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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 587

Introduced by Assembly Member Chau

February 24, 2015

An act to amend Section 798.15 of the Civil Code, to amend Sections 18092.7, 18116.1, and 18550 of, and to add Section 18550.1 to, the Health and Safety Code, and to amend Section 5832 of the Revenue and Taxation Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 587, as amended, Chau. Mobilehomes: payments: nonpayment or late payments.

(1) Existing law subjects manufactured homes or mobilehomes sold as new prior to July 1, 1980, to a vehicle license fee and requires annual payment of the fee. Existing law provides that nonpayment of certain fees and penalties, including the vehicle license fee, constitutes a lien on the manufactured home or mobilehome, and prohibits the Department of Housing and Community Development (department) from, among

other things, issuing a duplicate or new certificate of title or registration card or amending the permanent title record of the manufactured home or mobilehome that is subject of that lien.

This bill, when a person who is not currently the registered owner of a manufactured home or mobilehome applies to the department for registration or transfer of registration of the manufactured home or mobilehome prior to December 31, 2019, and meets other specified requirements, would require the department to waive all outstanding charges assessed by the department prior to the transfer of title of the manufactured home or mobilehome, release any lien imposed with respect to those charges, issue a duplicate or new certificate of title or registration card, and amend the title record of the manufactured home or mobilehome. This bill would require a registered owner to apply to the department for a transfer clearance certificate, as specified, prior to transferring any ownership interest or transferring or creating any security interest in the manufactured home or mobilehome. This bill would require the department, upon notification of any transfer of any ownership interest or transferring or creating any security interest in a manufactured home or mobilehome, to notify the transferee of the obligation to title and register the home and the procedure for titling and registration, and would require the department to notify the park management if the transferee fails to comply with the titling and registration requirements.

(2) Existing law provides that mobilehomes and manufactured homes not subject to the vehicle license fee are subject to local property taxation, and requires the department to withhold the registration or transfer of registration of any manufactured home or mobilehome subject to local property taxation until the applicant for registration presents a tax clearance certificate or conditional tax clearance certificate issued by the tax collector of the county where the manufactured home or mobilehome is located. Existing law requires the county tax collector to issue a tax clearance certificate or conditional tax clearance certificate if specified requirements are met.

The California Constitution authorizes the Legislature to exempt personal property from taxation by means of a statute approved by a $\frac{2}{3}$ vote of the membership of each house.

This bill, when a person who is not currently the registered owner of a manufactured home or mobilehome subject to local property taxation applies to the department for registration or transfer of registration of the manufactured home or mobilehome prior to December 31, 2018,

and meets other specified requirements, would require the department to issue a conditional transfer of title. The bill would require a county tax collector to issue a tax liability certificate to a person with a conditional transfer of title who applies for the certificate prior to January 1, 2020. Pursuant to the constitutional authorization described above, this bill would require the payment of only a portion of the taxes, as specified, reasonably owed from the date of sale of the manufactured home or mobilehome. By increasing the duties of county tax collectors, this bill would impose a state-mandated local program.

(3) The Mobilehome Residency Law governs the terms and conditions of residency in mobilehome parks and requires a rental agreement for a tenancy to include, among other things, a specified notice.

This bill would revise the contents of the notice.

(4) Existing law prohibits the use or occupancy of a manufactured home, mobilehome, or recreational vehicle that fails to conform to the regulations of the department, regarding, among other things, water, electricity, and sewer connections.

This bill, beginning January 1, 2020, would prohibit the use or occupancy of a manufactured home and mobilehome that does not conform to the registration requirements of the department, if the department provides notice to the occupant of the registration requirements and any registration fees due.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(6) Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

SECTION 1. Section 798.15 of the Civil Code is amended to read:

798.15. The rental agreement shall be in writing and shall contain, in addition to the provisions otherwise required by law to be included, all of the following:

(a) The term of the tenancy and the rent therefor.

(b) The rules and regulations of the park.

(c) A copy of the text of this chapter shall be provided as an exhibit and shall be incorporated into the rental agreement by reference. Management shall do one of the following prior to February 1 of each year, if a significant change was made in this chapter by legislation enacted in the prior year:

(1) Provide all homeowners with a copy of this chapter.

(2) Provide written notice to all homeowners that there has been a change to this chapter and that they may obtain one copy of this chapter from management at no charge. Management shall provide a copy within a reasonable time, not to exceed seven days, upon request.

(d) A provision specifying that (1) it is the responsibility of the management to provide and maintain physical improvements in the common facilities in good working order and condition and (2) with respect to a sudden or unforeseeable breakdown or deterioration of these improvements, the management shall have a reasonable period of time to repair the sudden or unforeseeable breakdown or deterioration and bring the improvements into good working order and condition after management knows or should have known of the breakdown or deterioration. For purposes of this subdivision, a reasonable period of time to repair a sudden or unforeseeable breakdown or deterioration shall be as soon as possible in situations affecting a health or safety condition, and shall not exceed 30 days in any other case except where exigent circumstances justify a delay.

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

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

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

(h) All other provisions governing the tenancy.

(i) A copy of the following notice. Management shall also, prior to February 1 of each year, provide a copy of the following notice to all homeowners:

IMPORTANT NOTICE TO ALL MANUFACTURED
HOME/MOBILEHOME OWNERS: CALIFORNIA LAW REQUIRES THAT
YOU BE MADE AWARE OF THE FOLLOWING:

The Mobilehome Residency Law (MRL), found in Section 798 et seq. of the Civil Code, establishes the rights and responsibilities of homeowners and park management. The MRL is deemed a part of the terms of any park rental agreement or lease. This notice is intended to provide you with a general awareness of selected parts of the MRL and other important laws. It does not serve as a legal explanation or interpretation. For authoritative information, you must read and understand the laws. These laws change from time to time. In any year in which the law has changed, you may obtain one copy of the full text of the law from management at no charge. This notice is required by Civil Code Section 798.15(i) and the information provided may not be current.

Homeowners and park management have certain rights and responsibilities under the MRL. These include, but are not limited to:

1. Management must give a homeowner written notice of any increase in his or her rent at least 90 days before the date of the increase. (Civil Code Section 798.30)
2. No rental or sales agreement may contain a provision by which a purchaser or a homeowner waives any of his or her rights under the MRL. (Civil Code Sections 798.19, 798.77)

- 1 3. Management may not terminate or refuse to renew a homeowner's tenancy
2 except for one or more of the authorized reasons set forth in the MRL.
3 (Civil Code Sections 798.55, 798.56) Homeowners must pay rent, utility
4 charges, and reasonable incidental service charges in a timely manner.
5 Failure to comply could be grounds for eviction from the park. (Civil
6 Code Section 798.56)
- 7 4. Homeowners, residents, and their guests must comply with the rental
8 agreement or lease, including the reasonable rules and regulations of the
9 park and all applicable local ordinances and state laws and regulations
10 relating to mobilehomes. Failure to comply could be grounds for eviction
11 from the park. (Civil Code Section 798.56)
- 12 5. Homeowners have a right to peacefully assemble and freely communicate
13 with respect to mobilehome living and for social or educational purposes.
14 Homeowners have a right to meet in the park, at reasonable hours and in
15 a reasonable manner, for any lawful purpose. Homeowners may not be
16 charged a cleaning deposit in order to use the park clubhouse for meetings
17 of resident organizations or for other lawful purposes, such as to hear
18 from political candidates, so long as a homeowner of the park is hosting
19 the meeting and all park residents are allowed to attend. Homeowners
20 may not be required to obtain liability insurance in order to use common
21 facilities unless alcohol is served. (Civil Code Sections 798.50, 798.51)
- 22 6. If a home complies with certain standards, the homeowner is entitled to
23 sell it in place in the park. If you sell your home, you are required to
24 provide a manufactured home and mobilehome transfer disclosure
25 statement to the buyer prior to sale. (Civil Code Section 1102.6d) When
26 a home is sold, the owner is required to transfer the title to the buyer. The
27 sale of the home is not complete until you receive the title from the seller.
28 It is the responsibility of the buyer to also file paperwork with the
29 Department of Housing and Community Development to register the
30 home in his or her name. (Civil Code Sections ~~798.70-798.74~~)
31 ~~798.70-798.74~~)
- 32 7. Management has the right to enter the space upon which a mobilehome
33 is situated for maintenance of utilities, trees, and driveways; for inspection
34 and maintenance of the space in accordance with the rules and regulations
35 of the park when the homeowner or resident fails to maintain the space;
36 and for protection and maintenance of the mobilehome park at any
37 reasonable time, but not in a manner or at a time that would interfere with
38 the resident's quiet enjoyment of his or her home. (Civil Code Section
39 798.26)

- 1 8. A homeowner may not make any improvements or alterations to his or
2 her space or home without following the rules and regulations of the park
3 and all applicable local ordinances and state laws and regulations, which
4 may include obtaining a permit to construct, and, if required by park rules
5 or the rental agreement, without prior written approval of management.
6 Failure to comply could be grounds for eviction from the park. (Civil
7 Code Section 798.56)
- 8 9. In California, mobilehome owners must pay annual property tax to the
9 county tax collector or an annual fee in lieu of taxes to the Department
10 of Housing and Community Development (HCD). If you are unsure which
11 to pay, contact HCD. Failure to pay taxes or in lieu fees can have serious
12 consequences, including losing your home at a tax sale.
- 13 10. For more information on registration, titling, and taxes, contact: the
14 Department of Housing and Community Development www.hcd.ca.gov
15 (800) 952-8356; *your* County Tax Collector, ~~www.cactte.org~~ (for listing);
16 *Collector*; or call your local county government.

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19 SEC. 2. Section 18092.7 of the Health and Safety Code is
20 amended to read:

21 18092.7. (a) Except as provided in subdivision (b) and Section
22 18116.1, the department shall withhold the registration or transfer
23 of registration of any manufactured home, mobilehome, or floating
24 home which is subject to local property taxation, other than a new
25 manufactured home, mobilehome, or floating home for which
26 application is being made for an original registration, until the
27 applicant presents a tax clearance certificate or a conditional tax
28 clearance certificate issued pursuant to Section 2189.8 or 5832 of
29 the Revenue and Taxation Code by the tax collector of the county
30 where the manufactured home, mobilehome, or floating home is
31 located. Any conditional tax clearance certificate presented shall
32 indicate that the tax liability has been satisfied pursuant to
33 paragraph (3) of subdivision (m) of Section 18035.

34 (b) In lieu of the tax clearance certificate or conditional tax
35 clearance certificate required by subdivision (a), the department
36 may accept a certification signed by the escrow officer under
37 penalty of perjury that the tax collector of the county where the
38 manufactured home is located has failed to respond to the written
39 demand for a conditional tax clearance certificate as prescribed
40 by subdivision (m) of Section 18035.

SEC. 3. Section 18116.1 of the Health and Safety Code is amended to read:

18116.1. (a) Nonpayment of the fees and penalties provided for in Sections 18114, 18114.1, and 18115, and in subdivisions (a), (b), (c), and (d) of Section 18116 that are due on a mobilehome, manufactured home, commercial coach, truck camper, or floating home shall constitute a lien in favor of the State of California in the amount owing.

(b) Notwithstanding any other provision of law, the lien provided for in subdivision (a) shall include all fees and penalties due and unpaid beginning with the fees for original registration that became delinquent for 120 days or more and continue to accrue to include all fees and penalties that subsequently become due and remain unpaid.

(c) Until the amount of a lien provided for in subdivision (a) or (b) is paid to the department, the department shall not do either of the following:

(1) Amend the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home which is the subject of the lien for the purpose of transferring any ownership interest or transferring or creating any security interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(2) Issue any duplicate, substitute, or new certificate of title, registration card, or copy of a registration card with respect to the manufactured home, mobilehome, commercial coach, truck camper, or floating home which is the subject of the lien.

(d) (1) When application is made to the department for registration or transfer of registration of a manufactured home or mobilehome, and the applicant is not currently the registered owner, with respect to all charges assessed by the department prior to the date the title or interest in the manufactured home or mobilehome was transferred to the applicant, the department shall release any lien imposed pursuant to this chapter and waive all outstanding charges assessed by the department, if all of the following requirements are met:

(A) The applicant provides documentation demonstrating to the satisfaction of the department ownership and the date of acquisition of ownership interest pursuant to Section 18100.5 or 18102.5.

(B) The application is made prior to December 31, 2019.

1 (C) The applicant pays any charges assessed by the department
2 during the period between the time the applicant took ownership
3 interest or December 31, 2015, whichever is later, and the time
4 the applicant applies for relief pursuant to this subdivision.

5 (D) The applicant has not previously filed for relief pursuant to
6 this subdivision.

7 (E) Any lien pursuant to Section 16182 of the Government Code
8 has been satisfied.

9 (2) If the applicant meets the requirements of paragraph (1) and
10 the other requirements of this chapter not related to nonpayment
11 or late payment of the department's charges, fees, and penalties
12 related to registration and titling, the department shall waive the
13 outstanding charges, fees, or penalties identified in paragraph (1),
14 amend the title record, and issue a duplicate, substitute, or new
15 certificate of title, registration card, or copy of a registration card
16 with respect to the manufactured home or mobilehome, in
17 conformance with this chapter.

18 (3) For purposes of any amounts owing pursuant to this
19 subdivision, the department may establish a long term payment
20 program of up to five years. The department may provide that any
21 amounts owing under the payment program shall constitute a lien
22 in favor of the State of California in the amount owing and shall
23 be paid in full if the manufactured home or mobilehome is
24 subsequently transferred. Failure to make the payments required
25 by the plan is a violation of this chapter for which the department
26 may suspend, revoke, or cancel the certificate of title pursuant to
27 Section 18122.

28 (4) (A) If the manufactured home or mobilehome for which an
29 application has been submitted and approved pursuant to this
30 subdivision and the other requirements of this chapter not related
31 to nonpayment or late payment of the department's charges, fees,
32 and penalties related to registration and titling, is subject to local
33 property taxation, the department shall issue a conditional transfer
34 of title.

35 (B) Upon presentation of a completed tax liability certificate as
36 provided in subdivision (f) of Section 5832 of the Revenue and
37 Taxation Code, if the applicant meets all of the requirements of
38 this section and the other requirements of this chapter not related
39 to nonpayment or late payment of the department's charges, fees,
40 and penalties related to registration and titling, and the requirements

1 of paragraph (2) are met, the department shall amend the title
2 record and issue a duplicate, substitute, or new certificate of title.

3 SEC. 4. Section 18550 of the Health and Safety Code is
4 amended to read:

5 18550. It is unlawful for any person to use or cause, or permit
6 to be used for occupancy, any of the following manufactured homes
7 or mobilehomes wherever the manufactured homes or mobilehomes
8 are located, or recreational vehicles located in mobilehome parks:

9 (a) Any manufactured home, mobilehome, or recreational
10 vehicle supplied with fuel, gas, water, electricity, or sewage
11 connections, unless the connections and installations conform to
12 regulations of the department.

13 (b) Any manufactured home, mobilehome, or recreational
14 vehicle that is permanently attached with underpinning or
15 foundation to the ground, except for a manufactured home or
16 mobilehome bearing a department insignia or federal label, that is
17 installed in accordance with this part.

18 (c) Any manufactured home, mobilehome, or recreational
19 vehicle in an unsafe or unsanitary condition.

20 (d) Any manufactured home, mobilehome, or recreational
21 vehicle that is structurally unsound and does not protect its
22 occupants against the elements.

23 SEC. 5. Section 18550.1 is added to the Health and Safety
24 Code, to read:

25 18550.1. On and after January 1, 2020, it is unlawful for any
26 person to use for occupancy any manufactured home or
27 mobilehome, wherever the manufactured home or mobilehome is
28 located, that does not conform to the registration requirements of
29 the department, provided that the department has provided notice
30 to the occupant of the registration requirements and any registration
31 fees due.

32 SEC. 6. Section 5832 of the Revenue and Taxation Code is
33 amended to read:

34 5832. (a) (1) Upon application, the county tax collector shall
35 issue a tax clearance certificate or a conditional tax clearance
36 certificate.

37 (2) Any tax clearance certificate issued shall be used to permit
38 registration of used manufactured homes and for any other purposes
39 that may be prescribed by the Controller. The certificate may
40 indicate that the county tax collector finds that no local property

1 tax is due or is likely to become due, or that any applicable local
2 property taxes have been paid or are to be paid in a manner not
3 requiring the withholding of registration or the transfer of
4 registration.

5 (3) Any conditional tax clearance certificate issued shall indicate
6 that the county tax collector finds that a tax liability exists, the
7 amount due, and the final date that amount may be paid before a
8 further tax liability is incurred. The certificate shall be in any form
9 that the Controller may prescribe, and shall be executed, issued,
10 and accepted for clearance of registration or permit issuance on
11 the conditions which the Controller may prescribe.

12 (b) Within five working days of receipt of the written demand
13 for a conditional tax clearance certificate or tax clearance
14 certificate, the county tax collector shall forward the conditional
15 tax clearance certificate or tax clearance certificate, showing no
16 tax liability exists, to the requesting escrow officer. In the event
17 the final due date of the tax clearance certificate or conditional tax
18 clearance certificate expires within 30 days of the date of its
19 issuance, an additional conditional tax clearance certificate or tax
20 clearance certificate shall be completed, which has a final due date
21 of at least 30 days beyond the date of issuance. The tax collector
22 shall not charge a fee for the issuance of a certificate unless a
23 previously issued tax clearance certificate or conditional tax
24 clearance certificate expires prior to the date upon which title
25 transfers. The fee for the issuance of a subsequent certificate with
26 respect to that manufactured home shall be an amount equal to the
27 actual costs of preparing and processing that certificate.

28 (c) If the tax collector fails to comply with the demand within
29 30 days from the date the demand is mailed, the escrow officer
30 may close the escrow in accordance with the provisions of
31 subdivision (m) of Section 18035 of the Health and Safety Code.

32 (d) Notwithstanding any provisions of law requiring the tax
33 collector to issue a tax clearance certificate or conditional tax
34 clearance certificate within a specified period of time, when an
35 escrow information demand is made pursuant to Section 18035 of
36 the Health and Safety Code for a manufactured home that has not
37 been enrolled in the county, the tax collector shall be afforded the
38 number of working days necessary for the assessor to determine
39 the value of the manufactured home and for the auditor to extend
40 tax liability.

1 (e) The issuance, alteration, forgery, or use of any tax clearance
2 certificate or conditional certificate in a manner contrary to the
3 requirements of the Controller constitutes a misdemeanor.

4 (f) (1) Prior to January 1, 2020, a person with a conditional
5 transfer of title as described in subparagraph (A) of paragraph (4)
6 of subdivision (d) of Section 18116.1 of the Health and Safety
7 Code may apply to the tax collector to issue either a tax liability
8 or tax clearance certificate. The county tax collector shall issue a
9 tax liability certificate if the person pays the taxes reasonably owed
10 from the date of sale as shown on the conditional transfer of title,
11 without penalties or interest, and not to exceed the amounts
12 attributable one year prior to January 1, 2017.

13 (2) Upon issuance of a tax clearance or liability certificate, the
14 applicant shall be listed as the owner of record for all local property
15 tax purposes and the home shall not be subject to lien or seizure
16 based on any taxes, penalties, or interest as noted on the certificate
17 issued pursuant to paragraph (1). The tax collector shall notify the
18 assessor and other county agencies of the change.

19 (3) This subdivision does not relieve any owner other than the
20 applicant from tax liability, including penalties and interest, arising
21 from nonpayment prior to the date of sale, or prohibit a county tax
22 collector from collecting delinquent taxes, penalties, or interest
23 due prior to the date of sale, from any owner other than the
24 applicant.

25 SEC. 7. The Legislature finds and declares that the abatement
26 of taxes, penalties, and interest incurred prior to the date of sale
27 of a mobilehome or manufactured home to an applicant, as
28 described in this act, serves a public purpose and does not constitute
29 a gift of public funds within the meaning of Section 6 of Article
30 XVI of the California Constitution.

31 SEC. 8. If the Commission on State Mandates determines that
32 this act contains costs mandated by the state, reimbursement to
33 local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

36 SEC. 9. Notwithstanding Section 2229 of the Revenue and
37 Taxation Code, no appropriation is made by this act and the state

- 1 shall not reimburse any local agency for any property tax revenues
- 2 lost by it pursuant to this act.

O