief to enforce subdivision (a). The court may award
18 attorney's fees to the prevailing party.

19 6608. (a) Notwithstanding any provision of the governing
20 documents to the contrary, the board may, after the developer has
21 completed construction of the development, has terminated
22 construction activities, and has terminated marketing activities for
23 the sale, lease, or other disposition of separate interests within the
24 development, adopt an amendment deleting from any of the
25 governing documents any provision which is unequivocally
26 designed and intended, or which by its nature can only have been
27 designed or intended, to facilitate the developer in completing the
28 construction or marketing of the development. However, provisions
29 of the governing documents relative to a particular construction
30 or marketing phase of the development may not be deleted under
31 the authorization of this subdivision until that construction or
32 marketing phase has been completed.

33 (b) The provisions which may be deleted by action of the board
34 shall be limited to those which provide for access by the developer
35 over or across the common area for the purposes of (1) completion
36 of construction of the development, and (2) the erection,
37 construction, or maintenance of structures or other facilities
38 designed to facilitate the completion of construction or marketing
39 of separate interests.

1 (c) At least 30 days prior to taking action pursuant to subdivision
2 (a), the board shall deliver to all members, by individual delivery
3 pursuant to Section 6514, (1) a copy of all amendments to the
4 governing documents proposed to be adopted under subdivision
5 (a), and (2) a notice of the time, date, and place the board will
6 consider adoption of the amendments.

7 The board may consider adoption of amendments to the
8 governing documents pursuant to subdivision (a) only at a meeting
9 that is open to all members, who shall be given opportunity to
10 make comments thereon. All deliberations of the board on any
11 action proposed under subdivision (a) shall only be conducted in
12 an open meeting.

13 (d) The board may not amend the governing documents pursuant
14 to this section without the approval of a majority of a quorum of
15 the members, pursuant to Section 6524. For the purposes of this
16 section, “quorum” means more than 50 percent of the members
17 who own no more than two separate interests in the development.

18 6610. (a) Notwithstanding any other law or provision of the
19 governing documents, if the governing documents include a
20 reference to a provision of the Davis-Stirling Common Interest
21 Development Act that was continued in a new provision by the
22 act that added this section, the board may amend the governing
23 documents, solely to correct the cross-reference, by adopting a
24 board resolution that shows the correction. Member approval is
25 not required in order to adopt a resolution pursuant to this section.

26 (b) A declaration that is corrected under this section may be
27 restated in corrected form and recorded, provided that a copy of
28 the board resolution authorizing the corrections is recorded along
29 with the restated declaration.

30
31 Article 2. Declaration
32

33 6614. (a) A declaration, recorded on or after January 1, 1986,
34 shall contain a legal description of the common interest
35 development, and a statement that the common interest
36 development is a condominium project, planned development,
37 stock cooperative, or combination thereof. The declaration shall
38 additionally set forth the name of the association and the
39 restrictions on the use or enjoyment of any portion of the common

1 interest development that are intended to be enforceable equitable
2 servitudes.

3 (b) The declaration may contain any other matters the declarant
4 or the members consider appropriate.

5 6616. Except to the extent that a declaration provides by its
6 express terms that it is not amendable, in whole or in part, a
7 declaration that fails to include provisions permitting its
8 amendment at all times during its existence may be amended at
9 any time.

10 6618. (a) The Legislature finds that there are common interest
11 developments that have been created with deed restrictions that
12 do not provide a means for the members to extend the term of the
13 declaration. The Legislature further finds that covenants and
14 restrictions, contained in the declaration, are an appropriate method
15 for protecting the common plan of developments and to provide
16 for a mechanism for financial support for the upkeep of common
17 area including, but not limited to, roofs, roads, heating systems,
18 and recreational facilities. If declarations terminate prematurely,
19 common interest developments may deteriorate and the supply of
20 affordable units could be impacted adversely. The Legislature
21 further finds and declares that it is in the public interest to provide
22 a vehicle for extending the term of the declaration if the extension
23 is approved by a majority of all members, pursuant to Section
24 6522.

25 (b) A declaration that specifies a termination date, but that
26 contains no provision for extension of the termination date, may
27 be extended, before its termination date, by the approval of
28 members pursuant to Section 6620.

29 (c) No single extension of the terms of the declaration made
30 pursuant to this section shall exceed the initial term of the
31 declaration or 20 years, whichever is less. However, more than
32 one extension may occur pursuant to this section.

33 6620. (a) A declaration may be amended pursuant to the
34 declaration or this act. An amendment is effective after all of the
35 following requirements have been met:

36 (1) The proposed amendment has been delivered by individual
37 notice to all members not less than 15 days and not more than 60
38 days prior to any approval being solicited.

1 (2) The amendment has been approved by the percentage of
2 members required by the declaration and any other person whose
3 approval is required by the declaration.

4 (3) That fact has been certified in a writing executed and
5 acknowledged by the officer designated in the declaration or by
6 the association for that purpose, or if no one is designated, by the
7 president of the association.

8 (4) The amendment has been recorded in each county in which
9 a portion of the common interest development is located.

10 (b) If the declaration does not specify the percentage of members
11 who must approve an amendment of the declaration, an amendment
12 may be approved by a majority of all members, pursuant to Section
13 6522.

14
15 Article 3. Articles of Incorporation

16
17 6622. (a) The articles of incorporation of an association filed
18 with the Secretary of State shall include a statement, which shall
19 be in addition to the statement of purposes of the corporation, that
20 does all of the following:

21 (1) Identifies the corporation as an association formed to manage
22 a common interest development under the Commercial and
23 Industrial Common Interest Development Act.

24 (2) States the business or corporate office of the association, if
25 any, and, if the office is not on the site of the common interest
26 development, states the front street and nearest cross street for the
27 physical location of the common interest development.

28 (3) States the name and address of the association's managing
29 agent, if any.

30 (b) The statement filed by an incorporated association with the
31 Secretary of State pursuant to Section 8210 of the Corporations
32 Code shall also contain a statement identifying the corporation as
33 an association formed to manage a common interest development
34 under the Commercial and Industrial Common Interest
35 Development Act.

36
37 Article 4. Condominium Plan

38
39 6624. A condominium plan shall contain all of the following:

1 (a) A description or survey map of a condominium project,
2 which shall refer to or show monumentation on the ground.

3 (b) A three-dimensional description of a condominium project,
4 one or more dimensions of which may extend for an indefinite
5 distance upwards or downwards, in sufficient detail to identify the
6 common area and each separate interest.

7 (c) A certificate consenting to the recordation of the
8 condominium plan pursuant to this act that is signed and
9 acknowledged as provided in Section 6626.

10 6626. (a) The certificate consenting to the recordation of a
11 condominium plan that is required by subdivision (c) of Section
12 6624 shall be signed and acknowledged by all of the following
13 persons:

14 (1) The record owner of fee title to that property included in the
15 condominium project.

16 (2) In the case of a condominium project that will terminate
17 upon the termination of an estate for years, by all lessors and
18 lessees of the estate for years.

19 (3) In the case of a condominium project subject to a life estate,
20 by all life tenants and remainder interests.

21 (4) The trustee or the beneficiary of each recorded deed of trust,
22 and the mortgagee of each recorded mortgage encumbering the
23 property.

24 (b) Owners of mineral rights, easements, rights-of-way, and
25 other nonpossessory interests do not need to sign the certificate.

26 (c) In the event a conversion to condominiums of a stock
27 cooperative has been approved by the required number of owners,
28 trustees, beneficiaries, and mortgagees pursuant to Section
29 66452.10 of the Government Code, the certificate need only be
30 signed by those owners, trustees, beneficiaries, and mortgagees
31 approving the conversion.

32 6628. A condominium plan may be amended or revoked by a
33 recorded instrument that is acknowledged and signed by all the
34 persons who, at the time of amendment or revocation, are persons
35 whose signatures are required under Section 6626.

36

37 Article 5. Operating Rules

38

39 6630. For the purposes of this article, “operating rule” means
40 a regulation adopted by the board that applies generally to the

1 management and operation of the common interest development
2 or the conduct of the business and affairs of the association.

3 6632. An operating rule is valid and enforceable only if all of
4 the following requirements are satisfied:

5 (a) The rule is in writing.

6 (b) The rule is within the authority of the board conferred by
7 law or by the declaration, articles of incorporation or association,
8 or bylaws of the association.

9 (c) The rule is not ~~inconsistent~~ *in conflict* with governing law
10 and the declaration, articles of incorporation or association, ~~and~~
11 *or* bylaws of the association.

12 (d) The rule is reasonable, and is adopted, amended, or repealed
13 in good faith.

14

15 CHAPTER 4. OWNERSHIP AND TRANSFER OF INTERESTS

16

17 Article 1. Ownership Rights and Interests

18

19 6650. Unless the declaration otherwise provides, in a
20 condominium project, or in a planned development in which the
21 common area is owned by the owners of the separate interests, the
22 common area is owned as tenants in common, in equal shares, one
23 for each separate interest.

24 6652. Unless the declaration otherwise provides:

25 (a) In a condominium project, and in those planned
26 developments with common area owned in common by the owners
27 of the separate interests, there are appurtenant to each separate
28 interest nonexclusive rights of ingress, egress, and support, if
29 necessary, through the common area. The common area is subject
30 to these rights.

31 (b) In a stock cooperative, and in a planned development with
32 common area owned by the association, there is an easement for
33 ingress, egress, and support, if necessary, appurtenant to each
34 separate interest. The common area is subject to these easements.

35 6654. Except as otherwise provided in law, an order of the
36 court, or an order pursuant to a final and binding arbitration
37 decision, an association may not deny a member or occupant
38 physical access to the member's or occupant's separate interest,
39 either by restricting access through the common area to the separate
40 interest, or by restricting access solely to the separate interest.

Article 2. Restrictions on Transfers

1
2
3 6656. (a) Except as provided in this section, the common area
4 in a condominium project shall remain undivided, and there shall
5 be no judicial partition thereof. Nothing in this section shall be
6 deemed to prohibit partition of a cotenancy in a condominium.
7 (b) The owner of a separate interest in a condominium project
8 may maintain a partition action as to the entire project as if the
9 owners of all of the separate interests in the project were tenants
10 in common in the entire project in the same proportion as their
11 interests in the common area. The court shall order partition under
12 this subdivision only by sale of the entire condominium project
13 and only upon a showing of one of the following:
14 (1) More than three years before the filing of the action, the
15 condominium project was damaged or destroyed, so that a material
16 part was rendered unfit for its prior use, and the condominium
17 project has not been rebuilt or repaired substantially to its state
18 prior to the damage or destruction.
19 (2) Three-fourths or more of the project is destroyed or
20 substantially damaged and owners of separate interests holding in
21 the aggregate more than a 50-percent interest in the common area
22 oppose repair or restoration of the project.
23 (3) The project has been in existence more than 50 years, is
24 obsolete and uneconomic, and owners of separate interests holding
25 in the aggregate more than a 50-percent interest in the common
26 area oppose repair or restoration of the project.
27 (4) Any conditions in the declaration for sale under the
28 circumstances described in this subdivision have been met.
29 6658. (a) In a condominium project, no labor performed or
30 services or materials furnished with the consent of, or at the request
31 of, an owner in the condominium project or the owners' agent or
32 contractor shall be the basis for the filing of a lien against any other
33 property of any other owner in the condominium project unless
34 that other owner has expressly consented to or requested the
35 performance of the labor or furnishing of the materials or services.
36 However, express consent shall be deemed to have been given by
37 the owner of any condominium in the case of emergency repairs
38 thereto.
39 (b) Labor performed or services or materials furnished for the
40 common area, if duly authorized by the association, shall be

1 deemed to be performed or furnished with the express consent of
2 each condominium owner.

3 (c) The owner of any condominium may remove that owner's
4 condominium from a lien against two or more condominiums or
5 any part thereof by payment to the holder of the lien of the fraction
6 of the total sum secured by the lien that is attributable to the
7 owner's condominium.

8

9

Article 3. Transfer of Separate Interest

10

11 6662. In a condominium project the common area is not subject
12 to partition, except as provided in Section 6656. Any conveyance,
13 judicial sale, or other voluntary or involuntary transfer of the
14 separate interest includes the undivided interest in the common
15 area. Any conveyance, judicial sale, or other voluntary or
16 involuntary transfer of the owner's entire estate also includes the
17 owner's membership interest in the association.

18 6664. In a planned development, any conveyance, judicial sale,
19 or other voluntary or involuntary transfer of the separate interest
20 includes the undivided interest in the common area, if any exists.
21 Any conveyance, judicial sale, or other voluntary or involuntary
22 transfer of the owner's entire estate also includes the owner's
23 membership interest in the association.

24 6666. In a stock cooperative, any conveyance, judicial sale, or
25 other voluntary or involuntary transfer of the separate interest
26 includes the ownership interest in the corporation, however
27 evidenced. Any conveyance, judicial sale, or other voluntary or
28 involuntary transfer of the owner's entire estate also includes the
29 owner's membership interest in the association.

30 6668. Nothing in this article prohibits the transfer of exclusive
31 use areas, independent of any other interest in a common interest
32 subdivision, if authorization to separately transfer exclusive use
33 areas is expressly stated in the declaration and the transfer occurs
34 in accordance with the terms of the declaration.

35 6670. Any restrictions upon the severability of the component
36 interests in real property which are contained in the declaration
37 shall not be deemed conditions repugnant to the interest created
38 within the meaning of Section 711. However, these restrictions
39 shall not extend beyond the period in which the right to partition
40 a project is suspended under Section 6656.

CHAPTER 5. PROPERTY USE AND MAINTENANCE

Article 1. Protected Uses

6700. This article includes provisions that limit the authority of an association or the governing documents to regulate the use of a member’s separate interest. Nothing in this article is intended to affect the application of any other provision that limits the authority of an association to regulate the use of a member’s separate interest, including, but not limited to, the following provisions:

- (a) Sections 712 and 713, relating to the display of signs.
- (b) Sections 714 and 714.1, relating to solar energy systems.
- (c) Section 714.5, relating to structures that are constructed offsite and moved to the property in sections or modules.
- (d) Sections 782, 782.5, and 6150 of this code and Section 12956.1 of the Government Code, relating to racial restrictions.

6702. (a) Except as required for the protection of the public health or safety, no governing document shall limit or prohibit, or be construed to limit or prohibit, the display of the flag of the United States by a member on or in the member’s separate interest or within the member’s exclusive use common area.

(b) For purposes of this section, “display of the flag of the United States” means a flag of the United States made of fabric, cloth, or paper displayed from a staff or pole or in a window, and does not mean a depiction or emblem of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

(c) In any action to enforce this section, the prevailing party shall be awarded reasonable attorney’s fees and costs.

6704. (a) The governing documents may not prohibit posting or displaying of noncommercial signs, posters, flags, or banners on or in a member’s separate interest, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.

(b) For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard, window, door, balcony, or outside wall of the separate interest, but may not

1 be made of lights, roofing, siding, paving materials, flora, or
2 balloons, or any other similar building, landscaping, or decorative
3 component, or include the painting of architectural surfaces.

4 (c) An association may prohibit noncommercial signs and
5 posters that are more than nine square feet in size and
6 noncommercial flags or banners that are more than 15 square feet
7 in size.

8 6706. Notwithstanding Section 4202, Section 4715 applies to
9 an owner of a separate interest in a common interest development
10 who kept a pet in that common interest development before January
11 1, 2014.

12 6708. (a) Any covenant, condition, or restriction contained in
13 any deed, contract, security instrument, or other instrument
14 affecting the transfer or sale of, or any interest in, a common
15 interest development that effectively prohibits or restricts the
16 installation or use of a video or television antenna, including a
17 satellite dish, or that effectively prohibits or restricts the attachment
18 of that antenna to a structure within that development where the
19 antenna is not visible from any street or common area, except as
20 otherwise prohibited or restricted by law, is void and unenforceable
21 as to its application to the installation or use of a video or television
22 antenna that has a diameter or diagonal measurement of 36 inches
23 or less.

24 (b) This section shall not apply to any covenant, condition, or
25 restriction, as described in subdivision (a), that imposes reasonable
26 restrictions on the installation or use of a video or television
27 antenna, including a satellite dish, that has a diameter or diagonal
28 measurement of 36 inches or less. For purposes of this section,
29 “reasonable restrictions” means those restrictions that do not
30 significantly increase the cost of the video or television antenna
31 system, including all related equipment, or significantly decrease
32 its efficiency or performance and include all of the following:

33 (1) Requirements for application and notice to the association
34 prior to the installation.

35 (2) Requirement of a member to obtain the approval of the
36 association for the installation of a video or television antenna that
37 has a diameter or diagonal measurement of 36 inches or less on a
38 separate interest owned by another.

39 (3) Provision for the maintenance, repair, or replacement of
40 roofs or other building components.

1 (4) Requirements for installers of a video or television antenna
2 to indemnify or reimburse the association or its members for loss
3 or damage caused by the installation, maintenance, or use of a
4 video or television antenna that has a diameter or diagonal
5 measurement of 36 inches or less.

6 (c) Whenever approval is required for the installation or use of
7 a video or television antenna, including a satellite dish, the
8 application for approval shall be processed by the appropriate
9 approving entity for the common interest development in the same
10 manner as an application for approval of an architectural
11 modification to the property, and the issuance of a decision on the
12 application shall not be willfully delayed.

13 (d) In any action to enforce compliance with this section, the
14 prevailing party shall be awarded reasonable attorney’s fees.

15 6710. (a) Any provision of a governing document that
16 arbitrarily or unreasonably restricts an owner’s ability to market
17 the owner’s interest in a common interest development is void.

18 (b) No association may adopt, enforce, or otherwise impose any
19 governing document that does either of the following:

20 (1) Imposes an assessment or fee in connection with the
21 marketing of an owner’s interest in an amount that exceeds the
22 association’s actual or direct costs.

23 (2) Establishes an exclusive relationship with a real estate broker
24 through which the sale or marketing of interests in the development
25 is required to occur. The limitation set forth in this paragraph does
26 not apply to the sale or marketing of separate interests owned by
27 the association or to the sale or marketing of common area by the
28 association.

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

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

34 6712. (a) Notwithstanding any other law, a provision of the
35 governing documents shall be void and unenforceable if it does
36 any of the following:

37 (1) Prohibits, or includes conditions that have the effect of
38 prohibiting, the use of low water-using plants as a group.

39 (2) Has the effect of prohibiting or restricting compliance with
40 either of the following:

1 (A) A water-efficient landscape ordinance adopted or in effect
2 pursuant to subdivision (c) of Section 65595 of the Government
3 Code.

4 (B) Any regulation or restriction on the use of water adopted
5 pursuant to Section 353 or 375 of the Water Code.

6 (b) This section shall not prohibit an association from applying
7 landscaping rules established in the governing documents, to the
8 extent the rules fully conform with the requirements of subdivision
9 (a).

10 6713. (a) Any covenant, restriction, or condition contained in
11 any deed, contract, security instrument, or other instrument
12 affecting the transfer or sale of any interest in a common interest
13 development, and any provision of a governing document, as
14 defined in Section 6552, that either effectively prohibits or
15 unreasonably restricts the installation or use of an electric vehicle
16 charging station in an owner’s designated parking space, including,
17 but not limited to, a deeded parking space, a parking space in an
18 owner’s exclusive use common area, or a parking space that is
19 specifically designated for use by a particular owner, or is in
20 conflict with the provisions of this section is void and
21 unenforceable.

22 (b) (1) This section does not apply to provisions that impose
23 reasonable restrictions on electric vehicle charging stations.
24 However, it is the policy of the state to promote, encourage, and
25 remove obstacles to the use of electric vehicle charging stations.

26 (2) For purposes of this section, “reasonable restrictions” are
27 restrictions that do not significantly increase the cost of the station
28 or significantly decrease its efficiency or specified performance.

29 (c) An electric vehicle charging station shall meet applicable
30 health and safety standards and requirements imposed by state and
31 local authorities, and all other applicable zoning, land use or other
32 ordinances, or land use permits.

33 (d) For purposes of this section, “electric vehicle charging
34 station” means a station that is designed in compliance with the
35 California Building Standards Code and delivers electricity from
36 a source outside an electric vehicle into one or more electric
37 vehicles. An electric vehicle charging station may include several
38 charge points simultaneously connecting several electric vehicles
39 to the station and any related equipment needed to facilitate
40 charging plug-in electric vehicles.

1 (e) If approval is required for the installation or use of an electric
2 vehicle charging station, the application for approval shall be
3 processed and approved by the association in the same manner as
4 an application for approval of an architectural modification to the
5 property, and shall not be willfully avoided or delayed. The
6 approval or denial of an application shall be in writing. If an
7 application is not denied in writing within 60 days from the date
8 of receipt of the application, the application shall be deemed
9 approved, unless that delay is the result of a reasonable request
10 for additional information.

11 (f) If the electric vehicle charging station is to be placed in a
12 common area or an exclusive use common area, as designated in
13 the common interest development's declaration, the following
14 provisions apply:

15 (1) The owner first shall obtain approval from the association
16 to install the electric vehicle charging station and the association
17 shall approve the installation if the owner agrees in writing to do
18 all of the following:

19 (A) Comply with the association's architectural standards for
20 the installation of the charging station.

21 (B) Engage a licensed contractor to install the charging station.

22 (C) Within 14 days of approval, provide a certificate of
23 insurance that names the association as an additional insured under
24 the owner's insurance policy in the amount set forth in paragraph
25 (3).

26 (D) Pay for the electricity usage associated with the charging
27 station.

28 (2) The owner and each successive owner of the charging station
29 shall be responsible for all of the following:

30 (A) Costs for damage to the charging station, common area,
31 exclusive use common area, or separate interests resulting from
32 the installation, maintenance, repair, removal, or replacement of
33 the charging station.

34 (B) Costs for the maintenance, repair, and replacement of the
35 charging station until it has been removed and for the restoration
36 of the common area after removal.

37 (C) The cost of electricity associated with the charging station.

38 (D) Disclosing to prospective buyers the existence of any
39 charging station of the owner and the related responsibilities of
40 the owner under this section.

1 (3) The owner and each successive owner of the charging
2 station, at all times, shall maintain a liability coverage policy in
3 the amount of one million dollars (\$1,000,000), and shall name
4 the association as a named additional insured under the policy with
5 a right to notice of cancellation.

6 (4) An owner shall not be required to maintain a liability
7 coverage policy for an existing National Electrical Manufacturers
8 Association standard alternating current power plug.

9 (g) Except as provided in subdivision (h), installation of an
10 electric vehicle charging station for the exclusive use of an owner
11 in a common area, that is not an exclusive use common area, shall
12 be authorized by the association only if installation in the owner's
13 designated parking space is impossible or unreasonably expensive.
14 In such cases, the association shall enter into a license agreement
15 with the owner for the use of the space in a common area, and the
16 owner shall comply with all of the requirements in subdivision (f).

17 (h) The association or owners may install an electric vehicle
18 charging station in the common area for the use of all members of
19 the association and, in that case, the association shall develop
20 appropriate terms of use for the charging station.

21 (i) An association may create a new parking space where one
22 did not previously exist to facilitate the installation of an electric
23 vehicle charging station.

24 (j) An association that willfully violates this section shall be
25 liable to the applicant or other party for actual damages, and shall
26 pay a civil penalty to the applicant or other party in an amount not
27 to exceed one thousand dollars (\$1,000).

28 (k) In any action to enforce compliance with this section, the
29 prevailing plaintiff shall be awarded reasonable attorney's fees.

30
31 Article 2. Modification of Separate Interest

32
33 6714. (a) Subject to the governing documents and applicable
34 law, a member may do the following:

35 (1) Make any improvement or alteration within the boundaries
36 of the member's separate interest that does not impair the structural
37 integrity or mechanical systems or lessen the support of any
38 portions of the common interest development.

39 (2) Modify the member's separate interest, at the member's
40 expense, to facilitate access for persons who are blind, visually

1 handicapped, deaf, or physically disabled, or to alter conditions
2 which could be hazardous to these persons. These modifications
3 may also include modifications of the route from the public way
4 to the door of the separate interest for the purposes of this
5 paragraph if the separate interest is on the ground floor or already
6 accessible by an existing ramp or elevator. The right granted by
7 this paragraph is subject to the following conditions:

8 (A) The modifications shall be consistent with applicable
9 building code requirements.

10 (B) The modifications shall be consistent with the intent of
11 otherwise applicable provisions of the governing documents
12 pertaining to safety or aesthetics.

13 (C) Modifications external to the separate interest shall not
14 prevent reasonable passage by other residents, and shall be removed
15 by the member when the separate interest is no longer occupied
16 by persons requiring those modifications who are blind, visually
17 handicapped, deaf, or physically disabled.

18 (D) Any member who intends to modify a separate interest
19 pursuant to this paragraph shall submit plans and specifications to
20 the association for review to determine whether the modifications
21 will comply with the provisions of this paragraph. The association
22 shall not deny approval of the proposed modifications under this
23 paragraph without good cause.

24 (b) Any change in the exterior appearance of a separate interest
25 shall be in accordance with the governing documents and
26 applicable provisions of law.

27

28 Article 3. Maintenance

29

30 6716. (a) Unless otherwise provided in the declaration of a
31 common interest development, the association is responsible for
32 repairing, replacing, or maintaining the common area, other than
33 exclusive use common area, and the owner of each separate interest
34 is responsible for maintaining that separate interest and any
35 exclusive use common area appurtenant to the separate interest.

36 (b) The costs of temporary relocation during the repair and
37 maintenance of the areas within the responsibility of the association
38 shall be borne by the owner of the separate interest affected.

39 6718. (a) In a condominium project or stock cooperative,
40 unless otherwise provided in the declaration, the association is

1 responsible for the repair and maintenance of the common area
2 occasioned by the presence of wood-destroying pests or organisms.

3 (b) In a planned development, unless a different maintenance
4 scheme is provided in the declaration, each owner of a separate
5 interest is responsible for the repair and maintenance of that
6 separate interest as may be occasioned by the presence of
7 wood-destroying pests or organisms. Upon approval of the majority
8 of all members of the association, pursuant to Section 6522, that
9 responsibility may be delegated to the association, which shall be
10 entitled to recover the cost thereof as a special assessment.

11 6720. (a) The association may cause the temporary, summary
12 removal of any occupant of a common interest development for
13 such periods and at such times as may be necessary for prompt,
14 effective treatment of wood-destroying pests or organisms.

15 (b) The association shall give notice of the need to temporarily
16 vacate a separate interest to the occupants and to the owners, not
17 less than 15 days nor more than 30 days prior to the date of the
18 temporary relocation. The notice shall state the reason for the
19 temporary relocation, the date and time of the beginning of
20 treatment, the anticipated date and time of termination of treatment,
21 and that the occupants will be responsible for their own
22 accommodations during the temporary relocation.

23 (c) Notice by the association shall be deemed complete upon
24 either:

25 (1) Personal delivery of a copy of the notice to the occupants,
26 and, if an occupant is not the owner, individual delivery pursuant
27 to Section 6514; of a copy of the notice to the owner.

28 (2) Individual delivery pursuant to Section 6514 to the occupant
29 at the address of the separate interest, and, if the occupant is not
30 the owner, individual delivery pursuant to Section 6514; of a copy
31 of the notice to the owner.

32 (d) For purposes of this section, “occupant” means an owner,
33 resident, guest, invitee, tenant, lessee, sublessee, or other person
34 in possession of the separate interest.

35 6722. Notwithstanding the provisions of the declaration, a
36 member is entitled to reasonable access to the common area for
37 the purpose of maintaining the internal and external telephone
38 wiring made part of the exclusive use common area of the
39 member’s separate interest pursuant to subdivision (c) of Section
40 6550. The access shall be subject to the consent of the association,

1 whose approval shall not be unreasonably withheld, and which
2 may include the association’s approval of telephone wiring upon
3 the exterior of the common area, and other conditions as the
4 association determines reasonable.

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CHAPTER 6. ASSOCIATION GOVERNANCE

Article 1. Association Existence and Powers

10 6750. A common interest development shall be managed by
11 an association that may be incorporated or unincorporated. The
12 association may be referred to as an owners’ association or a
13 community association.

14 6752. (a) Unless the governing documents provide otherwise,
15 and regardless of whether the association is incorporated or
16 unincorporated, the association may exercise the powers granted
17 to a nonprofit mutual benefit corporation, as enumerated in Section
18 7140 of the Corporations Code, except that an unincorporated
19 association may not adopt or use a corporate seal or issue
20 membership certificates in accordance with Section 7313 of the
21 Corporations Code.

22 (b) The association, whether incorporated or unincorporated,
23 may exercise the powers granted to an association in this act.

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Article 2. Record Keeping

27 6756. To be effective, a request to change the member’s
28 information in the association membership list shall be delivered
29 in writing to the association, pursuant to Section 6512.

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Article 3. Conflict of Interest

33 6758. (a) Notwithstanding any other law, and regardless of
34 whether an association is incorporated or unincorporated, the
35 provisions of Sections 7233 and 7234 of the Corporations Code
36 shall apply to any contract or other transaction authorized,
37 approved, or ratified by the board or a committee of the board.

38 (b) A director or member of a committee shall not vote on any
39 of the following matters:

- 40 (1) Discipline of the director or committee member.

1 (2) An assessment against the director or committee member
2 for damage to the common area or facilities.

3 (3) A request, by the director or committee member, for a
4 payment plan for overdue assessments.

5 (4) A decision whether to foreclose on a lien on the separate
6 interest of the director or committee member.

7 (5) Review of a proposed physical change to the separate interest
8 of the director or committee member.

9 (6) A grant of exclusive use common area to the director or
10 committee member.

11 (c) Nothing in this section limits any other provision of law or
12 the governing documents that govern a decision in which a director
13 may have an interest.

14

15 CHAPTER 7. ASSESSMENTS AND ASSESSMENT COLLECTION

16

17 Article 1. Establishment and Imposition of Assessments

18

19 6800. The association shall levy regular and special assessments
20 sufficient to perform its obligations under the governing documents
21 and this act.

22 6804. (a) Regular assessments imposed or collected to perform
23 the obligations of an association under the governing documents
24 or this act shall be exempt from execution by a judgment creditor
25 of the association only to the extent necessary for the association
26 to perform essential services, such as paying for utilities and
27 insurance. In determining the appropriateness of an exemption, a
28 court shall ensure that only essential services are protected under
29 this subdivision.

30 (b) This exemption shall not apply to any consensual pledges,
31 liens, or encumbrances that have been approved by a majority of
32 a quorum of members, pursuant to Section 6524, at a member
33 meeting or election, or to any state tax lien, or to any lien for labor
34 or materials supplied to the common area.

35

36 Article 2. Assessment Payment and Delinquency

37

38 6808. A regular or special assessment and any late charges,
39 reasonable fees and costs of collection, reasonable attorney's fees,

1 if any, and interest, if any, shall be a debt of the owner of the
2 separate interest at the time the assessment or other sums are levied.

3 6810. (a) When an owner of a separate interest makes a
4 payment toward an assessment, the owner may request a receipt
5 and the association shall provide it. The receipt shall indicate the
6 date of payment and the person who received it.

7 (b) The association shall provide a mailing address for overnight
8 payment of assessments.

9 (c) An owner shall not be liable for any charges, interest, or
10 costs of collection for an assessment payment that is asserted to
11 be delinquent, if it is determined the assessment was paid on time
12 to the association.

13 6812. At least 30 days prior to recording a lien upon the
14 separate interest of the owner of record to collect a debt that is past
15 due under Section 6808, the association shall notify the owner of
16 record in writing by certified mail of the following:

17 (a) A general description of the collection and lien enforcement
18 procedures of the association and the method of calculation of the
19 amount, a statement that the owner of the separate interest has the
20 right to inspect the association records pursuant to Section 8333
21 of the Corporations Code, and the following statement in 14-point
22 boldface type, if printed, or in capital letters, if typed:

23 **“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST**
24 **IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND**
25 **IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT**
26 **COURT ACTION.”**

27 (b) An itemized statement of the charges owed by the owner,
28 including items on the statement which indicate the amount of any
29 delinquent assessments, the fees and reasonable costs of collection,
30 reasonable attorney’s fees, any late charges, and interest, if any.

31 (c) A statement that the owner shall not be liable to pay the
32 charges, interest, and costs of collection, if it is determined the
33 assessment was paid on time to the association.

34 6814. (a) The amount of the assessment, plus any costs of
35 collection, late charges, and interest assessed in accordance with
36 Section 6808, shall be a lien on the owner’s separate interest in
37 the common interest development from and after the time the
38 association causes to be recorded with the county recorder of the
39 county in which the separate interest is located, a notice of
40 delinquent assessment, which shall state the amount of the

1 assessment and other sums imposed in accordance with Section
2 6808, a legal description of the owner's separate interest in the
3 common interest development against which the assessment and
4 other sums are levied, and the name of the record owner of the
5 separate interest in the common interest development against which
6 the lien is imposed.

7 (b) The itemized statement of the charges owed by the owner
8 described in subdivision (b) of Section 6812 shall be recorded
9 together with the notice of delinquent assessment.

10 (c) In order for the lien to be enforced by nonjudicial foreclosure
11 as provided in Sections 6820 and 6822, the notice of delinquent
12 assessment shall state the name and address of the trustee
13 authorized by the association to enforce the lien by sale.

14 (d) The notice of delinquent assessment shall be signed by the
15 person designated in the declaration or by the association for that
16 purpose, or if no one is designated, by the president of the
17 association.

18 (e) A copy of the recorded notice of delinquent assessment shall
19 be mailed by certified mail to every person whose name is shown
20 as an owner of the separate interest in the association's records,
21 and the notice shall be mailed no later than 10 calendar days after
22 recordation.

23 6816. A lien created pursuant to Section 6814 shall be prior to
24 all other liens recorded subsequent to the notice of delinquent
25 assessment, except that the declaration may provide for the
26 subordination thereof to any other liens and encumbrances.

27 6818. (a) Within 21 days of the payment of the sums specified
28 in the notice of delinquent assessment, the association shall record
29 or cause to be recorded in the office of the county recorder in which
30 the notice of delinquent assessment is recorded a lien release or
31 notice of rescission and provide the owner of the separate interest
32 a copy of the lien release or notice that the delinquent assessment
33 has been satisfied.

34 (b) If it is determined that a lien previously recorded against the
35 separate interest was recorded in error, the party who recorded the
36 lien shall, within 21 calendar days, record or cause to be recorded
37 in the office of the county recorder in which the notice of
38 delinquent assessment is recorded a lien release or notice of
39 rescission and provide the owner of the separate interest with a

1 declaration that the lien filing or recording was in error and a copy
2 of the lien release or notice of rescission.

3 6819. An association that fails to comply with the procedures
4 set forth in this section shall, prior to recording a lien, recommence
5 the required notice process. Any costs associated with
6 recommencing the notice process shall be borne by the association
7 and not by the owner of a separate interest.

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Article 3. Assessment Collection

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11 6820. (a) Except as otherwise provided in this article, after
12 the expiration of 30 days following the recording of a lien created
13 pursuant to Section 6814, the lien may be enforced in any manner
14 permitted by law, including sale by the court, sale by the trustee
15 designated in the notice of delinquent assessment, or sale by a
16 trustee substituted pursuant to Section 2934a.

17 (b) Nothing in Article 2 (commencing with Section 6808) or in
18 subdivision (a) of Section 726 of the Code of Civil Procedure
19 prohibits actions against the owner of a separate interest to recover
20 sums for which a lien is created pursuant to Article 2 (commencing
21 with Section 6808) or prohibits an association from taking a deed
22 in lieu of foreclosure.

23 6822. (a) Any sale by the trustee shall be conducted in
24 accordance with Sections 2924, 2924b, and 2924c applicable to
25 the exercise of powers of sale in mortgages and deeds of trust.

26 (b) In addition to the requirements of Section 2924, the
27 association shall serve a notice of default on the person named as
28 the owner of the separate interest in the association's records or,
29 if that person has designated a legal representative pursuant to this
30 subdivision, on that legal representative. Service shall be in
31 accordance with the manner of service of summons in Article 3
32 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part
33 2 of the Code of Civil Procedure. An owner may designate a legal
34 representative in a writing that is mailed to the association in a
35 manner that indicates that the association has received it.

36 (c) The fees of a trustee may not exceed the amounts prescribed
37 in Sections 2924c and 2924d, plus the cost of service for the notice
38 of default pursuant to subdivision (b).

39 6824. (a) A monetary charge imposed by the association as a
40 means of reimbursing the association for costs incurred by the

1 association in the repair of damage to common areas and facilities
2 caused by a member or the member's guest or tenant may become
3 a lien against the member's separate interest enforceable by the
4 sale of the interest under Sections 2924, 2924b, and 2924c,
5 provided the authority to impose a lien is set forth in the governing
6 documents.

7 (b) A monetary penalty imposed by the association as a
8 disciplinary measure for failure of a member to comply with the
9 governing documents, except for the late payments, may not be
10 characterized nor treated in the governing documents as an
11 assessment that may become a lien against the member's separate
12 interest enforceable by the sale of the interest under Sections 2924,
13 2924b, and 2924c.

14 6826. (a) An association may not voluntarily assign or pledge
15 the association's right to collect payments or assessments, or to
16 enforce or foreclose a lien to a third party, except when the
17 assignment or pledge is made to a financial institution or lender
18 chartered or licensed under federal or state law, when acting within
19 the scope of that charter or license, as security for a loan obtained
20 by the association.

21 (b) Nothing in subdivision (a) restricts the right or ability of an
22 association to assign any unpaid obligations of a former member
23 to a third party for purposes of collection.

24 6828. (a) Except as otherwise provided, this article applies to
25 a lien created on or after January 1, 2014.

26 (b) A lien created before January 1, 2014, is governed by the
27 law in existence at the time the lien was created.

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CHAPTER 8. INSURANCE AND LIABILITY

30

31 6840. (a) It is the intent of the Legislature to offer civil liability
32 protection to owners of the separate interests in a common interest
33 development that have common area owned in tenancy in common
34 if the association carries a certain level of prescribed insurance
35 that covers a cause of action in tort.

36 (b) Any cause of action in tort against any owner of a separate
37 interest arising solely by reason of an ownership interest as a tenant
38 in common in the common area of a common interest development
39 shall be brought only against the association and not against the

1 individual owners of the separate interests, if both of the insurance
2 requirements in paragraphs (1) and (2) are met:

3 (1) The association maintained and has in effect for this cause
4 of action, one or more policies of insurance that include coverage
5 for general liability of the association.

6 (2) The coverage described in paragraph (1) is in the following
7 minimum amounts:

8 (A) At least two million dollars (\$2,000,000) if the common
9 interest development consists of 100 or fewer separate interests.

10 (B) At least three million dollars (\$3,000,000) if the common
11 interest development consists of more than 100 separate interests.

12

13 CHAPTER 9. DISPUTE RESOLUTION AND ENFORCEMENT

14

15 Article 1. Disciplinary Action

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17 6850. (a) If an association adopts or has adopted a policy
18 imposing any monetary penalty, including any fee, on any
19 association member for a violation of the governing documents,
20 including any monetary penalty relating to the activities of a guest
21 or tenant of the member, the board shall adopt and distribute to
22 each member, by individual notice, a schedule of the monetary
23 penalties that may be assessed for those violations, which shall be
24 in accordance with authorization for member discipline contained
25 in the governing documents.

26 (b) Any new or revised monetary penalty that is adopted after
27 complying with subdivision (a) may be included in a supplement
28 that is delivered to the members individually, pursuant to Section
29 6553.

30 (c) A monetary penalty for a violation of the governing
31 documents shall not exceed the monetary penalty stated in the
32 schedule of monetary penalties or supplement that is in effect at
33 the time of the violation.

34 (d) An association shall provide a copy of the most recently
35 distributed schedule of monetary penalties, along with any
36 applicable supplements to that schedule, to any member on request.

37 6854. Nothing in Section 6850 shall be construed to create,
38 expand, or reduce the authority of the board to impose monetary
39 penalties on a member for a violation of the governing documents.

Article 2. Civil Actions

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6856. (a) The covenants and restrictions in the declaration shall be enforceable equitable servitudes, unless unreasonable, and shall inure to the benefit of and bind all owners of separate interests in the development. Unless the declaration states otherwise, these servitudes may be enforced by any owner of a separate interest or by the association, or by both.

(b) A governing document other than the declaration may be enforced by the association against an owner of a separate interest or by an owner of a separate interest against the association.

6858. An association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it, the members, in matters pertaining to the following:

- (a) Enforcement of the governing documents.
- (b) Damage to the common area.
- (c) Damage to a separate interest that the association is obligated to maintain or repair.
- (d) Damage to a separate interest that arises out of, or is integrally related to, damage to the common area or a separate interest that the association is obligated to maintain or repair.

6860. (a) In an action maintained by an association pursuant to subdivision (b), (c), or (d) of Section 6858, the amount of damages recovered by the association shall be reduced by the amount of damages allocated to the association or its managing agents in direct proportion to their percentage of fault based upon principles of comparative fault. The comparative fault of the association or its managing agents may be raised by way of defense, but shall not be the basis for a cross-action or separate action against the association or its managing agents for contribution or implied indemnity, where the only damage was sustained by the association or its members. It is the intent of the Legislature in enacting this subdivision to require that comparative fault be pleaded as an affirmative defense, rather than a separate cause of action, where the only damage was sustained by the association or its members.

(b) In an action involving damages described in subdivision (b), (c), or (d) of Section 6858, the defendant or cross-defendant may allege and prove the comparative fault of the association or its

1 managing agents as a setoff to the liability of the defendant or
2 cross-defendant even if the association is not a party to the
3 litigation or is no longer a party whether by reason of settlement,
4 dismissal, or otherwise.

5 (c) Subdivisions (a) and (b) apply to actions commenced on or
6 after January 1, 1993.

7 (d) Nothing in this section affects a person's liability under
8 Section 1431, or the liability of the association or its managing
9 agent for an act or omission that causes damages to another.

10

11 CHAPTER 10. CONSTRUCTION DEFECT LITIGATION

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13 6870. (a) Before an association files a complaint for damages
14 against a builder, developer, or general contractor (respondent) of
15 a common interest development based upon a claim for defects in
16 the design or construction of the common interest development,
17 all of the requirements of this section shall be satisfied with respect
18 to the builder, developer, or general contractor.

19 (b) The association shall serve upon the respondent a "Notice
20 of Commencement of Legal Proceedings." The notice shall be
21 served by certified mail to the registered agent of the respondent,
22 or if there is no registered agent, then to any officer of the
23 respondent. If there are no current officers of the respondent,
24 service shall be upon the person or entity otherwise authorized by
25 law to receive service of process. Service upon the general
26 contractor shall be sufficient to initiate the process set forth in this
27 section with regard to any builder or developer, if the builder or
28 developer is not amenable to service of process by the foregoing
29 methods. This notice shall toll all applicable statutes of limitation
30 and repose, whether contractual or statutory, by and against all
31 potentially responsible parties, regardless of whether they were
32 named in the notice, including claims for indemnity applicable to
33 the claim for the period set forth in subdivision (c). The notice
34 shall include all of the following:

35 (1) The name and location of the project.

36 (2) An initial list of defects sufficient to apprise the respondent
37 of the general nature of the defects at issue.

38 (3) A description of the results of the defects, if known.

39 (4) A summary of the results of a survey or questionnaire
40 distributed to owners to determine the nature and extent of defects,

1 if a survey has been conducted or a questionnaire has been
2 distributed.

3 (5) Either a summary of the results of testing conducted to
4 determine the nature and extent of defects or the actual test results,
5 if that testing has been conducted.

6 (c) Service of the notice shall commence a period, not to exceed
7 180 days, during which the association, the respondent, and all
8 other participating parties shall try to resolve the dispute through
9 the processes set forth in this section. This 180-day period may be
10 extended for one additional period, not to exceed 180 days, only
11 upon the mutual agreement of the association, the respondent, and
12 any parties not deemed peripheral pursuant to paragraph (3) of
13 subdivision (e). Any extensions beyond the first extension shall
14 require the agreement of all participating parties. Unless extended,
15 the dispute resolution process prescribed by this section shall be
16 deemed completed. All extensions shall continue the tolling period
17 described in subdivision (b).

18 (d) Within 25 days of the date the association serves the Notice
19 of Commencement of Legal Proceedings, the respondent may
20 request in writing to meet and confer with the board. Unless the
21 respondent and the association otherwise agree, there shall be not
22 more than one meeting, which shall take place no later than 10
23 days from the date of the respondent's written request, at a mutually
24 agreeable time and place. The meeting may be conducted in
25 executive session, excluding the association's members. The
26 discussions at the meeting are privileged communications and are
27 not admissible in evidence in any civil action, unless the association
28 and the respondent consent in writing to their admission.

29 (e) Upon receipt of the notice, the respondent shall, within 60
30 days, comply with the following:

31 (1) The respondent shall provide the association with access to,
32 for inspection and copying of, all plans and specifications,
33 subcontracts, and other construction files for the project that are
34 reasonably calculated to lead to the discovery of admissible
35 evidence regarding the defects claimed. The association shall
36 provide the respondent with access to, for inspection and copying
37 of, all files reasonably calculated to lead to the discovery of
38 admissible evidence regarding the defects claimed, including all
39 reserve studies, maintenance records and any survey questionnaires,
40 or results of testing to determine the nature and extent of defects.

1 To the extent any of the above documents are withheld based on
2 privilege, a privilege log shall be prepared and submitted to all
3 other parties. All other potentially responsible parties shall have
4 the same rights as the respondent regarding the production of
5 documents upon receipt of written notice of the claim, and shall
6 produce all relevant documents within 60 days of receipt of the
7 notice of the claim.

8 (2) The respondent shall provide written notice by certified mail
9 to all subcontractors, design professionals, their insurers, and the
10 insurers of any additional insured whose identities are known to
11 the respondent or readily ascertainable by review of the project
12 files or other similar sources and whose potential responsibility
13 appears on the face of the notice. This notice to subcontractors,
14 design professionals, and insurers shall include a copy of the Notice
15 of Commencement of Legal Proceedings, and shall specify the
16 date and manner by which the parties shall meet and confer to
17 select a dispute resolution facilitator pursuant to paragraph (1) of
18 subdivision (f), advise the recipient of its obligation to participate
19 in the meet and confer or serve a written acknowledgment of receipt
20 regarding this notice, advise the recipient that it will waive any
21 challenge to selection of the dispute resolution facilitator if it elects
22 not to participate in the meet and confer, advise the recipient that
23 it may seek the assistance of an attorney, and advise the recipient
24 that it should contact its insurer, if any. Any subcontractor or design
25 professional, or insurer for that subcontractor, design professional,
26 or additional insured, who receives written notice from the
27 respondent regarding the meet and confer shall, prior to the meet
28 and confer, serve on the respondent a written acknowledgment of
29 receipt. That subcontractor or design professional shall, within 10
30 days of service of the written acknowledgment of receipt, provide
31 to the association and the respondent a Statement of Insurance that
32 includes both of the following:

33 (A) The names, addresses, and contact persons, if known, of all
34 insurance carriers, whether primary or excess and regardless of
35 whether a deductible or self-insured retention applies, whose
36 policies were in effect from the commencement of construction
37 of the subject project to the present and which potentially cover
38 the subject claims.

39 (B) The applicable policy numbers for each policy of insurance
40 provided.

1 (3) Any subcontractor or design professional, or insurer for that
2 subcontractor, design professional, or additional insured, who so
3 chooses, may, at any time, make a written request to the dispute
4 resolution facilitator for designation as a peripheral party. That
5 request shall be served contemporaneously on the association and
6 the respondent. If no objection to that designation is received within
7 15 days, or upon rejection of that objection, the dispute resolution
8 facilitator shall designate that subcontractor or design professional
9 as a peripheral party, and shall thereafter seek to limit the
10 attendance of that subcontractor or design professional only to
11 those dispute resolution sessions deemed peripheral party sessions
12 or to those sessions during which the dispute resolution facilitator
13 believes settlement as to peripheral parties may be finalized.
14 Nothing in this subdivision shall preclude a party who has been
15 designated a peripheral party from being reclassified as a
16 nonperipheral party, nor shall this subdivision preclude a party
17 designated as a nonperipheral party from being reclassified as a
18 peripheral party after notice to all parties and an opportunity to
19 object. For purposes of this subdivision, a peripheral party is a
20 party having total claimed exposure of less than twenty-five
21 thousand dollars (\$25,000).

22 (f) (1) Within 20 days of sending the notice set forth in
23 paragraph (2) of subdivision (e), the association, respondent,
24 subcontractors, design professionals, and their insurers who have
25 been sent a notice as described in paragraph (2) of subdivision (e)
26 shall meet and confer in an effort to select a dispute resolution
27 facilitator to preside over the mandatory dispute resolution process
28 prescribed by this section. Any subcontractor or design professional
29 who has been given timely notice of this meeting but who does
30 not participate, waives any challenge he or she may have as to the
31 selection of the dispute resolution facilitator. The role of the dispute
32 resolution facilitator is to attempt to resolve the conflict in a fair
33 manner. The dispute resolution facilitator shall be sufficiently
34 knowledgeable in the subject matter and be able to devote sufficient
35 time to the case. The dispute resolution facilitator shall not be
36 required to reside in or have an office in the county in which the
37 project is located. The dispute resolution facilitator and the
38 participating parties shall agree to a date, time, and location to
39 hold a case management meeting of all parties and the dispute
40 resolution facilitator, to discuss the claims being asserted and the

1 scheduling of events under this section. The case management
2 meeting with the dispute resolution facilitator shall be held within
3 100 days of service of the Notice of Commencement of Legal
4 Proceedings at a location in the county where the project is located.
5 Written notice of the case management meeting with the dispute
6 resolution facilitator shall be sent by the respondent to the
7 association, subcontractors and design professionals, and their
8 insurers who are known to the respondent to be on notice of the
9 claim, no later than 10 days prior to the case management meeting,
10 and shall specify its date, time, and location. The dispute resolution
11 facilitator in consultation with the respondent shall maintain a
12 contact list of the participating parties.

13 (2) No later than 10 days prior to the case management meeting,
14 the dispute resolution facilitator shall disclose to the parties all
15 matters that could cause a person aware of the facts to reasonably
16 entertain a doubt that the proposed dispute resolution facilitator
17 would be able to resolve the conflict in a fair manner. The
18 facilitator's disclosure shall include the existence of any ground
19 specified in Section 170.1 of the Code of Civil Procedure for
20 disqualification of a judge, any attorney-client relationship the
21 facilitator has or had with any party or lawyer for a party to the
22 dispute resolution process, and any professional or significant
23 personal relationship the facilitator or his or her spouse or minor
24 child living in the household has or had with any party to the
25 dispute resolution process. The disclosure shall also be provided
26 to any subsequently noticed subcontractor or design professional
27 within 10 days of the notice.

28 (3) A dispute resolution facilitator shall be disqualified by the
29 court if he or she fails to comply with this subdivision and any
30 party to the dispute resolution process serves a notice of
31 disqualification prior to the case management meeting. If the
32 dispute resolution facilitator complies with this subdivision, he or
33 she shall be disqualified by the court on the basis of the disclosure
34 if any party to the dispute resolution process serves a notice of
35 disqualification prior to the case management meeting.

36 (4) If the parties cannot mutually agree to a dispute resolution
37 facilitator, then each party shall submit a list of three dispute
38 resolution facilitators. Each party may then strike one nominee
39 from the other parties' list, and petition the court, pursuant to the
40 procedure described in subdivisions (n) and (o), for final selection

1 of the dispute resolution facilitator. The court may issue an order
2 for final selection of the dispute resolution facilitator pursuant to
3 this paragraph.

4 (5) Any subcontractor or design professional who receives notice
5 of the association's claim without having previously received
6 timely notice of the meet and confer to select the dispute resolution
7 facilitator shall be notified by the respondent regarding the name,
8 address, and telephone number of the dispute resolution facilitator.
9 Any such subcontractor or design professional may serve upon
10 the parties and the dispute resolution facilitator a written objection
11 to the dispute resolution facilitator within 15 days of receiving
12 notice of the claim. Within seven days after service of this
13 objection, the subcontractor or design professional may petition
14 the superior court to replace the dispute resolution facilitator. The
15 court may replace the dispute resolution facilitator only upon a
16 showing of good cause, liberally construed. Failure to satisfy the
17 deadlines set forth in this subdivision shall constitute a waiver of
18 the right to challenge the dispute resolution facilitator.

19 (6) The costs of the dispute resolution facilitator shall be
20 apportioned in the following manner: one-third to be paid by the
21 association; one-third to be paid by the respondent; and one-third
22 to be paid by the subcontractors and design professionals, as
23 allocated among them by the dispute resolution facilitator. The
24 costs of the dispute resolution facilitator shall be recoverable by
25 the prevailing party in any subsequent litigation pursuant to Section
26 1032 of the Code of Civil Procedure, provided however that any
27 nonsettling party may, prior to the filing of the complaint, petition
28 the facilitator to reallocate the costs of the dispute resolution
29 facilitator as they apply to any nonsettling party. The determination
30 of the dispute resolution facilitator with respect to the allocation
31 of these costs shall be binding in any subsequent litigation. The
32 dispute resolution facilitator shall take into account all relevant
33 factors and equities between all parties in the dispute resolution
34 process when reallocating costs.

35 (7) In the event the dispute resolution facilitator is replaced at
36 any time, the case management statement created pursuant to
37 subdivision (h) shall remain in full force and effect.

38 (8) The dispute resolution facilitator shall be empowered to
39 enforce all provisions of this section.

1 (g) (1) No later than the case management meeting, the parties
2 shall begin to generate a data compilation showing the following
3 information regarding the alleged defects at issue:

4 (A) The scope of the work performed by each potentially
5 responsible subcontractor.

6 (B) The tract or phase number in which each subcontractor
7 provided goods or services, or both.

8 (C) The units, either by address, unit number, or lot number, at
9 which each subcontractor provided goods or services, or both.

10 (2) This data compilation shall be updated as needed to reflect
11 additional information. Each party attending the case management
12 meeting, and any subsequent meeting pursuant to this section, shall
13 provide all information available to that party relevant to this data
14 compilation.

15 (h) At the case management meeting, the parties shall, with the
16 assistance of the dispute resolution facilitator, reach agreement on
17 a case management statement, which shall set forth all of the
18 elements set forth in paragraphs (1) to (8), inclusive, except that
19 the parties may dispense with one or more of these elements if
20 they agree that it is appropriate to do so. The case management
21 statement shall provide that the following elements shall take place
22 in the following order:

23 (1) Establishment of a document depository, located in the
24 county where the project is located, for deposit of documents,
25 defect lists, demands, and other information provided for under
26 this section. All documents exchanged by the parties and all
27 documents created pursuant to this subdivision shall be deposited
28 in the document depository, which shall be available to all parties
29 throughout the prefiling dispute resolution process and in any
30 subsequent litigation. When any document is deposited in the
31 document depository, the party depositing the document shall
32 provide written notice identifying the document to all other parties.
33 The costs of maintaining the document depository shall be
34 apportioned among the parties in the same manner as the costs of
35 the dispute resolution facilitator.

36 (2) Provision of a more detailed list of defects by the association
37 to the respondent after the association completes a visual inspection
38 of the project. This list of defects shall provide sufficient detail
39 for the respondent to ensure that all potentially responsible
40 subcontractors and design professionals are provided with notice

1 of the dispute resolution process. If not already completed prior
2 to the case management meeting, the Notice of Commencement
3 of Legal Proceedings shall be served by the respondent on all
4 additional subcontractors and design professionals whose potential
5 responsibility appears on the face of the more detailed list of
6 defects within seven days of receipt of the more detailed list. The
7 respondent shall serve a copy of the case management statement,
8 including the name, address, and telephone number of the dispute
9 resolution facilitator, to all the potentially responsible
10 subcontractors and design professionals at the same time.

11 (3) Nonintrusive visual inspection of the project by the
12 respondent, subcontractors, and design professionals.

13 (4) Invasive testing conducted by the association, if the
14 association deems appropriate. All parties may observe and
15 photograph any testing conducted by the association pursuant to
16 this paragraph, but may not take samples or direct testing unless,
17 by mutual agreement, costs of testing are shared by the parties.

18 (5) Provision by the association of a comprehensive demand
19 which provides sufficient detail for the parties to engage in
20 meaningful dispute resolution as contemplated under this section.

21 (6) Invasive testing conducted by the respondent, subcontractors,
22 and design professionals, if they deem appropriate.

23 (7) Allowance for modification of the demand by the association
24 if new issues arise during the testing conducted by the respondent,
25 subcontractors, or design professionals.

26 (8) Facilitated dispute resolution of the claim, with all parties,
27 including peripheral parties, as appropriate, and insurers, if any,
28 present and having settlement authority. The dispute resolution
29 facilitators shall endeavor to set specific times for the attendance
30 of specific parties at dispute resolution sessions. If the dispute
31 resolution facilitator does not set specific times for the attendance
32 of parties at dispute resolution sessions, the dispute resolution
33 facilitator shall permit those parties to participate in dispute
34 resolution sessions by telephone.

35 (i) In addition to the foregoing elements of the case management
36 statement described in subdivision (h), upon mutual agreement of
37 the parties, the dispute resolution facilitator may include any or
38 all of the following elements in a case management statement: the
39 exchange of consultant or expert photographs; expert presentations;

1 expert meetings; or any other mechanism deemed appropriate by
2 the parties in the interest of resolving the dispute.

3 (j) The dispute resolution facilitator, with the guidance of the
4 parties, shall at the time the case management statement is
5 established, set deadlines for the occurrence of each event set forth
6 in the case management statement, taking into account such factors
7 as the size and complexity of the case, and the requirement of this
8 section that this dispute resolution process not exceed 180 days
9 absent agreement of the parties to an extension of time.

10 (k) (1) At a time to be determined by the dispute resolution
11 facilitator, the respondent may submit to the association all of the
12 following:

13 (A) A request to meet with the board to discuss a written
14 settlement offer.

15 (B) A written settlement offer, and a concise explanation of the
16 reasons for the terms of the offer.

17 (C) A statement that the respondent has access to sufficient
18 funds to satisfy the conditions of the settlement offer.

19 (D) A summary of the results of testing conducted for the
20 purposes of determining the nature and extent of defects, if this
21 testing has been conducted, unless the association provided the
22 respondent with actual test results.

23 (2) If the respondent does not timely submit the items required
24 by this subdivision, the association shall be relieved of any further
25 obligation to satisfy the requirements of this subdivision only.

26 (3) No less than 10 days after the respondent submits the items
27 required by this paragraph, the respondent and the board shall meet
28 and confer about the respondent's settlement offer.

29 (4) If the board rejects a settlement offer presented at the
30 meeting held pursuant to this subdivision, the board shall hold a
31 meeting open to each member of the association. The meeting
32 shall be held no less than 15 days before the association
33 commences an action for damages against the respondent.

34 (5) No less than 15 days before this meeting is held, a written
35 notice shall be sent to each member of the association specifying
36 all of the following:

37 (A) That a meeting will take place to discuss problems that may
38 lead to the filing of a civil action, and the time and place of this
39 meeting.

1 (B) The options that are available to address the problems,
2 including the filing of a civil action and a statement of the various
3 alternatives that are reasonably foreseeable by the association to
4 pay for those options and whether these payments are expected to
5 be made from the use of reserve account funds or the imposition
6 of regular or special assessments, or emergency assessment
7 increases.

8 (C) The complete text of any written settlement offer, and a
9 concise explanation of the specific reasons for the terms of the
10 offer submitted to the board at the meeting held pursuant to
11 subdivision (d) that was received from the respondent.

12 (6) The respondent shall pay all expenses attributable to sending
13 the settlement offer to all members of the association. The
14 respondent shall also pay the expense of holding the meeting, not
15 to exceed three dollars (\$3) per association member.

16 (7) The discussions at the meeting and the contents of the notice
17 and the items required to be specified in the notice pursuant to
18 paragraph (5) are privileged communications and are not admissible
19 in evidence in any civil action, unless the association consents to
20 their admission.

21 (8) No more than one request to meet and discuss a written
22 settlement offer may be made by the respondent pursuant to this
23 subdivision.

24 (l) All defect lists and demands, communications, negotiations,
25 and settlement offers made in the course of the prelitigation dispute
26 resolution process provided by this section shall be inadmissible
27 pursuant to Sections 1119 to 1124, inclusive, of the Evidence Code
28 and all applicable decisional law. This inadmissibility shall not be
29 extended to any other documents or communications which would
30 not otherwise be deemed inadmissible.

31 (m) Any subcontractor or design professional may, at any time,
32 petition the dispute resolution facilitator to release that party from
33 the dispute resolution process upon a showing that the
34 subcontractor or design professional is not potentially responsible
35 for the defect claims at issue. The petition shall be served
36 contemporaneously on all other parties, who shall have 15 days
37 from the date of service to object. If a subcontractor or design
38 professional is released, and it later appears to the dispute
39 resolution facilitator that it may be a responsible party in light of
40 the current defect list or demand, the respondent shall renote the

1 party as provided by paragraph (2) of subdivision (e), provide a
2 copy of the current defect list or demand, and direct the party to
3 attend a dispute resolution session at a stated time and location. A
4 party who subsequently appears after having been released by the
5 dispute resolution facilitator shall not be prejudiced by its absence
6 from the dispute resolution process as the result of having been
7 previously released by the dispute resolution facilitator.

8 (n) Any party may, at any time, petition the superior court in
9 the county where the project is located, upon a showing of good
10 cause, and the court may issue an order, for any of the following,
11 or for appointment of a referee to resolve a dispute regarding any
12 of the following:

13 (1) To take a deposition of any party to the process, or subpoena
14 a third party for deposition or production of documents, which is
15 necessary to further prelitigation resolution of the dispute.

16 (2) To resolve any disputes concerning inspection, testing,
17 production of documents, or exchange of information provided
18 for under this section.

19 (3) To resolve any disagreements relative to the timing or
20 contents of the case management statement.

21 (4) To authorize internal extensions of timeframes set forth in
22 the case management statement.

23 (5) To seek a determination that a settlement is a good faith
24 settlement pursuant to Section 877.6 of the Code of Civil Procedure
25 and all related authorities. The page limitations and meet and confer
26 requirements specified in this section shall not apply to these
27 motions, which may be made on shortened notice. Instead, these
28 motions shall be subject to other applicable state law, rules of
29 court, and local rules. A determination made by the court pursuant
30 to this motion shall have the same force and effect as the
31 determination of a postfiling application or motion for good faith
32 settlement.

33 (6) To ensure compliance, on shortened notice, with the
34 obligation to provide a Statement of Insurance pursuant to
35 paragraph (2) of subdivision (e).

36 (7) For any other relief appropriate to the enforcement of the
37 provisions of this section, including the ordering of parties, and
38 insurers, if any, to the dispute resolution process with settlement
39 authority.

1 (o) (1) A petition filed pursuant to subdivision (n) shall be filed
2 in the superior court in the county in which the project is located.
3 The court shall hear and decide the petition within 10 days after
4 filing. The petitioning party shall serve the petition on all parties,
5 including the date, time, and location of the hearing no later than
6 five business days prior to the hearing. Any responsive papers
7 shall be filed and served no later than three business days prior to
8 the hearing. Any petition or response filed under this section shall
9 be no more than three pages in length.

10 (2) All parties shall meet with the dispute resolution facilitator,
11 if one has been appointed and confer in person or by the telephone
12 prior to the filing of that petition to attempt to resolve the matter
13 without requiring court intervention.

14 (p) As used in this section:

15 (1) “Association” shall have the same meaning as defined in
16 Section 6528.

17 (2) “Builder” means the declarant, as defined in Section 6544.

18 (3) “Common interest development” shall have the same
19 meaning as in Section 6534, except that it shall not include
20 developments or projects with less than 20 units.

21 (q) The alternative dispute resolution process and procedures
22 described in this section shall have no application or legal effect
23 other than as described in this section.

24 (r) This section shall become operative on July 1, 2002, however
25 it shall not apply to any pending suit or claim for which notice has
26 previously been given.

27 (s) This section shall become inoperative on July 1, 2017, and,
28 as of January 1, 2018, is repealed, unless a later enacted statute,
29 that becomes operative on or before January 1, 2018, deletes or
30 extends the dates on which it becomes inoperative and is repealed.

31 6874. (a) As soon as is reasonably practicable after the
32 association and the builder have entered into a settlement
33 agreement or the matter has otherwise been resolved regarding
34 alleged defects in the common areas, alleged defects in the separate
35 interests that the association is obligated to maintain or repair, or
36 alleged defects in the separate interests that arise out of, or are
37 integrally related to, defects in the common areas or separate
38 interests that the association is obligated to maintain or repair,
39 where the defects giving rise to the dispute have not been corrected,
40 the association shall, in writing, inform only the members of the

1 association whose names appear on the records of the association
2 that the matter has been resolved, by settlement agreement or other
3 means, and disclose all of the following:

4 (1) A general description of the defects that the association
5 reasonably believes, as of the date of the disclosure, will be
6 corrected or replaced.

7 (2) A good faith estimate, as of the date of the disclosure, of
8 when the association believes that the defects identified in
9 paragraph (1) will be corrected or replaced. The association may
10 state that the estimate may be modified.

11 (3) The status of the claims for defects in the design or
12 construction of the common interest development that were not
13 identified in paragraph (1) whether expressed in a preliminary list
14 of defects sent to each member of the association or otherwise
15 claimed and disclosed to the members of the association.

16 (b) Nothing in this section shall preclude an association from
17 amending the disclosures required pursuant to subdivision (a), and
18 any amendments shall supersede any prior conflicting information
19 disclosed to the members of the association and shall retain any
20 privilege attached to the original disclosures.

21 (c) Disclosure of the information required pursuant to
22 subdivision (a) or authorized by subdivision (b) shall not waive
23 any privilege attached to the information.

24 (d) For the purposes of the disclosures required pursuant to this
25 section, the term “defects” shall be defined to include any damage
26 resulting from defects.

27 6876. (a) Not later than 30 days prior to the filing of any civil
28 action by the association against the declarant or other developer
29 of a common interest development for alleged damage to the
30 common areas, alleged damage to the separate interests that the
31 association is obligated to maintain or repair, or alleged damage
32 to the separate interests that arises out of, or is integrally related
33 to, damage to the common areas or separate interests that the
34 association is obligated to maintain or repair, the board shall
35 provide a written notice to each member of the association who
36 appears on the records of the association when the notice is
37 provided. This notice shall specify all of the following:

38 (1) That a meeting will take place to discuss problems that may
39 lead to the filing of a civil action.

1 (2) The options, including civil actions, that are available to
2 address the problems.

3 (3) The time and place of this meeting.

4 (b) Notwithstanding subdivision (a), if the association has reason
5 to believe that the applicable statute of limitations will expire
6 before the association files the civil action, the association may
7 give the notice, as described above, within 30 days after the filing
8 of the action.

9 ~~SEC. 20.~~

10 *SEC. 21.* Section 86 of the Code of Civil Procedure, as amended
11 by Section 42 of Chapter 181 of the Statutes of 2012, is amended
12 to read:

13 86. (a) The following civil cases and proceedings are limited
14 civil cases:

15 (1) A case at law in which the demand, exclusive of interest, or
16 the value of the property in controversy amounts to twenty-five
17 thousand dollars (\$25,000) or less. This paragraph does not apply
18 to a case that involves the legality of any tax, impost, assessment,
19 toll, or municipal fine, except an action to enforce payment of
20 delinquent unsecured personal property taxes if the legality of the
21 tax is not contested by the defendant.

22 (2) An action for dissolution of partnership where the total assets
23 of the partnership do not exceed twenty-five thousand dollars
24 (\$25,000); an action of interpleader where the amount of money
25 or the value of the property involved does not exceed twenty-five
26 thousand dollars (\$25,000).

27 (3) An action to cancel or rescind a contract when the relief is
28 sought in connection with an action to recover money not
29 exceeding twenty-five thousand dollars (\$25,000) or property of
30 a value not exceeding twenty-five thousand dollars (\$25,000), paid
31 or delivered under, or in consideration of, the contract; an action
32 to revise a contract where the relief is sought in an action upon the
33 contract if the action otherwise is a limited civil case.

34 (4) A proceeding in forcible entry or forcible or unlawful
35 detainer where the whole amount of damages claimed is
36 twenty-five thousand dollars (\$25,000) or less.

37 (5) An action to enforce and foreclose a lien on personal
38 property where the amount of the lien is twenty-five thousand
39 dollars (\$25,000) or less.

1 (6) An action to enforce and foreclose, or a petition to release,
2 a lien arising under Chapter 4 (commencing with Section 8400)
3 of Title 2 of Part 6 of Division 4 of the Civil Code, or to enforce
4 and foreclose an assessment lien on a common interest
5 development as defined in Section 4100 or 6534 of the Civil Code,
6 where the amount of the liens is twenty-five thousand dollars
7 (\$25,000) or less. However, if an action to enforce the lien affects
8 property that is also affected by a similar pending action that is
9 not a limited civil case, or if the total amount of liens sought to be
10 foreclosed against the same property aggregates an amount in
11 excess of twenty-five thousand dollars (\$25,000), the action is not
12 a limited civil case.

13 (7) An action for declaratory relief when brought pursuant to
14 either of the following:

15 (A) By way of cross-complaint as to a right of indemnity with
16 respect to the relief demanded in the complaint or a cross-complaint
17 in an action or proceeding that is otherwise a limited civil case.

18 (B) To conduct a trial after a nonbinding fee arbitration between
19 an attorney and client, pursuant to Article 13 (commencing with
20 Section 6200) of Chapter 4 of Division 3 of the Business and
21 Professions Code, where the amount in controversy is twenty-five
22 thousand dollars (\$25,000) or less.

23 (8) An action to issue a temporary restraining order or
24 preliminary injunction; to take an account, where necessary to
25 preserve the property or rights of any party to a limited civil case;
26 to make any order or perform any act, pursuant to Title 9
27 (commencing with Section 680.010) of Part 2 (enforcement of
28 judgments) in a limited civil case; to appoint a receiver pursuant
29 to Section 564 in a limited civil case; to determine title to personal
30 property seized in a limited civil case.

31 (9) An action under Article 3 (commencing with Section
32 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the
33 recovery of an interest in personal property or to enforce the
34 liability of the debtor of a judgment debtor where the interest
35 claimed adversely is of a value not exceeding twenty-five thousand
36 dollars (\$25,000) or the debt denied does not exceed twenty-five
37 thousand dollars (\$25,000).

38 (10) An arbitration-related petition filed pursuant to either of
39 the following:

1 (A) Article 2 (commencing with Section 1292) of Chapter 5 of
2 Title 9 of Part 3, except for uninsured motorist arbitration
3 proceedings in accordance with Section 11580.2 of the Insurance
4 Code, if the petition is filed before the arbitration award becomes
5 final and the matter to be resolved by arbitration is a limited civil
6 case under paragraphs (1) to (9), inclusive, of subdivision (a) or
7 if the petition is filed after the arbitration award becomes final and
8 the amount of the award and all other rulings, pronouncements,
9 and decisions made in the award are within paragraphs (1) to (9),
10 inclusive, of subdivision (a).

11 (B) To confirm, correct, or vacate a fee arbitration award
12 between an attorney and client that is binding or has become
13 binding, pursuant to Article 13 (commencing with Section 6200)
14 of Chapter 4 of Division 3 of the Business and Professions Code,
15 where the arbitration award is twenty-five thousand dollars
16 (\$25,000) or less.

17 (b) The following cases in equity are limited civil cases:

18 (1) A case to try title to personal property when the amount
19 involved is not more than twenty-five thousand dollars (\$25,000).

20 (2) A case when equity is pleaded as a defensive matter in any
21 case that is otherwise a limited civil case.

22 (3) A case to vacate a judgment or order of the court obtained
23 in a limited civil case through extrinsic fraud, mistake,
24 inadvertence, or excusable neglect.

25 ~~SEC. 21.~~

26 *SEC. 22.* Section 116.540 of the Code of Civil Procedure, as
27 amended by Section 43 of Chapter 181 of the Statutes of 2012, is
28 amended to read:

29 116.540. (a) Except as permitted by this section, no individual
30 other than the plaintiff and the defendant may take part in the
31 conduct or defense of a small claims action.

32 (b) Except as additionally provided in subdivision (i), a
33 corporation may appear and participate in a small claims action
34 only through a regular employee, or a duly appointed or elected
35 officer or director, who is employed, appointed, or elected for
36 purposes other than solely representing the corporation in small
37 claims court.

38 (c) A party who is not a corporation or a natural person may
39 appear and participate in a small claims action only through a
40 regular employee, or a duly appointed or elected officer or director,

1 or in the case of a partnership, a partner, engaged for purposes
2 other than solely representing the party in small claims court.

3 (d) If a party is an individual doing business as a sole
4 proprietorship, the party may appear and participate in a small
5 claims action by a representative and without personally appearing
6 if both of the following conditions are met:

7 (1) The claim can be proved or disputed by evidence of an
8 account that constitutes a business record as defined in Section
9 1271 of the Evidence Code, and there is no other issue of fact in
10 the case.

11 (2) The representative is a regular employee of the party for
12 purposes other than solely representing the party in small claims
13 actions and is qualified to testify to the identity and mode of
14 preparation of the business record.

15 (e) A plaintiff is not required to personally appear, and may
16 submit declarations to serve as evidence supporting his or her claim
17 or allow another individual to appear and participate on his or her
18 behalf, if (1) the plaintiff is serving on active duty in the United
19 States Armed Forces outside this state, (2) the plaintiff was
20 assigned to his or her duty station after his or her claim arose, (3)
21 the assignment is for more than six months, (4) the representative
22 is serving without compensation, and (5) the representative has
23 appeared in small claims actions on behalf of others no more than
24 four times during the calendar year. The defendant may file a claim
25 in the same action in an amount not to exceed the jurisdictional
26 limits stated in Sections 116.220, 116.221, and 116.231.

27 (f) A party incarcerated in a county jail, a Department of
28 Corrections and Rehabilitation facility, or a Division of Juvenile
29 Facilities facility is not required to personally appear, and may
30 submit declarations to serve as evidence supporting his or her
31 claim, or may authorize another individual to appear and participate
32 on his or her behalf if that individual is serving without
33 compensation and has appeared in small claims actions on behalf
34 of others no more than four times during the calendar year.

35 (g) A defendant who is a nonresident owner of real property
36 may defend against a claim relating to that property without
37 personally appearing by (1) submitting written declarations to
38 serve as evidence supporting his or her defense, (2) allowing
39 another individual to appear and participate on his or her behalf if
40 that individual is serving without compensation and has appeared

1 in small claims actions on behalf of others no more than four times
2 during the calendar year, or (3) taking the action described in both
3 (1) and (2).

4 (h) A party who is an owner of rental real property may appear
5 and participate in a small claims action through a property agent
6 under contract with the owner to manage the rental of that property,
7 if (1) the owner has retained the property agent principally to
8 manage the rental of that property and not principally to represent
9 the owner in small claims court, and (2) the claim relates to the
10 rental property.

11 (i) A party that is an association created to manage a common
12 interest development, as defined in Section 4100 or in Sections
13 6528 and 6534 of the Civil Code, may appear and participate in a
14 small claims action through an agent, a management company
15 representative, or bookkeeper who appears on behalf of that
16 association.

17 (j) At the hearing of a small claims action, the court shall require
18 any individual who is appearing as a representative of a party under
19 subdivisions (b) to (i), inclusive, to file a declaration stating (1)
20 that the individual is authorized to appear for the party, and (2)
21 the basis for that authorization. If the representative is appearing
22 under subdivision (b), (c), (d), (h), or (i), the declaration also shall
23 state that the individual is not employed solely to represent the
24 party in small claims court. If the representative is appearing under
25 subdivision (e), (f), or (g), the declaration also shall state that the
26 representative is serving without compensation, and has appeared
27 in small claims actions on behalf of others no more than four times
28 during the calendar year.

29 (k) A husband or wife who sues or who is sued with his or her
30 spouse may appear and participate on behalf of his or her spouse
31 if (1) the claim is a joint claim, (2) the represented spouse has
32 given his or her consent, and (3) the court determines that the
33 interests of justice would be served.

34 (l) If the court determines that a party cannot properly present
35 his or her claim or defense and needs assistance, the court may in
36 its discretion allow another individual to assist that party.

37 (m) Nothing in this section shall operate or be construed to
38 authorize an attorney to participate in a small claims action except
39 as expressly provided in Section 116.530.

1 ~~SEC. 22.~~

2 *SEC. 23.* Section 12191 of the Government Code is amended
3 to read:

4 12191. The miscellaneous business entity filing fees are the
5 following:

6 (a) ~~Foreign Associations~~ *associations*, as defined in Sections
7 170 and 171 of the Corporations Code:

8 (1) Filing the statement and designation upon the qualification
9 of a foreign association pursuant to Section 2105 of the
10 Corporations Code: One hundred dollars (\$100).

11 (2) Filing an amended statement and designation by a foreign
12 association pursuant to Section 2107 of the Corporations Code:
13 Thirty dollars (\$30).

14 (3) Filing a certificate showing the surrender of the right of a
15 foreign association to transact intrastate business pursuant to
16 Section 2112 of the Corporations Code: No fee.

17 (b) Unincorporated Associations:

18 (1) Filing a statement in accordance with Section 18200 of the
19 Corporations Code as to principal place of office or place for
20 sending notices or designating agent for service: Twenty-five
21 dollars (\$25).

22 (2) Insignia Registrations: Ten dollars (\$10).

23 (c) Community Associations and Common Interest
24 Developments:

25 (1) Filing a statement by a community association in accordance
26 with Section 5405 of the Civil Code to register the common interest
27 development that it manages: An amount not to exceed thirty
28 dollars (\$30).

29 (2) Filing an amended statement by a community association
30 in accordance with Section 5405 of the Civil Code: No fee.

31 ~~SEC. 23.~~

32 *SEC. 24.* Section 12956.1 of the Government Code, as amended
33 by Section 49 of Chapter 181 of the Statutes of 2012, is amended
34 to read:

35 12956.1. (a) As used in this section, “association,” “governing
36 documents,” and “declaration” have the same meanings as set forth
37 in Sections 4080, 4135, and 4150 or Sections 6528, 6546, and
38 6552 of the Civil Code.

39 (b) (1) A county recorder, title insurance company, escrow
40 company, real estate broker, real estate agent, or association that

1 provides a copy of a declaration, governing document, or deed to
2 any person shall place a cover page or stamp on the first page of
3 the previously recorded document or documents stating, in at least
4 14-point boldface type, the following:

5
6 “If this document contains any restriction based on race, color,
7 religion, sex, gender, gender identity, gender expression, sexual
8 orientation, familial status, marital status, disability, genetic
9 information, national origin, source of income as defined in
10 subdivision (p) of Section 12955, or ancestry, that restriction
11 violates state and federal fair housing laws and is void, and may
12 be removed pursuant to Section 12956.2 of the Government Code.
13 Lawful restrictions under state and federal law on the age of
14 occupants in senior housing or housing for older persons shall not
15 be construed as restrictions based on familial status.”

16
17 (2) The requirements of paragraph (1) shall not apply to
18 documents being submitted for recordation to a county recorder.

19 (c) Any person who records a document for the express purpose
20 of adding a racially restrictive covenant is guilty of a misdemeanor.
21 The county recorder shall not incur any liability for recording the
22 document. Notwithstanding any other provision of law, a
23 prosecution for a violation of this subdivision shall commence
24 within three years after the discovery of the recording of the
25 document.

26 ~~SEC. 24.~~

27 *SEC. 25.* Section 12956.2 of the Government Code, as amended
28 by Section 50 of Chapter 181 of the Statutes of 2012, is amended
29 to read:

30 12956.2. (a) A person who holds an ownership interest of
31 record in property that he or she believes is the subject of an
32 unlawfully restrictive covenant in violation of subdivision (l) of
33 Section 12955 may record a document titled Restrictive Covenant
34 Modification. The county recorder may choose to waive the fee
35 prescribed for recording and indexing instruments pursuant to
36 Section 27361 in the case of the modification document provided
37 for in this section. The modification document shall include a
38 complete copy of the original document containing the unlawfully
39 restrictive language with the unlawfully restrictive language
40 stricken.

1 (b) Before recording the modification document, the county
2 recorder shall submit the modification document and the original
3 document to the county counsel who shall determine whether the
4 original document contains an unlawful restriction based on race,
5 color, religion, sex, gender, gender identity, gender expression,
6 sexual orientation, familial status, marital status, disability, national
7 origin, source of income as defined in subdivision (p) of Section
8 12955, or ancestry. The county counsel shall return the documents
9 and inform the county recorder of its determination. The county
10 recorder shall refuse to record the modification document if the
11 county counsel finds that the original document does not contain
12 an unlawful restriction as specified in this paragraph.

13 (c) The modification document shall be indexed in the same
14 manner as the original document being modified. It shall contain
15 a recording reference to the original document in the form of a
16 book and page or instrument number, and date of the recording.

17 (d) Subject to covenants, conditions, and restrictions that were
18 recorded after the recording of the original document that contains
19 the unlawfully restrictive language and subject to covenants,
20 conditions, and restrictions that will be recorded after the
21 Restrictive Covenant Modification, the restrictions in the
22 Restrictive Covenant Modification, once recorded, are the only
23 restrictions having effect on the property. The effective date of the
24 terms and conditions of the modification document shall be the
25 same as the effective date of the original document.

26 (e) The county recorder shall make available to the public
27 Restrictive Covenant Modification forms.

28 (f) If the holder of an ownership interest of record in property
29 causes to be recorded a modified document pursuant to this section
30 that contains modifications not authorized by this section, the
31 county recorder shall not incur liability for recording the document.
32 The liability that may result from the unauthorized recordation is
33 the sole responsibility of the holder of the ownership interest of
34 record who caused the modified recordation.

35 (g) This section does not apply to persons holding an ownership
36 interest in property that is part of a common interest development
37 as defined in Section 4100 or 6534 of the Civil Code if the board
38 of directors of that common interest development is subject to the
39 requirements of subdivision (b) of Section 4225 or of subdivision
40 (b) of Section 6606 of the Civil Code.

1 ~~SEC. 25.~~

2 SEC. 26. Section 53341.5 of the Government Code, as amended
3 by Section 51 of Chapter 181 of the Statutes of 2012, is amended
4 to read:

5 53341.5. (a) If a lot, parcel, or unit of a subdivision is subject
6 to a special tax levied pursuant to this chapter, the subdivider, his
7 or her agent, or representative, shall not sell, or lease for a term
8 exceeding five years, or permit a prospective purchaser or lessor
9 to sign a contract of purchase or a deposit receipt or any
10 substantially equivalent document in the event of a lease with
11 respect to the lot, parcel, or unit, or cause it to be sold or leased
12 for a term exceeding five years, until the prospective purchaser or
13 lessee of the lot, parcel, or unit has been furnished with and has
14 signed a written notice as provided in this section. The notice shall
15 contain the heading "NOTICE OF SPECIAL TAX" in type no
16 smaller than 8-point type, and shall be in substantially the following
17 form. The form may be modified as needed to clearly and
18 accurately describe the tax structure and other characteristics of
19 districts created before January 1, 1993, or to clearly and accurately
20 consolidate information about the tax structure and other
21 characteristics of two or more districts that levy or are authorized
22 to levy special taxes with respect to the lot, parcel, or unit:

23
24
25 NOTICE OF SPECIAL TAX
26 COMMUNITY FACILITIES DISTRICT NO. ____
27 COUNTY OF ____, CALIFORNIA
28

29
30 TO: THE PROSPECTIVE PURCHASER OF THE REAL
31 PROPERTY KNOWN AS:

32
33 _____
34 _____
35

36
37 THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR
38 ENTERING INTO A CONTRACT TO PURCHASE THIS
39 PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS
40 NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO

1 INDICATE THAT YOU HAVE RECEIVED AND READ A
2 COPY OF THIS NOTICE.

3 (1) This property is subject to a special tax, that is in addition
4 to the regular property taxes and any other charges, fees, special
5 taxes, and benefit assessments on the parcel. It is imposed on this
6 property because it is a new development, and is not necessarily
7 imposed generally upon property outside of this new development.
8 If you fail to pay this tax when due each year, the property may
9 be foreclosed upon and sold. The tax is used to provide public
10 facilities or services that are likely to particularly benefit the
11 property. YOU SHOULD TAKE THIS TAX AND THE
12 BENEFITS FROM THE FACILITIES AND SERVICES FOR
13 WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER
14 TO BUY THIS PROPERTY.

15 (2) The maximum special tax that may be levied against this
16 parcel to pay for public facilities is \$_____ during the ____-____
17 tax year. This amount will increase by __ percent per year after
18 that (if applicable). The special tax will be levied each year until
19 all of the authorized facilities are built and all special tax bonds
20 are repaid, but in any case not after the ____-____ tax year. An
21 additional special tax will be used to pay for ongoing service costs,
22 if applicable. The maximum amount of this tax is _____ dollars
23 (\$_____) during the ____-____ tax year. This amount may increase
24 by _____, if applicable, and that part may be levied until the
25 ____-____ tax year (or forever, as applicable).

26 (3) The authorized facilities that are being paid for by the special
27 taxes, and by the money received from the sale of bonds that are
28 being repaid by the special taxes, are:

29 These facilities may not yet have all been constructed or acquired
30 and it is possible that some may never be constructed or acquired.

31 In addition, the special taxes may be used to pay for costs of the
32 following services:

33 YOU MAY OBTAIN A COPY OF THE RESOLUTION OF
34 FORMATION THAT AUTHORIZED CREATION OF THE
35 COMMUNITY FACILITIES DISTRICT, AND THAT SPECIFIES
36 MORE PRECISELY HOW THE SPECIAL TAX IS
37 APPORTIONED AND HOW THE PROCEEDS OF THE TAX
38 WILL BE USED, FROM THE _____ (name of jurisdiction) BY
39 CALLING _____ (telephone number). THERE MAY BE A

1 CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE
2 REASONABLE COST OF PROVIDING THE DOCUMENT.

3 I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS
4 NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR
5 TO ENTERING INTO A CONTRACT TO PURCHASE OR
6 SIGNING A DEPOSIT RECEIPT WITH RESPECT TO THE
7 ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND
8 THAT I (WE) MAY TERMINATE THE CONTRACT TO
9 PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS
10 AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN
11 FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY
12 GIVING WRITTEN NOTICE OF THAT TERMINATION TO
13 THE OWNER, SUBDIVIDER, OR AGENT SELLING THE
14 PROPERTY.

15
16 DATE: _____
17 _____
18 _____
19

20 (b) “Subdivision,” as used in subdivision (a), means improved
21 or unimproved land that is divided or proposed to be divided for
22 the purpose of sale, lease, or financing, whether immediate or
23 future, into two or more lots, parcels, or units and includes a
24 condominium project, as defined by Section 4125 or 6542 of the
25 Civil Code, a community apartment project, a stock cooperative,
26 and a limited-equity housing cooperative, as defined in Sections
27 11004, 11003.2, and 11003.4, respectively, of the Business and
28 Professions Code.

29 (c) The buyer shall have three days after delivery in person or
30 five days after delivery by deposit in the mail of any notice required
31 by this section, to terminate his or her agreement by delivery of
32 written notice of that termination to the owner, subdivider, or agent.

33 (d) The failure to furnish the notice to the buyer or lessee, and
34 failure of the buyer or lessee to sign the notice of a special tax,
35 shall not invalidate any grant, conveyance, lease, or encumbrance.

36 (e) Any person or entity who willfully violates the provisions
37 of this section shall be liable to the purchaser of a lot or unit that
38 is subject to the provisions of this section, for actual damages, and
39 in addition thereto, shall be guilty of a public offense punishable
40 by a fine in an amount not to exceed five hundred dollars (\$500).

1 In an action to enforce a liability or fine, the prevailing party shall
2 be awarded reasonable attorney's fees.

3 ~~SEC. 26.~~

4 *SEC. 27.* Section 65008 of the Government Code, as amended
5 by Section 52 of Chapter 181 of the Statutes of 2012, is amended
6 to read:

7 65008. (a) Any action pursuant to this title by any city, county,
8 city and county, or other local governmental agency in this state
9 is null and void if it denies to any individual or group of individuals
10 the enjoyment of residence, landownership, tenancy, or any other
11 land use in this state because of any of the following reasons:

12 (1) (A) The lawful occupation, age, or any characteristic of the
13 individual or group of individuals listed in subdivision (a) or (d)
14 of Section 12955, as those bases are defined in Sections 12926,
15 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
16 Section 12955 and Section 12955.2.

17 (B) Notwithstanding subparagraph (A), with respect to familial
18 status, subparagraph (A) shall not be construed to apply to housing
19 for older persons, as defined in Section 12955.9. With respect to
20 familial status, nothing in subparagraph (A) shall be construed to
21 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
22 Civil Code, relating to housing for senior citizens. Subdivision (d)
23 of Section 51, Section 4760, and Section 6714 of the Civil Code,
24 and subdivisions (n), (o), and (p) of Section 12955 of this code
25 shall apply to subparagraph (A).

26 (2) The method of financing of any residential development of
27 the individual or group of individuals.

28 (3) The intended occupancy of any residential development by
29 persons or families of very low, low, moderate, or middle income.

30 (b) (1) No city, county, city and county, or other local
31 governmental agency shall, in the enactment or administration of
32 ordinances pursuant to any law, including this title, prohibit or
33 discriminate against any residential development or emergency
34 shelter for any of the following reasons:

35 (A) Because of the method of financing.

36 (B) (i) Because of the lawful occupation, age, or any
37 characteristic listed in subdivision (a) or (d) of Section 12955, as
38 those characteristics are defined in Sections 12926, 12926.1,
39 subdivision (m) and paragraph (1) of subdivision (p) of Section

1 12955, and Section 12955.2 of the owners or intended occupants
2 of the residential development or emergency shelter.

3 (ii) Notwithstanding clause (i), with respect to familial status,
4 clause (i) shall not be construed to apply to housing for older
5 persons, as defined in Section 12955.9. With respect to familial
6 status, nothing in clause (i) shall be construed to affect Sections
7 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating
8 to housing for senior citizens. Subdivision (d) of Section 51,
9 Section 4760, and Section 6714 of the Civil Code, and subdivisions
10 (n), (o), and (p) of Section 12955 of this code shall apply to clause
11 (i).

12 (C) Because the development or shelter is intended for
13 occupancy by persons and families of very low, low, or moderate
14 income, as defined in Section 50093 of the Health and Safety Code,
15 or persons and families of middle income.

16 (D) Because the development consists of a multifamily
17 residential project that is consistent with both the jurisdiction's
18 zoning ordinance and general plan as they existed on the date the
19 application was deemed complete, except that a project shall not
20 be deemed to be inconsistent with the zoning designation for the
21 site if that zoning designation is inconsistent with the general plan
22 only because the project site has not been rezoned to conform with
23 a more recently adopted general plan.

24 (2) The discrimination prohibited by this subdivision includes
25 the denial or conditioning of a residential development or shelter
26 because of, in whole or in part, either of the following:

27 (A) The method of financing.

28 (B) The occupancy of the development by persons protected by
29 this subdivision, including, but not limited to, persons and families
30 of very low, low, or moderate income.

31 (3) A city, county, city and county, or other local government
32 agency may not, pursuant to subdivision (d) of Section 65589.5,
33 disapprove a housing development project or condition approval
34 of a housing development project in a manner that renders the
35 project infeasible if the basis for the disapproval or conditional
36 approval includes any of the reasons prohibited in paragraph (1)
37 or (2).

38 (c) For the purposes of this section, "persons and families of
39 middle income" means persons and families whose income does

1 not exceed 150 percent of the median income for the county in
2 which the persons or families reside.

3 (d) (1) No city, county, city and county, or other local
4 governmental agency may impose different requirements on a
5 residential development or emergency shelter that is subsidized,
6 financed, insured, or otherwise assisted by the federal or state
7 government or by a local public entity, as defined in Section 50079
8 of the Health and Safety Code, than those imposed on nonassisted
9 developments, except as provided in subdivision (e). The
10 discrimination prohibited by this subdivision includes the denial
11 or conditioning of a residential development or emergency shelter
12 based in whole or in part on the fact that the development is
13 subsidized, financed, insured, or otherwise assisted as described
14 in this paragraph.

15 (2) (A) No city, county, city and county, or other local
16 governmental agency may, because of the lawful occupation age,
17 or any characteristic of the intended occupants listed in subdivision
18 (a) or (d) of Section 12955, as those characteristics are defined in
19 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
20 subdivision (p) of Section 12955, and Section 12955.2 or because
21 the development is intended for occupancy by persons and families
22 of very low, low, moderate, or middle income, impose different
23 requirements on these residential developments than those imposed
24 on developments generally, except as provided in subdivision (e).

25 (B) Notwithstanding subparagraph (A), with respect to familial
26 status, subparagraph (A) shall not be construed to apply to housing
27 for older persons, as defined in Section 12955.9. With respect to
28 familial status, nothing in subparagraph (A) shall be construed to
29 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
30 Civil Code, relating to housing for senior citizens. Subdivision (d)
31 of Section 51, Section 4760, and Section 6714 of the Civil Code,
32 and subdivisions (n), (o), and (p) of Section 12955 of this code
33 shall apply to subparagraph (A).

34 (e) Notwithstanding subdivisions (a) to (d), inclusive, this
35 section and this title do not prohibit either of the following:

36 (1) The County of Riverside from enacting and enforcing zoning
37 to provide housing for older persons, in accordance with state or
38 federal law, if that zoning was enacted prior to January 1, 1995.

39 (2) Any city, county, or city and county from extending
40 preferential treatment to residential developments or emergency

1 shelters assisted by the federal or state government or by a local
2 public entity, as defined in Section 50079 of the Health and Safety
3 Code, or other residential developments or emergency shelters
4 intended for occupancy by persons and families of low and
5 moderate income, as defined in Section 50093 of the Health and
6 Safety Code, or persons and families of middle income, or
7 agricultural employees, as defined in subdivision (b) of Section
8 1140.4 of the Labor Code, and their families. This preferential
9 treatment may include, but need not be limited to, reduction or
10 waiver of fees or changes in architectural requirements, site
11 development and property line requirements, building setback
12 requirements, or vehicle parking requirements that reduce
13 development costs of these developments.

14 (f) “Residential development,” as used in this section, means a
15 single-family residence or a multifamily residence, including
16 manufactured homes, as defined in Section 18007 of the Health
17 and Safety Code.

18 (g) This section shall apply to chartered cities.

19 (h) The Legislature finds and declares that discriminatory
20 practices that inhibit the development of housing for persons and
21 families of very low, low, moderate, and middle incomes, or
22 emergency shelters for the homeless, are a matter of statewide
23 concern.

24 ~~SEC. 27.~~

25 *SEC. 28.* Section 66411 of the Government Code, as amended
26 by Section 55 of Chapter 181 of the Statutes of 2012, is amended
27 to read:

28 66411. Regulation and control of the design and improvement
29 of subdivisions are vested in the legislative bodies of local
30 agencies. Each local agency shall, by ordinance, regulate and
31 control the initial design and improvement of common interest
32 developments as defined in Section 4100 or 6534 of the Civil Code
33 and subdivisions for which this division requires a tentative and
34 final or parcel map. In the development, adoption, revision, and
35 application of this type of ordinance, the local agency shall comply
36 with the provisions of Section 65913.2. The ordinance shall
37 specifically provide for proper grading and erosion control,
38 including the prevention of sedimentation or damage to offsite
39 property. Each local agency may by ordinance regulate and control
40 other subdivisions, provided that the regulations are not more

1 restrictive than the regulations for those subdivisions for which a
2 tentative and final or parcel map are required by this division, and
3 provided further that the regulations shall not be applied to
4 short-term leases (terminable by either party on not more than 30
5 days' notice in writing) of a portion of the operating right-of-way
6 of a railroad corporation as defined by Section 230 of the Public
7 Utilities Code unless a showing is made in individual cases, under
8 substantial evidence, that public policy necessitates the application
9 of the regulations to those short-term leases in individual cases.

10 ~~SEC. 28.~~

11 *SEC. 29.* Section 66412 of the Government Code, as amended
12 by Section 56 of Chapter 181 of the Statutes of 2012, is amended
13 to read:

14 66412. This division shall be inapplicable to any of the
15 following:

16 (a) The financing or leasing of apartments, offices, stores, or
17 similar space within apartment buildings, industrial buildings,
18 commercial buildings, mobilehome parks, or trailer parks.

19 (b) Mineral, oil, or gas leases.

20 (c) Land dedicated for cemetery purposes under the Health and
21 Safety Code.

22 (d) A lot line adjustment between four or fewer existing
23 adjoining parcels, where the land taken from one parcel is added
24 to an adjoining parcel, and where a greater number of parcels than
25 originally existed is not thereby created, if the lot line adjustment
26 is approved by the local agency, or advisory agency. A local agency
27 or advisory agency shall limit its review and approval to a
28 determination of whether or not the parcels resulting from the lot
29 line adjustment will conform to the local general plan, any
30 applicable specific plan, any applicable coastal plan, and zoning
31 and building ordinances. An advisory agency or local agency shall
32 not impose conditions or exactions on its approval of a lot line
33 adjustment except to conform to the local general plan, any
34 applicable specific plan, any applicable coastal plan, and zoning
35 and building ordinances, to require the prepayment of real property
36 taxes prior to the approval of the lot line adjustment, or to facilitate
37 the relocation of existing utilities, infrastructure, or easements. No
38 tentative map, parcel map, or final map shall be required as a
39 condition to the approval of a lot line adjustment. The lot line
40 adjustment shall be reflected in a deed, which shall be recorded.

1 No record of survey shall be required for a lot line adjustment
2 unless required by Section 8762 of the Business and Professions
3 Code. A local agency shall approve or disapprove a lot line
4 adjustment pursuant to the Permit Streamlining Act (Chapter 4.5
5 (commencing with Section 65920) of Division 1).

6 (e) Boundary line or exchange agreements to which the State
7 Lands Commission or a local agency holding a trust grant of tide
8 and submerged lands is a party.

9 (f) Any separate assessment under Section 2188.7 of the
10 Revenue and Taxation Code.

11 (g) The conversion of a community apartment project, as defined
12 in Section 4105 of the Civil Code, to a condominium, as defined
13 in Section 783 of the Civil Code, but only if all of the following
14 requirements are met:

15 (1) The property was subdivided before January 1, 1982, as
16 evidenced by a recorded deed creating the community apartment
17 project.

18 (2) Subject to compliance with Sections 4290 and 4295 of the
19 Civil Code, all conveyances and other documents necessary to
20 effectuate the conversion shall be executed by the required number
21 of owners in the project as specified in the bylaws or other
22 organizational documents. If the bylaws or other organizational
23 documents do not expressly specify the number of owners
24 necessary to execute the conveyances and other documents, a
25 majority of owners in the project shall be required to execute the
26 conveyances or other documents. Conveyances and other
27 documents executed under the foregoing provisions shall be
28 binding upon and affect the interests of all parties in the project.

29 (3) If subdivision, as defined in Section 66424, of the property
30 occurred after January 1, 1964, both of the following requirements
31 are met:

32 (A) A final or parcel map of that subdivision was approved by
33 the local agency and recorded, with all of the conditions of that
34 map remaining in effect after the conversion.

35 (B) No more than 49 percent of the units in the project were
36 owned by any one person as defined in Section 17, including an
37 incorporator or director of the community apartment project, on
38 January 1, 1982.

1 (4) The local agency certifies that the above requirements were
2 satisfied if the local agency, by ordinance, provides for that
3 certification.

4 (h) The conversion of a stock cooperative, as defined in Section
5 4190 or 6566 of the Civil Code, to a condominium, as defined in
6 Section 783 of the Civil Code, but only if all of the following
7 requirements are met:

8 (1) The property was subdivided before January 1, 1982, as
9 evidenced by a recorded deed creating the stock cooperative, an
10 assignment of lease, or issuance of shares to a stockholder.

11 (2) A person renting a unit in a cooperative shall be entitled at
12 the time of conversion to all tenant rights in state or local law,
13 including, but not limited to, rights respecting first refusal, notice,
14 and displacement and relocation benefits.

15 (3) Subject to compliance with Sections 4290 and 4295, or with
16 Sections 6626 and 6628, of the Civil Code, all conveyances and
17 other documents necessary to effectuate the conversion shall be
18 executed by the required number of owners in the cooperative as
19 specified in the bylaws or other organizational documents. If the
20 bylaws or other organizational documents do not expressly specify
21 the number of owners necessary to execute the conveyances and
22 other documents, a majority of owners in the cooperative shall be
23 required to execute the conveyances or other documents.
24 Conveyances and other documents executed under the foregoing
25 provisions shall be binding upon and affect the interests of all
26 parties in the cooperative.

27 (4) If subdivision, as defined in Section 66424, of the property
28 occurred after January 1, 1980, both of the following requirements
29 are met:

30 (A) A final or parcel map of that subdivision was approved by
31 the local agency and recorded, with all of the conditions of that
32 map remaining in effect after the conversion.

33 (B) No more than 49 percent of the shares in the project were
34 owned by any one person as defined in Section 17, including an
35 incorporator or director of the cooperative, on January 1, 1982.

36 (5) The local agency certifies that the above requirements were
37 satisfied if the local agency, by ordinance, provides for that
38 certification.

39 (i) The leasing of, or the granting of an easement to, a parcel of
40 land, or any portion or portions thereof, in conjunction with the

1 financing, erection, and sale or lease of a wind powered electrical
2 generation device on the land, if the project is subject to
3 discretionary action by the advisory agency or legislative body.

4 (j) The leasing or licensing of a portion of a parcel, or the
5 granting of an easement, use permit, or similar right on a portion
6 of a parcel, to a telephone corporation as defined in Section 234
7 of the Public Utilities Code, exclusively for the placement and
8 operation of cellular radio transmission facilities, including, but
9 not limited to, antennae support structures, microwave dishes,
10 structures to house cellular communications transmission
11 equipment, power sources, and other equipment incidental to the
12 transmission of cellular communications, if the project is subject
13 to discretionary action by the advisory agency or legislative body.

14 (k) Leases of agricultural land for agricultural purposes. As used
15 in this subdivision, “agricultural purposes” means the cultivation
16 of food or fiber, or the grazing or pasturing of livestock.

17 (l) The leasing of, or the granting of an easement to, a parcel of
18 land, or any portion or portions thereof, in conjunction with the
19 financing, erection, and sale or lease of a solar electrical generation
20 device on the land, if the project is subject to review under other
21 local agency ordinances regulating design and improvement or, if
22 the project is subject to other discretionary action by the advisory
23 agency or legislative body.

24 (m) The leasing of, or the granting of an easement to, a parcel
25 of land or any portion or portions of the land in conjunction with
26 a biogas project that uses, as part of its operation, agricultural waste
27 or byproducts from the land where the project is located and
28 reduces overall emissions of greenhouse gases from agricultural
29 operations on the land if the project is subject to review under
30 other local agency ordinances regulating design and improvement
31 or if the project is subject to discretionary action by the advisory
32 agency or legislative body.

33 ~~SEC. 29.~~

34 *SEC. 30.* Section 66424 of the Government Code, as amended
35 by Section 57 of Chapter 181 of the Statutes of 2012, is amended
36 to read:

37 66424. “Subdivision” means the division, by any subdivider,
38 of any unit or units of improved or unimproved land, or any portion
39 thereof, shown on the latest equalized county assessment roll as a
40 unit or as contiguous units, for the purpose of sale, lease, or

1 financing, whether immediate or future. Property shall be
2 considered as contiguous units, even if it is separated by roads,
3 streets, utility easement, or railroad rights-of-way. “Subdivision”
4 includes a condominium project, as defined in Section 4125 or
5 6542 of the Civil Code, a community apartment project, as defined
6 in Section 4105 of the Civil Code, or the conversion of five or
7 more existing dwelling units to a stock cooperative, as defined in
8 of Section 4190 or 6566 of the Civil Code.

9 ~~SEC. 30.~~

10 *SEC. 31.* Section 66427 of the Government Code, as amended
11 by Section 58 of Chapter 181 of the Statutes of 2012, is amended
12 to read:

13 66427. (a) A map of a condominium project, a community
14 apartment project, or of the conversion of five or more existing
15 dwelling units to a stock cooperative project need not show the
16 buildings or the manner in which the buildings or the airspace
17 above the property shown on the map are to be divided, nor shall
18 the governing body have the right to refuse approval of a parcel,
19 tentative, or final map of the project on account of the design or
20 the location of buildings on the property shown on the map that
21 are not violative of local ordinances or on account of the manner
22 in which airspace is to be divided in conveying the condominium.

23 (b) A map need not include a condominium plan or plans, as
24 defined in Section 4120 or 6540 of the Civil Code, and the
25 governing body may not refuse approval of a parcel, tentative, or
26 final map of the project on account of the absence of a
27 condominium plan.

28 (c) Fees and lot design requirements shall be computed and
29 imposed with respect to those maps on the basis of parcels or lots
30 of the surface of the land shown thereon as included in the project.

31 (d) Nothing herein shall be deemed to limit the power of the
32 legislative body to regulate the design or location of buildings in
33 a project by or pursuant to local ordinances.

34 (e) If the governing body has approved a parcel map or final
35 map for the establishment of condominiums on property pursuant
36 to the requirements of this division, the separation of a
37 three-dimensional portion or portions of the property from the
38 remainder of the property or the division of that three-dimensional
39 portion or portions into condominiums shall not constitute a further

1 subdivision as defined in Section 66424, provided each of the
2 following conditions has been satisfied:

3 (1) The total number of condominiums established is not
4 increased above the number authorized by the local agency in
5 approving the parcel map or final map.

6 (2) A perpetual estate or an estate for years in the remainder of
7 the property is held by the condominium owners in undivided
8 interests in common, or by an association as defined in Section
9 4100 or 6528 of the Civil Code, and the duration of the estate in
10 the remainder of the property is the same as the duration of the
11 estate in the condominiums.

12 (3) The three-dimensional portion or portions of property are
13 described on a condominium plan or plans, as defined in Section
14 4120 or 6540 of the Civil Code.

15 ~~SEC. 31.~~

16 *SEC. 32.* Section 66452.10 of the Government Code, as
17 amended by Section 59 of Chapter 181 of the Statutes of 2012, is
18 amended to read:

19 66452.10. A stock cooperative, as defined in Section 11003.2
20 of the Business and Professions Code, or a community apartment
21 project, as defined in Section 11004 of the Business and
22 Professions Code, shall not be converted to a condominium, as
23 defined in Section 783 of the Civil Code, unless the required
24 number of (1) owners and (2) trustees or beneficiaries of each
25 recorded deed of trust and mortgagees of each recorded mortgage
26 in the cooperative or project, as specified in the bylaws, or other
27 organizational documents, have voted in favor of the conversion.
28 If the bylaws or other organizational documents do not expressly
29 specify the number of votes required to approve the conversion,
30 a majority vote of the (1) owners and (2) trustees or beneficiaries
31 of each recorded deed of trust and mortgagees of each recorded
32 mortgage in the cooperative or project shall be required. Upon
33 approval of the conversion as set forth above and in compliance
34 with Sections 4290 and 4295 or Sections 6626 and 6628 of the
35 Civil Code, all conveyances and other documents necessary to
36 effectuate the conversion shall be executed by the required number
37 of owners in the cooperative or project as specified in the bylaws
38 or other organizational documents. If the bylaws or other
39 organizational documents do not expressly specify the number of
40 owners necessary to execute the conveyances or other documents,

1 a majority of owners in the cooperative or project shall be required
2 to execute the conveyances and other documents. Conveyances
3 and other documents executed under the foregoing provisions shall
4 be binding upon and affect the interests of all parties in the
5 cooperative or project. The provisions of Section 66499.31 shall
6 not apply to a violation of this section.

7 ~~SEC. 32.~~

8 *SEC. 33.* Section 66475.2 of the Government Code, as amended
9 by Section 60 of Chapter 181 of the Statutes of 2012, is amended
10 to read:

11 66475.2. (a) There may be imposed by local ordinance a
12 requirement of a dedication or an irrevocable offer of dedication
13 of land within the subdivision for local transit facilities such as
14 bus turnouts, benches, shelters, landing pads, and similar items
15 that directly benefit the residents of a subdivision. The irrevocable
16 offers may be terminated as provided in subdivisions (c) and (d)
17 of Section 66477.2.

18 (b) Only the payment of fees in lieu of the dedication of land
19 may be required in subdivisions that consist of the subdivision of
20 airspace in existing buildings into condominium projects, stock
21 cooperatives, or community apartment projects, as those terms are
22 defined in Sections 4105, 4125, and 4190 or Sections 6542 and
23 6566 of the Civil Code.

24 ~~SEC. 33.~~

25 *SEC. 34.* Section 13132.7 of the Health and Safety Code, as
26 amended by Section 63 of Chapter 181 of the Statutes of 2012, is
27 amended to read:

28 13132.7. (a) Within a very high fire hazard severity zone
29 designated by the Director of Forestry and Fire Protection pursuant
30 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
31 2 of Division 4 of the Public Resources Code and within a very
32 high hazard severity zone designated by a local agency pursuant
33 to Chapter 6.8 (commencing with Section 51175) of Part 1 of
34 Division 1 of Title 5 of the Government Code, the entire roof
35 covering of every existing structure where more than 50 percent
36 of the total roof area is replaced within any one-year period, every
37 new structure, and any roof covering applied in the alteration,
38 repair, or replacement of the roof of every existing structure, shall
39 be a fire retardant roof covering that is at least class B as defined

1 in the Uniform Building Code, as adopted and amended by the
2 State Building Standards Commission.

3 (b) In all other areas, the entire roof covering of every existing
4 structure where more than 50 percent of the total roof area is
5 replaced within any one-year period, every new structure, and any
6 roof covering applied in the alteration, repair, or replacement of
7 the roof of every existing structure, shall be a fire retardant roof
8 covering that is at least class C as defined in the Uniform Building
9 Code, as adopted and amended by the State Building Standards
10 Commission.

11 (c) Notwithstanding subdivision (b), within state responsibility
12 areas classified by the State Board of Forestry and Fire Protection
13 pursuant to Article 3 (commencing with Section 4125) of Chapter
14 1 of Part 2 of Division 4 of the Public Resources Code, except for
15 those state responsibility areas designated as moderate fire hazard
16 responsibility zones, the entire roof covering of every existing
17 structure where more than 50 percent of the total roof area is
18 replaced within any one-year period, every new structure, and any
19 roof covering applied in the alteration, repair, or replacement of
20 the roof of every existing structure, shall be a fire retardant roof
21 covering that is at least class B as defined in the Uniform Building
22 Code, as adopted and amended by the State Building Standards
23 Commission.

24 (d) (1) Notwithstanding subdivision (a), (b), or (c), within very
25 high fire hazard severity zones designated by the Director of
26 Forestry and Fire Protection pursuant to Article 9 (commencing
27 with Section 4201) of Chapter 1 of Part 2 of Division 4 of the
28 Public Resources Code or by a local agency pursuant to Chapter
29 6.8 (commencing with Section 51175) of Part 1 of Division 1 of
30 Title 5 of the Government Code, the entire roof covering of every
31 existing structure where more than 50 percent of the total roof area
32 is replaced within any one-year period, every new structure, and
33 any roof covering applied in the alteration, repair, or replacement
34 of the roof of every existing structure, shall be a fire retardant roof
35 covering that is at least class A as defined in the Uniform Building
36 Code, as adopted and amended by the State Building Standards
37 Commission.

38 (2) Paragraph (1) does not apply to any jurisdiction containing
39 a very high fire hazard severity zone if the jurisdiction fulfills both
40 of the following requirements:

1 (A) Adopts the model ordinance approved by the State Fire
2 Marshal pursuant to Section 51189 of the Government Code or an
3 ordinance that substantially conforms to the model ordinance of
4 the State Fire Marshal.

5 (B) Transmits, upon adoption, a copy of the ordinance to the
6 State Fire Marshal.

7 (e) The State Building Standards Commission shall incorporate
8 the requirements set forth in subdivisions (a), (b), and (c) by
9 publishing them as an amendment to the California Building
10 Standards Code in accordance with Chapter 4 (commencing with
11 Section 18935) of Part 2.5 of Division 13.

12 (f) Nothing in this section shall limit the authority of a city,
13 county, city and county, or fire protection district in establishing
14 more restrictive requirements, in accordance with current law, than
15 those specified in this section.

16 (g) This section shall not affect the validity of an ordinance,
17 adopted prior to the effective date for the relevant roofing standard
18 specified in subdivisions (a) and (b), by a city, county, city and
19 county, or fire protection district, unless the ordinance mandates
20 a standard that is less stringent than the standards set forth in
21 subdivision (a), in which case the ordinance shall not be valid on
22 or after the effective date for the relevant roofing standard specified
23 in subdivisions (a) and (b).

24 (h) Any qualified historical building or structure as defined in
25 Section 18955 may, on a case-by-case basis, utilize alternative
26 roof constructions as provided by the State Historical Building
27 Code.

28 (i) The installer of the roof covering shall provide certification
29 of the roof covering classification, as provided by the manufacturer
30 or supplier, to the building owner and, when requested, to the
31 agency responsible for enforcement of this part. The installer shall
32 also install the roof covering in accordance with the manufacturer's
33 listing.

34 (j) No wood roof covering materials shall be sold or applied in
35 this state unless both of the following conditions are met:

36 (1) The materials have been approved and listed by the State
37 Fire Marshal as complying with the requirements of this section.

38 (2) The materials have passed at least ~~5~~ *five* years of the 10-year
39 natural weathering test. The 10-year natural weathering test
40 required by this subdivision shall be conducted in accordance with

1 standard 15-2 of the 1994 edition of the Uniform Building Code
2 at a testing facility recognized by the State Fire Marshal.

3 (k) The Insurance Commissioner shall accept the use of fire
4 retardant wood roof covering material that complies with the
5 requirements of this section, used in the partial repair or
6 replacement of nonfire retardant wood roof covering material, as
7 complying with the requirement in Section 2695.9 of Title 10 of
8 the California Code of Regulations relative to matching
9 replacement items in quality, color, and size.

10 (l) No common interest development, as defined in Section 4100
11 or 6534 of the Civil Code, may require an owner to install or repair
12 a roof in a manner that is in violation of this section. The governing
13 documents, as defined in Section 4150 or 6552 of the Civil Code,
14 of a common interest development within a very high fire severity
15 zone shall allow for at least one type of fire retardant roof covering
16 material that meets the requirements of this section.

17 ~~SEC. 34.~~

18 *SEC. 35.* Section 19850 of the Health and Safety Code, as
19 amended by Section 64 of Chapter 181 of the Statutes of 2012, is
20 amended to read:

21 19850. The building department of every city or county shall
22 maintain an official copy, which may be on microfilm or other
23 type of photographic copy, of the plans of every building, during
24 the life of the building, for which the department issued a building
25 permit.

26 “Building department” means the department, bureau, or officer
27 charged with the enforcement of laws or ordinances regulating the
28 erection, construction, or alteration of buildings.

29 Except for plans of a common interest development as defined
30 in Section 4100 or 6534 of the Civil Code, plans need not be filed
31 for:

32 (a) Single or multiple dwellings not more than two stories and
33 basement in height.

34 (b) Garages and other structures appurtenant to buildings
35 described under subdivision (a).

36 (c) Farm or ranch buildings.

37 (d) Any one-story building where the span between bearing
38 walls does not exceed 25 feet. The exemption in this subdivision
39 does not, however, apply to a steel frame or concrete building.

1 ~~SEC. 35.~~

2 *SEC. 36.* Section 25400.22 of the Health and Safety Code, as
3 amended by Section 65 of Chapter 181 of the Statutes of 2012, is
4 amended to read:

5 25400.22. (a) No later than 10 working days after the date
6 when a local health officer determines that property is contaminated
7 pursuant to subdivision (b) of Section 25400.20, the local health
8 officer shall do all of the following:

9 (1) Except as provided in paragraph (2), if the property is real
10 property, record with the county recorder a lien on the property.
11 The lien shall specify all of the following:

12 (A) The name of the agency on whose behalf the lien is imposed.

13 (B) The date on which the property is determined to be
14 contaminated.

15 (C) The legal description of the real property and the assessor’s
16 parcel number.

17 (D) The record owner of the property.

18 (E) The amount of the lien, which shall be the greater of two
19 hundred dollars (\$200) or the costs incurred by the local health
20 officer in compliance with this chapter, including, but not limited
21 to, the cost of inspection performed pursuant to Section 25400.19
22 and the county recorder’s fee.

23 (2) (A) If the property is a mobilehome or manufactured home
24 specified in paragraph (2) of subdivision (t) of Section 25400.11,
25 amend the permanent record with a restraint on the mobilehome,
26 or manufactured home with the Department of Housing and
27 Community Development, in the form prescribed by that
28 department, providing notice of the determination that the property
29 is contaminated.

30 (B) If the property is a recreational vehicle specified in
31 paragraph (2) of subdivision (t) of Section 25400.11, perfect by
32 filing with the Department of Motor Vehicles a vehicle license
33 stop on the recreational vehicle in the form prescribed by that
34 department, providing notice of the determination that the property
35 is contaminated.

36 (C) If the property is a mobilehome or manufactured home, not
37 subject to paragraph (2) of subdivision (t) of Section 25400.11, is
38 located on real property, and is not attached to that real property,
39 the local health officer shall record a lien for the real property with
40 the county recorder, and the Department of Housing and

1 Community Development shall amend the permanent record with
2 a restraint for the mobilehome or manufactured home, in the form
3 and with the contents prescribed by that department.

4 (3) A lien, restraint, or vehicle license stop issued pursuant to
5 paragraph (2) shall specify all of the following:

6 (A) The name of the agency on whose behalf the lien, restraint,
7 or vehicle license stop is imposed.

8 (B) The date on which the property is determined to be
9 contaminated.

10 (C) The legal description of the real property and the assessor's
11 parcel number, and the mailing and street address or space number
12 of the manufactured home, mobilehome, or recreational vehicle
13 or the vehicle identification number of the recreational vehicle, if
14 applicable.

15 (D) The registered owner of the mobilehome, manufactured
16 home, or recreational vehicle, if applicable, or the name of the
17 owner of the real property as indicated in the official county
18 records.

19 (E) The amount of the lien, if applicable, which shall be the
20 greater of two hundred dollars (\$200) or the costs incurred by the
21 local health officer in compliance with this chapter, including, but
22 not limited to, the cost of inspection performed pursuant to Section
23 25400.19 and the fee charged by the Department of Housing and
24 Community Development and the Department of Motor Vehicles
25 pursuant to paragraph (2) of subdivision (b).

26 (F) Other information required by the county recorder for the
27 lien, the Department of Housing and Community Development
28 for the restraint, or the Department of Motor Vehicles for the
29 vehicle license stop.

30 (4) Issue to persons specified in subdivisions (d), (e), and (f) an
31 order prohibiting the use or occupancy of the contaminated portions
32 of the property.

33 (b) (1) The county recorder's fees for recording and indexing
34 documents provided for in this section shall be in the amount
35 specified in Article 5 (commencing with Section 27360) of Chapter
36 6 of Part 3 of Title 3 of the Government Code.

37 (2) The Department of Housing and Community Development
38 and the Department of Motor Vehicles may charge a fee to cover
39 its administrative costs for recording and indexing documents
40 provided for in paragraph (2) of subdivision (a).

1 (c) (1) A lien recorded pursuant to subdivision (a) shall have
2 the force, effect, and priority of a judgment lien. The restraint
3 amending the permanent record pursuant to subdivision (a) shall
4 be displayed on any manufactured home or mobilehome title search
5 until the restraint is released. The vehicle license stop shall remain
6 in effect until it is released.

7 (2) The local health officer shall not authorize the release of a
8 lien, restraint, or vehicle license stop made pursuant to subdivision
9 (a), until one of the following occurs:

10 (A) The property owner satisfies the real property lien, or the
11 contamination in the mobilehome, manufactured home, or
12 recreational vehicle is abated to the satisfaction of the local health
13 officer consistent with the notice in the restraint, or vehicle license
14 stop and the local health officer issues a release pursuant to Section
15 25400.27.

16 (B) For a manufactured home or mobilehome, the local health
17 officer determines that the unit will be destroyed or permanently
18 salvaged. For the purposes of this paragraph, the unit shall not be
19 reregistered after this determination is made unless the local health
20 officer issues a release pursuant to Section 25400.27.

21 (C) The lien, restraint, or vehicle license stop is extinguished
22 by a senior lien in a foreclosure sale.

23 (d) Except as otherwise specified in this section, an order issued
24 pursuant to this section shall be served, either personally or by
25 certified mail, return receipt requested, in the following manner:

26 (1) For real property, to all known occupants of the property
27 and to all persons who have an interest in the property, as contained
28 in the records of the recorder's office of the county in which the
29 property is located.

30 (2) In the case of a mobilehome or manufactured home, the
31 order shall be served to the legal owner, as defined in Section
32 18005.8, each junior lienholder, as defined in Section 18005.3,
33 and the registered owner, as defined in Section 18009.5.

34 (3) In the case of a recreational vehicle, the order shall be served
35 on the legal owner, as defined in Section 370 of the Vehicle Code,
36 and the registered owner, as defined in Section 505 of the Vehicle
37 Code.

38 (e) If the whereabouts of the person described in subdivision
39 (d) are unknown and cannot be ascertained by the local health
40 officer, in the exercise of reasonable diligence, and the local health

1 officer makes an affidavit to that effect, the local health officer
2 shall serve the order by personal service or by mailing a copy of
3 the order by certified mail, postage prepaid, return receipt
4 requested, as follows:

5 (1) The order related to real property shall be served to each
6 person at the address appearing on the last equalized tax assessment
7 roll of the county where the property is located, and to all occupants
8 of the affected unit.

9 (2) In the case of a mobilehome or manufactured home, the
10 order shall be served to the legal owner, as defined in Section
11 18005.8, each junior lienholder, as defined in Section 18005.3,
12 and the registered owner, as defined in Section 18009.5, at the
13 address appearing on the permanent record and all occupants of
14 the affected unit at the mobilehome park space.

15 (3) In the case of a recreational vehicle, the order shall be served
16 on the legal owner, as defined in Section 370 of the Vehicle Code,
17 and the registered owner, as defined in Section 505 of the Vehicle
18 Code, at the address appearing on the permanent record and all
19 occupants of the affected vehicle at the mobilehome park or special
20 occupancy park space.

21 (f) (1) The local health officer shall also mail a copy of the
22 order required by this section to the address of each person or party
23 having a recorded right, title, estate, lien, or interest in the property
24 and to the association of a common interest development, as
25 defined in Sections 4080 and 4100 or Sections 6528 and 6534 of
26 the Civil Code.

27 (2) In addition to the requirements of paragraph (1), if the
28 affected property is a mobilehome, manufactured home, or
29 recreational vehicle, specified in paragraph (2) of subdivision (t)
30 of Section 25400.11, the order issued by the local health officer
31 shall also be served, either personally or by certified mail, return
32 receipt requested, to the owner of the mobilehome park or special
33 occupancy park.

34 (g) The order issued pursuant to this section shall include all of
35 the following information:

36 (1) A description of the property.

37 (2) The parcel identification number, address, or space number,
38 if applicable.

39 (3) The vehicle identification number, if applicable.

1 (4) A description of the local health officer’s intended course
2 of action.

3 (5) A specification of the penalties for noncompliance with the
4 order.

5 (6) A prohibition on the use of all or portions of the property
6 that are contaminated.

7 (7) A description of the measures the property owner is required
8 to take to decontaminate the property.

9 (8) An indication of the potential health hazards involved.

10 (9) A statement that a property owner who fails to provide a
11 notice or disclosure that is required by this chapter is subject to a
12 civil penalty of up to five thousand dollars (\$5,000).

13 (h) The local health officer shall provide a copy of the order to
14 the local building or code enforcement agency or other appropriate
15 agency responsible for the enforcement of the State Housing Law
16 (Part 1.5 (commencing with Section 17910) of Division 13).

17 (i) The local health officer shall post the order in a conspicuous
18 place on the property within one working day of the date that the
19 order is issued.

20 ~~SEC. 36.~~

21 *SEC. 37.* Section 25915.2 of the Health and Safety Code, as
22 amended by Section 66 of Chapter 181 of the Statutes of 2012, is
23 amended to read:

24 25915.2. (a) Notice provided pursuant to this chapter shall be
25 provided in writing to each individual employee, and shall be
26 mailed to other owners designated to receive the notice pursuant
27 to subdivision (a) of Section 25915.5, within 15 days of the first
28 receipt by the owner of information identifying the presence or
29 location of asbestos-containing construction materials in the
30 building. This notice shall be provided annually thereafter. In
31 addition, if new information regarding those items specified in
32 paragraphs (1) to (5), inclusive, of subdivision (a) of Section 25915
33 has been obtained within 90 days after the notice required by this
34 subdivision is provided or any subsequent 90-day period, then a
35 supplemental notice shall be provided within 15 days of the close
36 of that 90-day period.

37 (b) Notice provided pursuant to this chapter shall be provided
38 to new employees within 15 days of commencement of work in
39 the building.

1 (c) Notice provided pursuant to this chapter shall be mailed to
2 any new owner designated to receive the notice pursuant to
3 subdivision (a) of Section 25915.5 within 15 days of the effective
4 date of the agreement under which a person becomes a new owner.

5 (d) Subdivisions (a) and (c) shall not be construed to require
6 owners of a building or part of a building within a residential
7 common interest development to mail written notification to other
8 owners of a building or part of a building within the residential
9 common interest development, if all the following conditions are
10 met:

11 (1) The association conspicuously posts, in each building or
12 part of a building known to contain asbestos-containing materials,
13 a large sign in a prominent location that fully informs persons
14 entering each building or part of a building within the common
15 interest development that the association knows the building
16 contains asbestos-containing materials.

17 The sign shall also inform persons of the location where further
18 information, as required by this chapter, is available about the
19 asbestos-containing materials known to be located in the building.

20 (2) The owners or association disclose, as soon as practicable
21 before the transfer of title of a separate interest in the common
22 interest development, to a transferee the existence of
23 asbestos-containing material in a building or part of a building
24 within the common interest development.

25 Failure to comply with this section shall not invalidate the
26 transfer of title of real property. This paragraph shall only apply
27 to transfers of title of separate interests in the common interest
28 development of which the owners have knowledge. As used in
29 this section, “association” and “common interest development”
30 are defined in Sections 4080 and 4100 or Sections 6528 and 6534
31 of the Civil Code.

32 (e) If a person contracting with an owner receives notice
33 pursuant to this chapter, that contractor shall provide a copy of the
34 notice to his or her employees or contractors working within the
35 building.

36 (f) If the asbestos-containing construction material in the
37 building is limited to an area or areas within the building that meet
38 all the following criteria:

39 (1) Are unique and physically defined.

1 (2) Contain asbestos-containing construction materials in
2 structural, mechanical, or building materials which are not
3 replicated throughout the building.

4 (3) Are not connected to other areas through a common
5 ventilation system; then, an owner required to give notice to his
6 or her employees pursuant to subdivision (a) of Section 25915 or
7 25915.1 may provide that notice only to the employees working
8 within or entering that area or those areas of the building meeting
9 the conditions above.

10 (g) If the asbestos-containing construction material in the
11 building is limited to an area or areas within the building that meet
12 all the following criteria:

13 (1) Are accessed only by building maintenance employees or
14 contractors and are not accessed by tenants or employees in the
15 building, other than on an incidental basis.

16 (2) Contain asbestos-containing construction materials in
17 structural, mechanical, or building materials which are not
18 replicated in areas of the building which are accessed by tenants
19 and employees.

20 (3) The owner knows that no asbestos fibers are being released
21 or have the reasonable possibility to be released from the material;
22 then, as to that asbestos-containing construction material, an owner
23 required to give notice to his or her employees pursuant to
24 subdivision (a) of Section 25915 or Section 25915.1 may provide
25 that notice only to its building maintenance employees and
26 contractors who have access to that area or those areas of the
27 building meeting the conditions above.

28 (h) In those areas of a building where the asbestos-containing
29 construction material is composed only of asbestos fibers which
30 are completely encapsulated, if the owner knows that no asbestos
31 fibers are being released or have the reasonable possibility to be
32 released from that material in its present condition and has no
33 knowledge that other asbestos-containing material is present, then
34 an owner required to give notice pursuant to subdivision (a) of
35 Section 25915 shall provide the information required in paragraph
36 (2) of subdivision (a) of Section 25915 and may substitute the
37 following notice for the requirements of paragraphs (1), (3), (4),
38 and (5) of subdivision (a) of Section 25915:

39 (1) The existence of, conclusions from, and a description or list
40 of the contents of, that portion of any survey conducted to

1 determine the existence and location of asbestos-containing
2 construction materials within the building that refers to the
3 asbestos-containing materials described in this subdivision, and
4 information describing when and where the results of the survey
5 are available pursuant to Section 25917.

6 (2) Information to convey that moving, drilling, boring, or
7 otherwise disturbing the asbestos-containing construction material
8 identified may present a health risk and, consequently, should not
9 be attempted by an unqualified employee. The notice shall identify
10 the appropriate person the employee is required to contact if the
11 condition of the asbestos-containing construction material
12 deteriorates.

13 ~~SEC. 37.~~

14 *SEC. 38.* Section 33050 of the Health and Safety Code, as
15 amended by Section 68 of Chapter 181 of the Statutes of 2012, is
16 amended to read:

17 33050. (a) It is hereby declared to be the policy of the state
18 that in undertaking community redevelopment projects under this
19 part there shall be no discrimination because of any basis listed in
20 subdivision (a) or (d) of Section 12955 of the Government Code,
21 as those bases are defined in Sections 12926, 12926.1, subdivision
22 (m) and paragraph (1) of subdivision (p) of Section 12955, and
23 Section 12955.2 of the Government Code.

24 (b) Notwithstanding subdivision (a), with respect to familial
25 status, subdivision (a) shall not be construed to apply to housing
26 for older persons, as defined in Section 12955.9 of the Government
27 Code. With respect to familial status, nothing in subdivision (a)
28 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
29 and 799.5 of the Civil Code, relating to housing for senior citizens.
30 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
31 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
32 of the Government Code shall apply to subdivision (a).

33 ~~SEC. 38.~~

34 *SEC. 39.* Section 33435 of the Health and Safety Code, as
35 amended by Section 69 of Chapter 181 of the Statutes of 2012, is
36 amended to read:

37 33435. (a) Agencies shall obligate lessees and purchasers of
38 real property acquired in redevelopment projects and owners of
39 property improved as a part of a redevelopment project to refrain
40 from restricting the rental, sale, or lease of the property on any

1 basis listed in subdivision (a) or (d) of Section 12955 of the
2 Government Code, as those bases are defined in Sections 12926,
3 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
4 Section 12955, and Section 12955.2 of the Government Code. All
5 deeds, leases, or contracts for the sale, lease, sublease, or other
6 transfer of any land in a redevelopment project shall contain or be
7 subject to the nondiscrimination or nonsegregation clauses hereafter
8 prescribed.

9 (b) Notwithstanding subdivision (a), with respect to familial
10 status, subdivision (a) shall not be construed to apply to housing
11 for older persons, as defined in Section 12955.9 of the Government
12 Code. With respect to familial status, nothing in subdivision (a)
13 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
14 and 799.5 of the Civil Code, relating to housing for senior citizens.
15 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
16 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
17 of the Government Code shall apply to subdivision (a).

18 ~~SEC. 39.~~

19 *SEC. 40.* Section 33436 of the Health and Safety Code, as
20 amended by Section 70 of Chapter 181 of the Statutes of 2012, is
21 amended to read:

22 33436. Express provisions shall be included in all deeds, leases,
23 and contracts that the agency proposes to enter into with respect
24 to the sale, lease, sublease, transfer, use, occupancy, tenure, or
25 enjoyment of any land in a redevelopment project in substantially
26 the following form:

27 (a) (1) In deeds the following language shall appear—“The
28 grantee herein covenants by and for himself or herself, his or her
29 heirs, executors, administrators, and assigns, and all persons
30 claiming under or through them, that there shall be no
31 discrimination against or segregation of, any person or group of
32 persons on account of any basis listed in subdivision (a) or (d) of
33 Section 12955 of the Government Code, as those bases are defined
34 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
35 subdivision (p) of Section 12955, and Section 12955.2 of the
36 Government Code, in the sale, lease, sublease, transfer, use,
37 occupancy, tenure, or enjoyment of the premises herein conveyed,
38 nor shall the grantee or any person claiming under or through him
39 or her, establish or permit any practice or practices of
40 discrimination or segregation with reference to the selection,

1 location, number, use, or occupancy of tenants, lessees, subtenants,
2 sublessees, or vendees in the premises herein conveyed. The
3 foregoing covenants shall run with the land.”

4 (2) Notwithstanding paragraph (1), with respect to familial
5 status, paragraph (1) shall not be construed to apply to housing for
6 older persons, as defined in Section 12955.9 of the Government
7 Code. With respect to familial status, nothing in paragraph (1)
8 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
9 and 799.5 of the Civil Code, relating to housing for senior citizens.
10 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
11 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
12 of the Government Code shall apply to paragraph (1).

13 (b) (1) In leases the following language shall appear—“The
14 lessee herein covenants by and for himself or herself, his or her
15 heirs, executors, administrators, and assigns, and all persons
16 claiming under or through him or her, and this lease is made and
17 accepted upon and subject to the following conditions:

18 That there shall be no discrimination against or segregation of
19 any person or group of persons, on account of any basis listed in
20 subdivision (a) or (d) of Section 12955 of the Government Code,
21 as those bases are defined in Sections 12926, 12926.1, subdivision
22 (m) and paragraph (1) of subdivision (p) of Section 12955, and
23 Section 12955.2 of the Government Code, in the leasing,
24 subleasing, transferring, use, occupancy, tenure, or enjoyment of
25 the premises herein leased nor shall the lessee himself or herself,
26 or any person claiming under or through him or her, establish or
27 permit any such practice or practices of discrimination or
28 segregation with reference to the selection, location, number, use,
29 or occupancy, of tenants, lessees, sublessees, subtenants, or vendees
30 in the premises herein leased.”

31 (2) Notwithstanding paragraph (1), with respect to familial
32 status, paragraph (1) shall not be construed to apply to housing for
33 older persons, as defined in Section 12955.9 of the Government
34 Code. With respect to familial status, nothing in paragraph (1)
35 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
36 and 799.5 of the Civil Code, relating to housing for senior citizens.
37 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
38 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
39 of the Government Code shall apply to paragraph (1).

1 (c) In contracts entered into by the agency relating to the sale,
2 transfer, or leasing of land or any interest therein acquired by the
3 agency within any survey area or redevelopment project the
4 foregoing provisions in substantially the forms set forth shall be
5 included and the contracts shall further provide that the foregoing
6 provisions shall be binding upon and shall obligate the contracting
7 party or parties and any subcontracting party or parties, or other
8 transferees under the instrument.

9 ~~SEC. 40.~~

10 *SEC. 41.* Section 35811 of the Health and Safety Code, as
11 amended by Section 72 of Chapter 181 of the Statutes of 2012, is
12 amended to read:

13 35811. (a) No financial institution shall discriminate in the
14 availability of, or in the provision of, financial assistance for the
15 purpose of purchasing, constructing, rehabilitating, improving, or
16 refinancing housing accommodations due, in whole or in part, to
17 the consideration of any basis listed in subdivision (a) or (d) of
18 Section 12955 of the Government Code, as those bases are defined
19 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
20 subdivision (p) of Section 12955, and Section 12955.2 of the
21 Government Code.

22 (b) Notwithstanding subdivision (a), with respect to familial
23 status, subdivision (a) shall not be construed to apply to housing
24 for older persons, as defined in Section 12955.9 of the Government
25 Code. With respect to familial status, nothing in subdivision (a)
26 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
27 and 799.5 of the Civil Code, relating to housing for senior citizens.
28 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
29 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
30 of the Government Code shall apply to subdivision (a).

31 ~~SEC. 41.~~

32 *SEC. 42.* Section 37630 of the Health and Safety Code, as
33 amended by Section 73 of Chapter 181 of the Statutes of 2012, is
34 amended to read:

35 37630. (a) The local agency shall require that any property
36 that is rehabilitated with financing obtained under this part shall
37 be open, upon sale or rental of any portion thereof, to all regardless
38 of any basis listed in subdivision (a) or (d) of Section 12955 of the
39 Government Code, as those bases are defined in Sections 12926,
40 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of

1 Section 12955, and Section 12955.2 of the Government Code. The
2 local agency shall also require that contractors and subcontractors
3 engaged in historical rehabilitation financed under this part provide
4 equal opportunity for employment, without discrimination as to
5 any basis listed in subdivision (a) of Section 12940 of the
6 Government Code, as those bases are defined in Sections 12926
7 and 12926.1 of the Government Code, and except as otherwise
8 provided in Section 12940 of the Government Code. All contracts
9 and subcontracts for historical rehabilitation financed under this
10 part shall be let without discrimination as to any basis listed in
11 subdivision (a) of Section 12940 of the Government Code, as those
12 bases are defined in Sections 12926 and 12926.1 of the
13 Government Code, and except as otherwise provided in Section
14 12940 of the Government Code.

15 (b) Notwithstanding subdivision (a), with respect to familial
16 status, subdivision (a) shall not be construed to apply to housing
17 for older persons, as defined in Section 12955.9 of the Government
18 Code. With respect to familial status, nothing in subdivision (a)
19 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
20 and 799.5 of the Civil Code, relating to housing for senior citizens.
21 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
22 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
23 of the Government Code shall apply to subdivision (a).

24 ~~SEC. 42.~~

25 *SEC. 43.* Section 50955 of the Health and Safety Code, as
26 amended by Section 75 of Chapter 181 of the Statutes of 2012, is
27 amended to read:

28 50955. (a) The agency and every housing sponsor shall require
29 that occupancy of housing developments assisted under this part
30 shall be open to all regardless of any basis listed in subdivision (a)
31 or (d) of Section 12955 of the Government Code, as those bases
32 are defined in Sections 12926, 12926.1, subdivision (m) and
33 paragraph (1) of subdivision (p) of Section 12955, and Section
34 12955.2 of the Government Code, that contractors and
35 subcontractors engaged in the construction of housing
36 developments shall provide an equal opportunity for employment,
37 without discrimination as to any basis listed in subdivision (a) of
38 Section 12940 of the Government Code, as those bases are defined
39 in Sections 12926 and 12926.1 of the Government Code, and
40 except as otherwise provided in Section 12940 of the Government

1 Code, and that contractors and subcontractors shall submit and
2 receive approval of an affirmative action program prior to the
3 commencement of construction or rehabilitation. Affirmative action
4 requirements respecting apprenticeship shall be consistent with
5 Chapter 4 (commencing with Section 3070) of Division 3 of the
6 Labor Code.

7 All contracts for the management, construction, or rehabilitation
8 of housing developments, and contracts let by housing sponsors,
9 contractors, and subcontractors in the performance of management,
10 construction, or rehabilitation, shall be let without discrimination
11 as to any basis listed in subdivision (a) of Section 12940 of the
12 Government Code, as those bases are defined in Sections 12926
13 and 12926.1 of the Government Code, except as otherwise provided
14 in Section 12940 of the Government Code, and pursuant to an
15 affirmative action program, which shall be at not less than the
16 Federal Housing Administration affirmative action standards unless
17 the board makes a specific finding that the particular requirement
18 would be unworkable. The agency shall periodically review
19 implementation of affirmative action programs required by this
20 section.

21 It shall be the policy of the agency and housing sponsors to
22 encourage participation with respect to all projects by minority
23 developers, builders, and entrepreneurs in all levels of construction,
24 planning, financing, and management of housing developments.
25 In areas of minority concentration the agency shall require
26 significant participation of minorities in the sponsorship,
27 construction, planning, financing, and management of housing
28 developments. The agency shall (1) require that, to the greatest
29 extent feasible, opportunities for training and employment arising
30 in connection with the planning, construction, rehabilitation, and
31 operation of housing developments financed pursuant to this part
32 be given to persons of low income residing in the area of that
33 housing, and (2) determine and implement means to secure the
34 participation of small businesses in the performance of contracts
35 for work on housing developments and to develop the capabilities
36 of these small businesses to more efficiently and competently
37 participate in the economic mainstream. In order to achieve this
38 participation by small businesses, the agency may, among other
39 things, waive retention requirements otherwise imposed on
40 contractors or subcontractors by regulation of the agency and may

1 authorize or make advance payments for work to be performed.
2 The agency shall develop relevant selection criteria for the
3 participation of small businesses to ensure that, to the greatest
4 extent feasible, the participants possess the necessary nonfinancial
5 capabilities. The agency may, with respect to these small
6 businesses, waive bond requirements otherwise imposed upon
7 contractors or subcontractors by regulation of the agency, but the
8 agency shall in that case substantially reduce the risk through (1)
9 a pooled-risk bonding program, (2) a bond program in cooperation
10 with other federal or state agencies, or (3) development of a
11 self-insured bonding program with adequate reserves.

12 The agency shall adopt rules and regulations to implement this
13 section.

14 Prior to commitment of a mortgage loan, the agency shall require
15 each housing sponsor, except with respect to mutual self-help
16 housing, to submit an affirmative marketing program that meets
17 standards set forth in regulations of the agency. The agency shall
18 require each housing sponsor to conduct the affirmative marketing
19 program so approved. Additionally, the agency shall supplement
20 the efforts of individual housing sponsors by conducting affirmative
21 marketing programs with respect to housing at the state level.

22 (b) Notwithstanding subdivision (a), with respect to familial
23 status, subdivision (a) shall not be construed to apply to housing
24 for older persons, as defined in Section 12955.9 of the Government
25 Code. With respect to familial status, nothing in subdivision (a)
26 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
27 and 799.5 of the Civil Code, relating to housing for senior citizens.
28 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
29 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
30 of the Government Code shall apply to subdivision (a).

31 ~~SEC. 43.~~

32 *SEC. 44.* Section 51602 of the Health and Safety Code, as
33 amended by Section 76 of Chapter 181 of the Statutes of 2012, is
34 amended to read:

35 51602. (a) The agency shall require that occupancy of housing
36 for which a loan is insured pursuant to this part shall be open to
37 all regardless of any basis listed in subdivision (a) or (d) of Section
38 12955 of the Government Code, as those bases are defined in
39 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
40 subdivision (p) of Section 12955, and Section 12955.2 of the

1 Government Code, and that contractors and subcontractors engaged
2 in the construction or rehabilitation of housing funded by a loan
3 insured pursuant to this part shall provide an equal opportunity for
4 employment without discrimination as to any basis listed in
5 subdivision (a) of Section 12940 of the Government Code, as those
6 bases are defined in Sections 12926 and 12926.1 of the
7 Government Code, and except as otherwise provided in Section
8 12940 of the Government Code.

9 (b) Notwithstanding subdivision (a), with respect to familial
10 status, subdivision (a) shall not be construed to apply to housing
11 for older persons, as defined in Section 12955.9 of the Government
12 Code. With respect to familial status, nothing in subdivision (a)
13 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
14 and 799.5 of the Civil Code, relating to housing for senior citizens.
15 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
16 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
17 of the Government Code shall apply to subdivision (a).

18 (c) A qualified developer shall certify compliance with this
19 section and Section 50955 according to requirements specified by
20 the pertinent criteria of the agency.

21 ~~SEC. 44.~~

22 *SEC. 45.* Section 116048 of the Health and Safety Code, as
23 amended by Section 77 of Chapter 181 of the Statutes of 2012, is
24 amended to read:

25 116048. (a) On or after January 1, 1987, for public swimming
26 pools in any common interest development, as defined in Section
27 4100 or 6534 of the Civil Code, that consists of fewer than 25
28 separate interests, as defined in Section 4185 or 6564 of the Civil
29 Code, the person operating each pool open for use shall be required
30 to keep a record of the information required by subdivision (a) of
31 Section 65523 of Title 22 of the California Administrative Code,
32 except that the information shall be recorded at least two times per
33 week and at intervals no greater than four days apart.

34 (b) On or after January 1, 1987, any rule or regulation of the
35 department that is in conflict with subdivision (a) is invalid.

36 ~~SEC. 45.~~

37 *SEC. 46.* Section 790.031 of the Insurance Code, as amended
38 by Section 78 of Chapter 181 of the Statutes of 2012, is amended
39 to read:

1 790.031. The requirements of subdivision (b) of Section
2 790.034, and Sections 2071.1 and 10082.3 shall apply only to
3 policies of residential property insurance as defined in Section
4 10087, policies and endorsements containing those coverages
5 prescribed in Chapter 8.5 (commencing with Section 10081) of
6 Part 1 of Division 2, policies issued by the California Earthquake
7 Authority pursuant to Chapter 8.6 (commencing with Section
8 10089.5) of Part 1 of Division 2, policies and endorsements that
9 insure against property damage and are issued to common interest
10 developments or to associations managing common interest
11 developments, as those terms are defined in Sections 4080 and
12 4100 or Sections 6528 and 6534 of the Civil Code, and to policies
13 issued pursuant to Section 120 that insure against property damage
14 to residential units or contents thereof owned by one or more
15 persons located in this state.

16 ~~SEC. 46.~~

17 *SEC. 47.* Section 2188.6 of the Revenue and Taxation Code,
18 as amended by Section 79 of Chapter 181 of the Statutes of 2012,
19 is amended to read:

20 2188.6. (a) Unless a request for exemption has been recorded
21 pursuant to subdivision (d), prior to the creation of a condominium
22 as defined in Section 783 of the Civil Code, the county assessor
23 may separately assess each individual unit which is shown on the
24 condominium plan of a proposed condominium project when all
25 of the following documents have been recorded as required by
26 law:

27 (1) A subdivision final map or parcel map, as described in
28 Sections 66434 and 66445, respectively, of the Government Code.

29 (2) A condominium plan, as defined in Section 4120 or 6540
30 of the Civil Code.

31 (3) A declaration, as defined *in* Section 4135 or 6546 of the
32 Civil Code.

33 (b) The tax due on each individual unit shall constitute a lien
34 solely on that unit.

35 (c) The lien created pursuant to this section shall be a lien on
36 an undivided interest in a portion of real property coupled with a
37 separate interest in space called a unit as described in Section 4125
38 or 6542 of the Civil Code.

39 (d) The record owner of the real property may record with the
40 condominium plan a request that the real property be exempt from

1 separate assessment pursuant to this section. If a request for
2 exemption is recorded, separate assessment of a condominium unit
3 shall be made only in accordance with Section 2188.3.

4 (e) This section shall become operative on January 1, 1990, and
5 shall apply to condominium projects for which a condominium
6 plan is recorded after that date.

7 ~~SEC. 47.~~

8 *SEC. 48.* Section 21107.7 of the Vehicle Code, as amended by
9 Section 80 of Chapter 181 of the Statutes of 2012, is amended to
10 read:

11 21107.7. (a) Any city or county may, by ordinance or
12 resolution, find and declare that there are privately owned and
13 maintained roads as described in the ordinance or resolution within
14 the city or county that are not generally held open for use of the
15 public for purposes of vehicular travel but, by reason of their
16 proximity to or connection with highways, the interests of any
17 residents residing along the roads and the motoring public will
18 best be served by application of the provisions of this code to those
19 roads. No ordinance or resolution shall be enacted unless there is
20 first filed with the city or county a petition requesting it by a
21 majority of the owners of any privately owned and maintained
22 road, or by at least a majority of the board of directors of a common
23 interest development, as defined by Section 4100 or 6534 of the
24 Civil Code, that is responsible for maintaining the road, and without
25 a public hearing thereon and 10 days' prior written notice to all
26 owners of the road or all of the owners in the development. Upon
27 enactment of the ordinance or resolution, the provisions of this
28 code shall apply to the privately owned and maintained road if
29 appropriate signs are erected at the entrance to the road of the size,
30 shape, and color as to be readily legible during daylight hours from
31 a distance of 100 feet, to the effect that the road is subject to the
32 provisions of this code. The city or county may impose reasonable
33 conditions and may authorize the owners, or board of directors of
34 the common interest development, to erect traffic signs, signals,
35 markings, and devices which conform to the uniform standards
36 and specifications adopted by the Department of Transportation.

37 (b) The department shall not be required to provide patrol or
38 enforce any provisions of this code on any privately owned and
39 maintained road subjected to the provisions of this code under this

1 section, except those provisions applicable to private property
2 other than by action under this section.

3 (c) As used in this section, “privately owned and maintained
4 roads” includes roads owned and maintained by a city, county, or
5 district that are not dedicated to use by the public or are not
6 generally held open for use of the public for purposes of vehicular
7 travel.

8 ~~SEC. 48:~~

9 *SEC. 49.* Section 22651 of the Vehicle Code is amended to
10 read:

11 22651. A peace officer, as defined in Chapter 4.5 (commencing
12 with Section 830) of Title 3 of Part 2 of the Penal Code, or a
13 regularly employed and salaried employee, who is engaged in
14 directing traffic or enforcing parking laws and regulations, of a
15 city, county, or jurisdiction of a state agency in which a vehicle is
16 located, may remove a vehicle located within the territorial limits
17 in which the officer or employee may act, under the following
18 circumstances:

19 (a) When a vehicle is left unattended upon a bridge, viaduct, or
20 causeway or in a tube or tunnel where the vehicle constitutes an
21 obstruction to traffic.

22 (b) When a vehicle is parked or left standing upon a highway
23 in a position so as to obstruct the normal movement of traffic or
24 in a condition so as to create a hazard to other traffic upon the
25 highway.

26 (c) When a vehicle is found upon a highway or public land and
27 a report has previously been made that the vehicle is stolen or a
28 complaint has been filed and a warrant thereon is issued charging
29 that the vehicle was embezzled.

30 (d) When a vehicle is illegally parked so as to block the entrance
31 to a private driveway and it is impractical to move the vehicle from
32 in front of the driveway to another point on the highway.

33 (e) When a vehicle is illegally parked so as to prevent access
34 by firefighting equipment to a fire hydrant and it is impracticable
35 to move the vehicle from in front of the fire hydrant to another
36 point on the highway.

37 (f) When a vehicle, except highway maintenance or construction
38 equipment, is stopped, parked, or left standing for more than four
39 hours upon the right-of-way of a freeway that has full control of

1 access and no crossings at grade and the driver, if present, cannot
2 move the vehicle under its own power.

3 (g) When the person in charge of a vehicle upon a highway or
4 public land is, by reason of physical injuries or illness,
5 incapacitated to an extent so as to be unable to provide for its
6 custody or removal.

7 (h) (1) When an officer arrests a person driving or in control
8 of a vehicle for an alleged offense and the officer is, by this code
9 or other law, required or permitted to take, and does take, the
10 person into custody.

11 (2) When an officer serves a notice of an order of suspension
12 or revocation pursuant to Section 13388 or 13389.

13 (i) (1) When a vehicle, other than a rented vehicle, is found
14 upon a highway or public land, or is removed pursuant to this code,
15 and it is known that the vehicle has been issued five or more notices
16 of parking violations to which the owner or person in control of
17 the vehicle has not responded within 21 calendar days of notice
18 of citation issuance or citation issuance or 14 calendar days of the
19 mailing of a notice of delinquent parking violation to the agency
20 responsible for processing notices of parking violations, or the
21 registered owner of the vehicle is known to have been issued five
22 or more notices for failure to pay or failure to appear in court for
23 traffic violations for which a certificate has not been issued by the
24 magistrate or clerk of the court hearing the case showing that the
25 case has been adjudicated or concerning which the registered
26 owner's record has not been cleared pursuant to Chapter 6
27 (commencing with Section 41500) of Division 17, the vehicle may
28 be impounded until that person furnishes to the impounding law
29 enforcement agency all of the following:

30 (A) Evidence of his or her identity.

31 (B) An address within this state at which he or she can be
32 located.

33 (C) Satisfactory evidence that all parking penalties due for the
34 vehicle and all other vehicles registered to the registered owner of
35 the impounded vehicle, and all traffic violations of the registered
36 owner, have been cleared.

37 (2) The requirements in subparagraph (C) of paragraph (1) shall
38 be fully enforced by the impounding law enforcement agency on
39 and after the time that the Department of Motor Vehicles is able
40 to provide access to the necessary records.

1 (3) A notice of parking violation issued for an unlawfully parked
2 vehicle shall be accompanied by a warning that repeated violations
3 may result in the impounding of the vehicle. In lieu of furnishing
4 satisfactory evidence that the full amount of parking penalties or
5 bail has been deposited, that person may demand to be taken
6 without unnecessary delay before a magistrate, for traffic offenses,
7 or a hearing examiner, for parking offenses, within the county in
8 which the offenses charged are alleged to have been committed
9 and who has jurisdiction of the offenses and is nearest or most
10 accessible with reference to the place where the vehicle is
11 impounded. Evidence of current registration shall be produced
12 after a vehicle has been impounded, or, at the discretion of the
13 impounding law enforcement agency, a notice to appear for
14 violation of subdivision (a) of Section 4000 shall be issued to that
15 person.

16 (4) A vehicle shall be released to the legal owner, as defined in
17 Section 370, if the legal owner does all of the following:

18 (A) Pays the cost of towing and storing the vehicle.

19 (B) Submits evidence of payment of fees as provided in Section
20 9561.

21 (C) Completes an affidavit in a form acceptable to the
22 impounding law enforcement agency stating that the vehicle was
23 not in possession of the legal owner at the time of occurrence of
24 the offenses relating to standing or parking. A vehicle released to
25 a legal owner under this subdivision is a repossessed vehicle for
26 purposes of disposition or sale. The impounding agency shall have
27 a lien on any surplus that remains upon sale of the vehicle to which
28 the registered owner is or may be entitled, as security for the full
29 amount of the parking penalties for all notices of parking violations
30 issued for the vehicle and for all local administrative charges
31 imposed pursuant to Section 22850.5. The legal owner shall
32 promptly remit to, and deposit with, the agency responsible for
33 processing notices of parking violations from that surplus, on
34 receipt of that surplus, the full amount of the parking penalties for
35 all notices of parking violations issued for the vehicle and for all
36 local administrative charges imposed pursuant to Section 22850.5.

37 (5) The impounding agency that has a lien on the surplus that
38 remains upon the sale of a vehicle to which a registered owner is
39 entitled pursuant to paragraph (4) has a deficiency claim against
40 the registered owner for the full amount of the parking penalties

1 for all notices of parking violations issued for the vehicle and for
2 all local administrative charges imposed pursuant to Section
3 22850.5, less the amount received from the sale of the vehicle.

4 (j) When a vehicle is found illegally parked and there are no
5 license plates or other evidence of registration displayed, the
6 vehicle may be impounded until the owner or person in control of
7 the vehicle furnishes the impounding law enforcement agency
8 evidence of his or her identity and an address within this state at
9 which he or she can be located.

10 (k) When a vehicle is parked or left standing upon a highway
11 for 72 or more consecutive hours in violation of a local ordinance
12 authorizing removal.

13 (l) When a vehicle is illegally parked on a highway in violation
14 of a local ordinance forbidding standing or parking and the use of
15 a highway, or a portion thereof, is necessary for the cleaning,
16 repair, or construction of the highway, or for the installation of
17 underground utilities, and signs giving notice that the vehicle may
18 be removed are erected or placed at least 24 hours prior to the
19 removal by a local authority pursuant to the ordinance.

20 (m) When the use of the highway, or a portion of the highway,
21 is authorized by a local authority for a purpose other than the
22 normal flow of traffic or for the movement of equipment, articles,
23 or structures of unusual size, and the parking of a vehicle would
24 prohibit or interfere with that use or movement, and signs giving
25 notice that the vehicle may be removed are erected or placed at
26 least 24 hours prior to the removal by a local authority pursuant
27 to the ordinance.

28 (n) Whenever a vehicle is parked or left standing where local
29 authorities, by resolution or ordinance, have prohibited parking
30 and have authorized the removal of vehicles. Except as provided
31 in subdivisions (v) and (w), a vehicle shall not be removed unless
32 signs are posted giving notice of the removal.

33 (o) (1) When a vehicle is found or operated upon a highway,
34 public land, or an offstreet parking facility under the following
35 circumstances:

36 (A) With a registration expiration date in excess of six months
37 before the date it is found or operated on the highway, public lands,
38 or the offstreet parking facility.

39 (B) Displaying in, or upon, the vehicle, a registration card,
40 identification card, temporary receipt, license plate, special plate,

1 registration sticker, device issued pursuant to Section 4853, or
2 permit that was not issued for that vehicle, or is not otherwise
3 lawfully used on that vehicle under this code.

4 (C) Displaying in, or upon, the vehicle, an altered, forged,
5 counterfeit, or falsified registration card, identification card,
6 temporary receipt, license plate, special plate, registration sticker,
7 device issued pursuant to Section 4853, or permit.

8 (2) When a vehicle described in paragraph (1) is occupied, only
9 a peace officer, as defined in Chapter 4.5 (commencing with
10 Section 830) of Title 3 of Part 2 of the Penal Code, may remove
11 the vehicle.

12 (3) For the purposes of this subdivision, the vehicle shall be
13 released under either of the following circumstances:

14 (A) To the registered owner or person in control of the vehicle
15 only after the owner or person furnishes the storing law
16 enforcement agency with proof of current registration and a
17 currently valid driver's license to operate the vehicle.

18 (B) To the legal owner or the legal owner's agency, without
19 payment of any fees, fines, or penalties for parking tickets or
20 registration and without proof of current registration, if the vehicle
21 will only be transported pursuant to the exemption specified in
22 Section 4022 and if the legal owner does all of the following:

23 (i) Pays the cost of towing and storing the vehicle.

24 (ii) Completes an affidavit in a form acceptable to the
25 impounding law enforcement agency stating that the vehicle was
26 not in possession of the legal owner at the time of occurrence of
27 an offense relating to standing or parking. A vehicle released to a
28 legal owner under this subdivision is a repossessed vehicle for
29 purposes of disposition or sale. The impounding agency has a lien
30 on any surplus that remains upon sale of the vehicle to which the
31 registered owner is or may be entitled, as security for the full
32 amount of parking penalties for any notices of parking violations
33 issued for the vehicle and for all local administrative charges
34 imposed pursuant to Section 22850.5. Upon receipt of any surplus,
35 the legal owner shall promptly remit to, and deposit with, the
36 agency responsible for processing notices of parking violations
37 from that surplus, the full amount of the parking penalties for all
38 notices of parking violations issued for the vehicle and for all local
39 administrative charges imposed pursuant to Section 22850.5.

1 (4) The impounding agency that has a lien on the surplus that
2 remains upon the sale of a vehicle to which a registered owner is
3 entitled has a deficiency claim against the registered owner for the
4 full amount of parking penalties for any notices of parking
5 violations issued for the vehicle and for all local administrative
6 charges imposed pursuant to Section 22850.5, less the amount
7 received from the sale of the vehicle.

8 (5) As used in this subdivision, “offstreet parking facility” means
9 an offstreet facility held open for use by the public for parking
10 vehicles and includes a publicly owned facility for offstreet
11 parking, and a privately owned facility for offstreet parking if a
12 fee is not charged for the privilege to park and it is held open for
13 the common public use of retail customers.

14 (p) When the peace officer issues the driver of a vehicle a notice
15 to appear for a violation of Section 12500, 14601, 14601.1,
16 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle is
17 not impounded pursuant to Section 22655.5. A vehicle so removed
18 from the highway or public land, or from private property after
19 having been on a highway or public land, shall not be released to
20 the registered owner or his or her agent, except upon presentation
21 of the registered owner’s or his or her agent’s currently valid
22 driver’s license to operate the vehicle and proof of current vehicle
23 registration, to the impounding law enforcement agency, or upon
24 order of a court.

25 (q) When a vehicle is parked for more than 24 hours on a portion
26 of highway that is located within the boundaries of a common
27 interest development, as defined in Section 4100 or 6534 of the
28 Civil Code, and signs, as required by paragraph (1) of subdivision
29 (a) of Section 22658 of this code, have been posted on that portion
30 of highway providing notice to drivers that vehicles parked thereon
31 for more than 24 hours will be removed at the owner’s expense,
32 pursuant to a resolution or ordinance adopted by the local authority.

33 (r) When a vehicle is illegally parked and blocks the movement
34 of a legally parked vehicle.

35 (s) (1) When a vehicle, except highway maintenance or
36 construction equipment, an authorized emergency vehicle, or a
37 vehicle that is properly permitted or otherwise authorized by the
38 Department of Transportation, is stopped, parked, or left standing
39 for more than eight hours within a roadside rest area or viewpoint.

1 (2) Notwithstanding paragraph (1), when a commercial motor
2 vehicle, as defined in paragraph (1) of subdivision (b) of Section
3 15210, is stopped, parked, or left standing for more than 10 hours
4 within a roadside rest area or viewpoint.

5 (3) For purposes of this subdivision, a roadside rest area or
6 viewpoint is a publicly maintained vehicle parking area, adjacent
7 to a highway, utilized for the convenient, safe stopping of a vehicle
8 to enable motorists to rest or to view the scenery. If two or more
9 roadside rest areas are located on opposite sides of the highway,
10 or upon the center divider, within seven miles of each other, then
11 that combination of rest areas is considered to be the same rest
12 area.

13 (t) When a peace officer issues a notice to appear for a violation
14 of Section 25279.

15 (u) When a peace officer issues a citation for a violation of
16 Section 11700 and the vehicle is being offered for sale.

17 (v) (1) When a vehicle is a mobile billboard advertising display,
18 as defined in Section 395.5, and is parked or left standing in
19 violation of a local resolution or ordinance adopted pursuant to
20 subdivision (m) of Section 21100, if the registered owner of the
21 vehicle was previously issued a warning citation for the same
22 offense, pursuant to paragraph (2).

23 (2) Notwithstanding subdivision (a) of Section 22507, a city or
24 county, in lieu of posting signs noticing a local ordinance
25 prohibiting mobile billboard advertising displays adopted pursuant
26 to subdivision (m) of Section 21100, may provide notice by issuing
27 a warning citation advising the registered owner of the vehicle that
28 he or she may be subject to penalties upon a subsequent violation
29 of the ordinance, that may include the removal of the vehicle as
30 provided in paragraph (1). A city or county is not required to
31 provide further notice for a subsequent violation prior to the
32 enforcement of penalties for a violation of the ordinance.

33 (w) (1) When a vehicle is parked or left standing in violation
34 of a local ordinance or resolution adopted pursuant to subdivision
35 (p) of Section 21100, if the registered owner of the vehicle was
36 previously issued a warning citation for the same offense, pursuant
37 to paragraph (2).

38 (2) Notwithstanding subdivision (a) of Section 22507, a city or
39 county, in lieu of posting signs noticing a local ordinance regulating
40 advertising signs adopted pursuant to subdivision (p) of Section

1 21100, may provide notice by issuing a warning citation advising
2 the registered owner of the vehicle that he or she may be subject
3 to penalties upon a subsequent violation of the ordinance that may
4 include the removal of the vehicle as provided in paragraph (1).
5 A city or county is not required to provide further notice for a
6 subsequent violation prior to the enforcement of penalties for a
7 violation of the ordinance.

8 ~~SEC. 49.~~

9 *SEC. 50.* Section 22651.05 of the Vehicle Code, as amended
10 by Section 82 of Chapter 181 of the Statutes of 2012, is amended
11 to read:

12 22651.05. (a) A trained volunteer of a state or local law
13 enforcement agency, who is engaged in directing traffic or
14 enforcing parking laws and regulations, of a city, county, or
15 jurisdiction of a state agency in which a vehicle is located, may
16 remove or authorize the removal of a vehicle located within the
17 territorial limits in which an officer or employee of that agency
18 may act, under any of the following circumstances:

19 (1) When a vehicle is parked or left standing upon a highway
20 for 72 or more consecutive hours in violation of a local ordinance
21 authorizing the removal.

22 (2) When a vehicle is illegally parked or left standing on a
23 highway in violation of a local ordinance forbidding standing or
24 parking and the use of a highway, or a portion thereof, is necessary
25 for the cleaning, repair, or construction of the highway, or for the
26 installation of underground utilities, and signs giving notice that
27 the vehicle may be removed are erected or placed at least 24 hours
28 prior to the removal by local authorities pursuant to the ordinance.

29 (3) Wherever the use of the highway, or a portion thereof, is
30 authorized by local authorities for a purpose other than the normal
31 flow of traffic or for the movement of equipment, articles, or
32 structures of unusual size, and the parking of a vehicle would
33 prohibit or interfere with that use or movement, and signs giving
34 notice that the vehicle may be removed are erected or placed at
35 least 24 hours prior to the removal by local authorities pursuant
36 to the ordinance.

37 (4) Whenever a vehicle is parked or left standing where local
38 authorities, by resolution or ordinance, have prohibited parking
39 and have authorized the removal of vehicles. A vehicle may not
40 be removed unless signs are posted giving notice of the removal.

1 (5) Whenever a vehicle is parked for more than 24 hours on a
2 portion of highway that is located within the boundaries of a
3 common interest development, as defined in Section 4100 or 6534
4 of the Civil Code, and signs, as required by Section 22658.2, have
5 been posted on that portion of highway providing notice to drivers
6 that vehicles parked thereon for more than 24 hours will be
7 removed at the owner’s expense, pursuant to a resolution or
8 ordinance adopted by the local authority.

9 (b) The provisions of this chapter that apply to a vehicle
10 removed pursuant to Section 22651 apply to a vehicle removed
11 pursuant to subdivision (a).

12 (c) For purposes of subdivision (a), a “trained volunteer” is a
13 person who, of his or her own free will, provides services, without
14 any financial gain, to a local or state law enforcement agency, and
15 who is duly trained and certified to remove a vehicle by a local or
16 state law enforcement agency.

17 ~~SEC. 50.~~

18 *SEC. 51.* Section 22658 of the Vehicle Code, as amended by
19 Section 83 of Chapter 181 of the Statutes of 2012, is amended to
20 read:

21 22658. (a) The owner or person in lawful possession of private
22 property, including an association of a common interest
23 development as defined in Sections 4080 and 4100 or Sections
24 6528 and 6534 of the Civil Code, may cause the removal of a
25 vehicle parked on the property to a storage facility that meets the
26 requirements of subdivision (n) under any of the following
27 circumstances:

28 (1) There is displayed, in plain view at all entrances to the
29 property, a sign not less than 17 inches by 22 inches in size, with
30 lettering not less than one inch in height, prohibiting public parking
31 and indicating that vehicles will be removed at the owner’s
32 expense, and containing the telephone number of the local traffic
33 law enforcement agency and the name and telephone number of
34 each towing company that is a party to a written general towing
35 authorization agreement with the owner or person in lawful
36 possession of the property. The sign may also indicate that a
37 citation may also be issued for the violation.

38 (2) The vehicle has been issued a notice of parking violation,
39 and 96 hours have elapsed since the issuance of that notice.

1 (3) The vehicle is on private property and lacks an engine,
2 transmission, wheels, tires, doors, windshield, or any other major
3 part or equipment necessary to operate safely on the highways,
4 the owner or person in lawful possession of the private property
5 has notified the local traffic law enforcement agency, and 24 hours
6 have elapsed since that notification.

7 (4) The lot or parcel upon which the vehicle is parked is
8 improved with a single-family dwelling.

9 (b) The tow truck operator removing the vehicle, if the operator
10 knows or is able to ascertain from the property owner, person in
11 lawful possession of the property, or the registration records of
12 the Department of Motor Vehicles the name and address of the
13 registered and legal owner of the vehicle, shall immediately give,
14 or cause to be given, notice in writing to the registered and legal
15 owner of the fact of the removal, the grounds for the removal, and
16 indicate the place to which the vehicle has been removed. If the
17 vehicle is stored in a storage facility, a copy of the notice shall be
18 given to the proprietor of the storage facility. The notice provided
19 for in this section shall include the amount of mileage on the
20 vehicle at the time of removal and the time of the removal from
21 the property. If the tow truck operator does not know and is not
22 able to ascertain the name of the owner or for any other reason is
23 unable to give the notice to the owner as provided in this section,
24 the tow truck operator shall comply with the requirements of
25 subdivision (c) of Section 22853 relating to notice in the same
26 manner as applicable to an officer removing a vehicle from private
27 property.

28 (c) This section does not limit or affect any right or remedy that
29 the owner or person in lawful possession of private property may
30 have by virtue of other provisions of law authorizing the removal
31 of a vehicle parked upon private property.

32 (d) The owner of a vehicle removed from private property
33 pursuant to subdivision (a) may recover for any damage to the
34 vehicle resulting from any intentional or negligent act of a person
35 causing the removal of, or removing, the vehicle.

36 (e) (1) An owner or person in lawful possession of private
37 property, or an association of a common interest development,
38 causing the removal of a vehicle parked on that property is liable
39 for double the storage or towing charges whenever there has been
40 a failure to comply with paragraph (1), (2), or (3) of subdivision

1 (a) or to state the grounds for the removal of the vehicle if requested
2 by the legal or registered owner of the vehicle as required by
3 subdivision (f).

4 (2) A property owner or owner's agent or lessee who causes the
5 removal of a vehicle parked on that property pursuant to the
6 exemption set forth in subparagraph (A) of paragraph (1) of
7 subdivision (l) and fails to comply with that subdivision is guilty
8 of an infraction, punishable by a fine of one thousand dollars
9 (\$1,000).

10 (f) An owner or person in lawful possession of private property,
11 or an association of a common interest development, causing the
12 removal of a vehicle parked on that property shall notify by
13 telephone or, if impractical, by the most expeditious means
14 available, the local traffic law enforcement agency within one hour
15 after authorizing the tow. An owner or person in lawful possession
16 of private property, an association of a common interest
17 development, causing the removal of a vehicle parked on that
18 property, or the tow truck operator who removes the vehicle, shall
19 state the grounds for the removal of the vehicle if requested by the
20 legal or registered owner of that vehicle. A towing company that
21 removes a vehicle from private property in compliance with
22 subdivision (l) is not responsible in a situation relating to the
23 validity of the removal. A towing company that removes the
24 vehicle under this section shall be responsible for the following:

25 (1) Damage to the vehicle in the transit and subsequent storage
26 of the vehicle.

27 (2) The removal of a vehicle other than the vehicle specified by
28 the owner or other person in lawful possession of the private
29 property.

30 (g) (1) (A) Possession of a vehicle under this section shall be
31 deemed to arise when a vehicle is removed from private property
32 and is in transit.

33 (B) Upon the request of the owner of the vehicle or that owner's
34 agent, the towing company or its driver shall immediately and
35 unconditionally release a vehicle that is not yet removed from the
36 private property and in transit.

37 (C) A person failing to comply with subparagraph (B) is guilty
38 of a misdemeanor.

1 (2) If a vehicle is released to a person in compliance with
2 subparagraph (B) of paragraph (1), the vehicle owner or authorized
3 agent shall immediately move that vehicle to a lawful location.

4 (h) A towing company may impose a charge of not more than
5 one-half of the regular towing charge for the towing of a vehicle
6 at the request of the owner, the owner's agent, or the person in
7 lawful possession of the private property pursuant to this section
8 if the owner of the vehicle or the vehicle owner's agent returns to
9 the vehicle after the vehicle is coupled to the tow truck by means
10 of a regular hitch, coupling device, drawbar, portable dolly, or is
11 lifted off the ground by means of a conventional trailer, and before
12 it is removed from the private property. The regular towing charge
13 may only be imposed after the vehicle has been removed from the
14 property and is in transit.

15 (i) (1) (A) A charge for towing or storage, or both, of a vehicle
16 under this section is excessive if the charge exceeds the greater of
17 the following:

18 (i) That which would have been charged for that towing or
19 storage, or both, made at the request of a law enforcement agency
20 under an agreement between a towing company and the law
21 enforcement agency that exercises primary jurisdiction in the city
22 in which is located the private property from which the vehicle
23 was, or was attempted to be, removed, or if the private property
24 is not located within a city, then the law enforcement agency that
25 exercises primary jurisdiction in the county in which the private
26 property is located.

27 (ii) That which would have been charged for that towing or
28 storage, or both, under the rate approved for that towing operator
29 by the Department of the California Highway Patrol for the
30 jurisdiction in which the private property is located and from which
31 the vehicle was, or was attempted to be, removed.

32 (B) A towing operator shall make available for inspection and
33 copying his or her rate approved by the *Department of the*
34 California Highway Patrol, if any, within 24 hours of a request
35 without a warrant to law enforcement, the Attorney General, district
36 attorney, or city attorney.

37 (2) If a vehicle is released within 24 hours from the time the
38 vehicle is brought into the storage facility, regardless of the
39 calendar date, the storage charge shall be for only one day. Not

1 more than one day's storage charge may be required for a vehicle
2 released the same day that it is stored.

3 (3) If a request to release a vehicle is made and the appropriate
4 fees are tendered and documentation establishing that the person
5 requesting release is entitled to possession of the vehicle, or is the
6 owner's insurance representative, is presented within the initial
7 24 hours of storage, and the storage facility fails to comply with
8 the request to release the vehicle or is not open for business during
9 normal business hours, then only one day's storage charge may
10 be required to be paid until after the first business day. A business
11 day is any day in which the lienholder is open for business to the
12 public for at least eight hours. If a request is made more than 24
13 hours after the vehicle is placed in storage, charges may be imposed
14 on a full calendar day basis for each day, or part thereof, that the
15 vehicle is in storage.

16 (j) (1) A person who charges a vehicle owner a towing, service,
17 or storage charge at an excessive rate, as described in subdivision
18 (h) or (i), is civilly liable to the vehicle owner for four times the
19 amount charged.

20 (2) A person who knowingly charges a vehicle owner a towing,
21 service, or storage charge at an excessive rate, as described in
22 subdivision (h) or (i), or who fails to make available his or her rate
23 as required in subparagraph (B) of paragraph (1) of subdivision
24 (i), is guilty of a misdemeanor, punishable by a fine of not more
25 than two thousand five hundred dollars (\$2,500), or by
26 imprisonment in a county jail for not more than three months, or
27 by both that fine and imprisonment.

28 (k) (1) A person operating or in charge of a storage facility
29 where vehicles are stored pursuant to this section shall accept a
30 valid bank credit card or cash for payment of towing and storage
31 by a registered owner, the legal owner, or the owner's agent
32 claiming the vehicle. A credit card shall be in the name of the
33 person presenting the card. "Credit card" means "credit card" as
34 defined in subdivision (a) of Section 1747.02 of the Civil Code,
35 except, for the purposes of this section, credit card does not include
36 a credit card issued by a retail seller.

37 (2) A person described in paragraph (1) shall conspicuously
38 display, in that portion of the storage facility office where business
39 is conducted with the public, a notice advising that all valid credit
40 cards and cash are acceptable means of payment.

1 (3) A person operating or in charge of a storage facility who
2 refuses to accept a valid credit card or who fails to post the required
3 notice under paragraph (2) is guilty of a misdemeanor, punishable
4 by a fine of not more than two thousand five hundred dollars
5 (\$2,500), or by imprisonment in a county jail for not more than
6 three months, or by both that fine and imprisonment.

7 (4) A person described in paragraph (1) who violates paragraph
8 (1) or (2) is civilly liable to the registered owner of the vehicle or
9 the person who tendered the fees for four times the amount of the
10 towing and storage charges.

11 (5) A person operating or in charge of the storage facility shall
12 have sufficient moneys on the premises of the primary storage
13 facility during normal business hours to accommodate, and make
14 change in, a reasonable monetary transaction.

15 (6) Credit charges for towing and storage services shall comply
16 with Section 1748.1 of the Civil Code. Law enforcement agencies
17 may include the costs of providing for payment by credit when
18 making agreements with towing companies as described in
19 subdivision (i).

20 (l) (1) (A) A towing company shall not remove or commence
21 the removal of a vehicle from private property without first
22 obtaining the written authorization from the property owner or
23 lessee, including an association of a common interest development,
24 or an employee or agent thereof, who shall be present at the time
25 of removal and verify the alleged violation, except that presence
26 and verification is not required if the person authorizing the tow
27 is the property owner, or the owner's agent who is not a tow
28 operator, of a residential rental property of 15 or fewer units that
29 does not have an onsite owner, owner's agent or employee, and
30 the tenant has verified the violation, requested the tow from that
31 tenant's assigned parking space, and provided a signed request or
32 electronic mail, or has called and provides a signed request or
33 electronic mail within 24 hours, to the property owner or owner's
34 agent, which the owner or agent shall provide to the towing
35 company within 48 hours of authorizing the tow. The signed
36 request or electronic mail shall contain the name and address of
37 the tenant, and the date and time the tenant requested the tow. A
38 towing company shall obtain, within 48 hours of receiving the
39 written authorization to tow, a copy of a tenant request required
40 pursuant to this subparagraph. For the purpose of this subparagraph,

1 a person providing the written authorization who is required to be
2 present on the private property at the time of the tow does not have
3 to be physically present at the specified location of where the
4 vehicle to be removed is located on the private property.

5 (B) The written authorization under subparagraph (A) shall
6 include all of the following:

7 (i) The make, model, vehicle identification number, and license
8 plate number of the removed vehicle.

9 (ii) The name, signature, job title, residential or business address,
10 and working telephone number of the person, described in
11 subparagraph (A), authorizing the removal of the vehicle.

12 (iii) The grounds for the removal of the vehicle.

13 (iv) The time when the vehicle was first observed parked at the
14 private property.

15 (v) The time that authorization to tow the vehicle was given.

16 (C) (i) When the vehicle owner or his or her agent claims the
17 vehicle, the towing company prior to payment of a towing or
18 storage charge shall provide a photocopy of the written
19 authorization to the vehicle owner or the agent.

20 (ii) If the vehicle was towed from a residential property, the
21 towing company shall redact the information specified in clause
22 (ii) of subparagraph (B) in the photocopy of the written
23 authorization provided to the vehicle owner or the agent pursuant
24 to clause (i).

25 (iii) The towing company shall also provide to the vehicle owner
26 or the agent a separate notice that provides the telephone number
27 of the appropriate local law enforcement or prosecuting agency
28 by stating “If you believe that you have been wrongfully towed,
29 please contact the local law enforcement or prosecuting agency at
30 [insert appropriate telephone number].” The notice shall be in
31 English and in the most populous language, other than English,
32 that is spoken in the jurisdiction.

33 (D) A towing company shall not remove or commence the
34 removal of a vehicle from private property described in subdivision
35 (a) of Section 22953 unless the towing company has made a good
36 faith inquiry to determine that the owner or the property owner’s
37 agent complied with Section 22953.

38 (E) (i) General authorization to remove or commence removal
39 of a vehicle at the towing company’s discretion shall not be
40 delegated to a towing company or its affiliates except in the case

1 of a vehicle unlawfully parked within 15 feet of a fire hydrant or
2 in a fire lane, or in a manner which interferes with an entrance to,
3 or exit from, the private property.

4 (ii) In those cases in which general authorization is granted to
5 a towing company or its affiliate to undertake the removal or
6 commence the removal of a vehicle that is unlawfully parked within
7 15 feet of a fire hydrant or in a fire lane, or that interferes with an
8 entrance to, or exit from, private property, the towing company
9 and the property owner, or owner's agent, or person in lawful
10 possession of the private property shall have a written agreement
11 granting that general authorization.

12 (2) If a towing company removes a vehicle under a general
13 authorization described in subparagraph (E) of paragraph (1) and
14 that vehicle is unlawfully parked within 15 feet of a fire hydrant
15 or in a fire lane, or in a manner that interferes with an entrance to,
16 or exit from, the private property, the towing company shall take,
17 prior to the removal of that vehicle, a photograph of the vehicle
18 that clearly indicates that parking violation. Prior to accepting
19 payment, the towing company shall keep one copy of the
20 photograph taken pursuant to this paragraph, and shall present that
21 photograph and provide, without charge, a photocopy to the owner
22 or an agent of the owner, when that person claims the vehicle.

23 (3) A towing company shall maintain the original written
24 authorization, or the general authorization described in
25 subparagraph (E) of paragraph (1) and the photograph of the
26 violation, required pursuant to this section, and any written requests
27 from a tenant to the property owner or owner's agent required by
28 subparagraph (A) of paragraph (1), for a period of three years and
29 shall make them available for inspection and copying within 24
30 hours of a request without a warrant to law enforcement, the
31 Attorney General, district attorney, or city attorney.

32 (4) A person who violates this subdivision is guilty of a
33 misdemeanor, punishable by a fine of not more than two thousand
34 five hundred dollars (\$2,500), or by imprisonment in a county jail
35 for not more than three months, or by both that fine and
36 imprisonment.

37 (5) A person who violates this subdivision is civilly liable to
38 the owner of the vehicle or his or her agent for four times the
39 amount of the towing and storage charges.

1 (m) (1) A towing company that removes a vehicle from private
2 property under this section shall notify the local law enforcement
3 agency of that tow after the vehicle is removed from the private
4 property and is in transit.

5 (2) A towing company is guilty of a misdemeanor if the towing
6 company fails to provide the notification required under paragraph
7 (1) within 60 minutes after the vehicle is removed from the private
8 property and is in transit or 15 minutes after arriving at the storage
9 facility, whichever time is less.

10 (3) A towing company that does not provide the notification
11 under paragraph (1) within 30 minutes after the vehicle is removed
12 from the private property and is in transit is civilly liable to the
13 registered owner of the vehicle, or the person who tenders the fees,
14 for three times the amount of the towing and storage charges.

15 (4) If notification is impracticable, the times for notification, as
16 required pursuant to paragraphs (2) and (3), shall be tolled for the
17 time period that notification is impracticable. This paragraph is an
18 affirmative defense.

19 (n) A vehicle removed from private property pursuant to this
20 section shall be stored in a facility that meets all of the following
21 requirements:

22 (1) (A) Is located within a 10-mile radius of the property from
23 where the vehicle was removed.

24 (B) The 10-mile radius requirement of subparagraph (A) does
25 not apply if a towing company has prior general written approval
26 from the law enforcement agency that exercises primary
27 jurisdiction in the city in which is located the private property from
28 which the vehicle was removed, or if the private property is not
29 located within a city, then the law enforcement agency that
30 exercises primary jurisdiction in the county in which is located the
31 private property.

32 (2) (A) Remains open during normal business hours and releases
33 vehicles after normal business hours.

34 (B) A gate fee may be charged for releasing a vehicle after
35 normal business hours, weekends, and state holidays. However,
36 the maximum hourly charge for releasing a vehicle after normal
37 business hours shall be one-half of the hourly tow rate charged for
38 initially towing the vehicle, or less.

1 (C) Notwithstanding any other provision of law and for purposes
2 of this paragraph, “normal business hours” are Monday to Friday,
3 inclusive, from 8 a.m. to 5 p.m., inclusive, except state holidays.

4 (3) Has a public pay telephone in the office area that is open
5 and accessible to the public.

6 (o) (1) It is the intent of the Legislature in the adoption of
7 subdivision (k) to assist vehicle owners or their agents by, among
8 other things, allowing payment by credit cards for towing and
9 storage services, thereby expediting the recovery of towed vehicles
10 and concurrently promoting the safety and welfare of the public.

11 (2) It is the intent of the Legislature in the adoption of
12 subdivision (l) to further the safety of the general public by
13 ensuring that a private property owner or lessee has provided his
14 or her authorization for the removal of a vehicle from his or her
15 property, thereby promoting the safety of those persons involved
16 in ordering the removal of the vehicle as well as those persons
17 removing, towing, and storing the vehicle.

18 (3) It is the intent of the Legislature in the adoption of
19 subdivision (g) to promote the safety of the general public by
20 requiring towing companies to unconditionally release a vehicle
21 that is not lawfully in their possession, thereby avoiding the
22 likelihood of dangerous and violent confrontation and physical
23 injury to vehicle owners and towing operators, the stranding of
24 vehicle owners and their passengers at a dangerous time and
25 location, and impeding expedited vehicle recovery, without wasting
26 law enforcement’s limited resources.

27 (p) The remedies, sanctions, restrictions, and procedures
28 provided in this section are not exclusive and are in addition to
29 other remedies, sanctions, restrictions, or procedures that may be
30 provided in other provisions of law, including, but not limited to,
31 those that are provided in Sections 12110 and 34660.

32 (q) A vehicle removed and stored pursuant to this section shall
33 be released by the law enforcement agency, impounding agency,
34 or person in possession of the vehicle, or any person acting on
35 behalf of them, to the legal owner or the legal owner’s agent upon
36 presentation of the assignment, as defined in subdivision (b) of
37 Section 7500.1 of the Business and Professions Code; a release
38 from the one responsible governmental agency, only if required
39 by the agency; a government-issued photographic identification
40 card; and any one of the following as determined by the legal

1 owner or the legal owner’s agent: a certificate of repossession for
2 the vehicle, a security agreement for the vehicle, or title, whether
3 paper or electronic, showing proof of legal ownership for the
4 vehicle. Any documents presented may be originals, photocopies,
5 or facsimile copies, or may be transmitted electronically. The
6 storage facility shall not require any documents to be notarized.
7 The storage facility may require the agent of the legal owner to
8 produce a photocopy or facsimile copy of its repossession agency
9 license or registration issued pursuant to Chapter 11 (commencing
10 with Section 7500) of Division 3 of the Business and Professions
11 Code, or to demonstrate, to the satisfaction of the storage facility,
12 that the agent is exempt from licensure pursuant to Section 7500.2
13 or 7500.3 of the Business and Professions Code.

14 ~~SEC. 51.~~

15 *SEC. 52.* Section 13553 of the Water Code, as amended by
16 Section 84 of Chapter 181 of the Statutes of 2012, is amended to
17 read:

18 13553. (a) The Legislature hereby finds and declares that the
19 use of potable domestic water for toilet and urinal flushing in
20 structures is a waste or an unreasonable use of water within the
21 meaning of Section 2 of Article X of the California Constitution
22 if recycled water, for these uses, is available to the user and meets
23 the requirements set forth in Section 13550, as determined by the
24 state board after notice and a hearing.

25 (b) The state board may require a public agency or person
26 subject to this section to furnish any information that may be
27 relevant to making the determination required in subdivision (a).

28 (c) For purposes of this section and Section 13554, “structure”
29 or “structures” means commercial, retail, and office buildings,
30 theaters, auditoriums, condominium projects, schools, hotels,
31 apartments, barracks, dormitories, jails, prisons, and reformatories,
32 and other structures as determined by the State Department of
33 Public Health.

34 (d) Recycled water may be used in condominium projects, as
35 defined in Section 4125 or 6542 of the Civil Code, subject to all
36 of the following conditions:

37 (1) Prior to the indoor use of recycled water in any condominium
38 project, the agency delivering the recycled water to the
39 condominium project shall file a report with, and receive written
40 approval of the report from, the State Department of Public Health.

1 The report shall be consistent with the provisions of Title 22 of
2 the California Code of Regulations generally applicable to
3 dual-plumbed structures and shall include all the following:

4 (A) That potable water service to each condominium project
5 will be provided with a backflow protection device approved by
6 the State Department of Public Health to protect the agency's
7 public water system, as defined in Section 116275 of the Health
8 and Safety Code. The backflow protection device approved by the
9 State Department of Public Health shall be inspected and tested
10 annually by a person certified in the inspection of backflow
11 prevention devices.

12 (B) That any plumbing modifications in the condominium unit
13 or any physical alteration of the structure will be done in
14 compliance with state and local plumbing codes.

15 (C) That each condominium project will be tested by the
16 recycled water agency or the responsible local agency at least once
17 every four years to ensure that there are no indications of a possible
18 cross connection between the condominium's potable and
19 nonpotable systems.

20 (D) That recycled water lines will be color coded consistent
21 with current statutes and regulations.

22 (2) The recycled water agency or the responsible local agency
23 shall maintain records of all tests and annual inspections conducted.

24 (3) The condominium's declaration, as defined in Section 4135
25 or 6546 of the Civil Code, shall provide that the laws and
26 regulations governing recycled water apply, shall not permit any
27 exceptions to those laws and regulations, shall incorporate the
28 report described in paragraph (1), and shall contain the following
29 statement:

30

31 "NOTICE OF USE OF RECYCLED WATER

32

33 This property is approved by the State Department of Public
34 Health for the use of recycled water for toilet and urinal
35 flushing. This water is not potable, is not suitable for indoor
36 purposes other than toilet and urinal flushing purposes, and
37 requires dual plumbing. Alterations and modifications to the
38 plumbing system require a permit and are prohibited without
39 first consulting with the appropriate local building code
40 enforcement agency and your property management company

1 or owners' association to ensure that the recycled water is not
2 mixed with the drinking water.”

3

4 (e) The State Department of Public Health may adopt regulations
5 as necessary to assist in the implementation of this section.

6 (f) This section shall only apply to condominium projects that
7 are created, within the meaning of Section 4030 or 6580 of the
8 Civil Code, on or after January 1, 2008.

9 (g) This section and Section 13554 do not apply to a pilot
10 program adopted pursuant to Section 13553.1.

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