

AMENDED IN SENATE MAY 19, 2015  
AMENDED IN SENATE APRIL 27, 2015  
AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 419**

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**Introduced by Senator McGuire**

February 25, 2015

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An act to amend, repeal, and add Sections 798.70, 798.71, and 798.74 of the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

SB 419, as amended, McGuire. Mobilehomes: homeowners: sale.

The Mobilehome Residency Law governs tenancies in mobilehome parks. That law, among other things, sets forth certain rights and requirements for the management and selling homeowners in connection with the listing, sale, or exchange of a mobilehome, and, if not prohibited by management, the rental of a mobilehome, including, but not limited to, authorizing the display of signs advertising the sale, exchange, or rental, and authorizing the display of an "open house" sign unless prohibited by park rules; requiring the signs to contain specified information and be of an H-frame or A-frame design; and requiring the management, upon request of a prospective homeowner to provide the information the management will use to determine if the person will be acceptable as a homeowner in the park. Under that law, the management or owner may be held liable for damages proximately resulting from the withholding of approval of a prospective homeowner for any reason not stated in that law.

On and after July 1, 2016, this bill would no longer condition the display of an open house sign on the lack of prohibition in park rules,

but would authorize the establishment of reasonable rules governing the conduct of open houses, as specified; would additionally authorize a seller to display one sign of an L-frame or a generally accepted yard-arm type design; and would define a “listing.” The bill would require the management, upon *written* request, to provide in writing the information and standards the management will use to review a prospective homeowner to the prospective homeowner or seller and make technical changes. The bill would additionally condition the liability for damages resulting from withholding approval of a prospective homeowner for reasons based upon fraud, deceit, or concealment of material facts by the prospective purchaser.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

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

1 SECTION 1. Section 798.70 of the Civil Code is amended to  
2 read:  
3 798.70. (a) A homeowner, an heir, joint tenant, or personal  
4 representative of the estate who gains ownership of a mobilehome  
5 in the mobilehome park through the death of the owner of the  
6 mobilehome who was a homeowner at the time of his or her death,  
7 or the agent of any such person, may advertise the sale or exchange  
8 of his or her mobilehome, or, if not prohibited by the terms of an  
9 agreement with the management, may advertise the rental of his  
10 or her mobilehome, by displaying a sign in the window of the  
11 mobilehome, or by a sign posted on the side of the mobilehome  
12 facing the street, or by a sign in front of the mobilehome facing  
13 the street, stating that the mobilehome is for sale or exchange or,  
14 if not prohibited, for rent by the owner of the mobilehome or his  
15 or her agent. Any such person also may display a sign conforming  
16 to these requirements indicating that the mobilehome is on display  
17 for an “open house,” unless the park rules prohibit the display of  
18 an open house sign. The sign shall state the name, address, and  
19 telephone number of the owner of the mobilehome or his or her  
20 agent and the sign face shall not exceed 24 inches in width and 36  
21 inches in height. Signs posted in front of a mobilehome pursuant  
22 to this section may be of an H-frame or A-frame design with the  
23 sign face perpendicular to, but not extending into, the street.  
24 Homeowners may attach to the sign or their mobilehome tubes or

1 holders for leaflets which provide information on the mobilehome  
2 for sale, exchange, or rent.

3 (b) This section shall remain in effect only until July 1, 2016,  
4 and as of that date is repealed.

5 SEC. 2. Section 798.70 is added to the Civil Code, to read:

6 798.70. (a) A homeowner, an heir, joint tenant, or personal  
7 representative of the estate who gains ownership of a mobilehome  
8 in the mobilehome park through the death of the owner of the  
9 mobilehome who was a homeowner at the time of his or her death,  
10 or the agent of any such person, may advertise the sale or exchange  
11 of his or her mobilehome, or, if not prohibited by the terms of an  
12 agreement with the management, may advertise the rental of his  
13 or her mobilehome, by displaying one sign in the window of the  
14 mobilehome, or by one sign posted on the side of the mobilehome  
15 facing the street, or by one sign in front of the mobilehome facing  
16 the street, stating that the mobilehome is for sale or exchange or,  
17 if not prohibited, for rent by the owner of the mobilehome or his  
18 or her agent. Any such person also may display one sign  
19 conforming to these requirements indicating that the mobilehome  
20 is on display for an “open house.” The park may establish by rule  
21 or regulation reasonable rules governing how an open house may  
22 be conducted, including rules regarding hours and parking. The  
23 sign shall state the name, address, and telephone number of the  
24 owner of the mobilehome or his or her agent and the sign face  
25 shall not exceed 24 inches in width and 36 inches in height. Signs  
26 posted in front of a mobilehome pursuant to this section may be  
27 of an H-frame, A-frame, L-frame, or generally accepted yard-arm  
28 type design with the sign face perpendicular to, but not extending  
29 into, the street. Homeowners may attach to the sign or their  
30 mobilehome tubes or holders for leaflets that provide information  
31 on the mobilehome for sale, exchange, or rent.

32 (b) This section shall become operative on July 1, 2016.

33 SEC. 3. Section 798.71 of the Civil Code is amended to read:

34 798.71. (a) (1) The management may not show or list for sale  
35 a manufactured home or mobilehome without first obtaining the  
36 owner’s written authorization. The authorization shall specify the  
37 terms and conditions regarding the showing or listing.

38 (2) Management may require that a homeowner advise  
39 management in writing that his or her manufactured home or  
40 mobilehome is for sale. If management requires that a homeowner

1 advise management in writing that his or her manufactured home  
2 or mobilehome is for sale, failure to comply with this requirement  
3 does not invalidate a transfer.

4 (b) The management shall prohibit neither the listing nor the  
5 sale of a manufactured home or mobilehome within the park by  
6 the homeowner, an heir, joint tenant, or personal representative of  
7 the estate who gains ownership of a manufactured home or  
8 mobilehome in the mobilehome park through the death of the  
9 owner of the manufactured home or mobilehome who was a  
10 homeowner at the time of his or her death, or the agent of any such  
11 person other than the management.

12 (c) The management shall not require the selling homeowner,  
13 or an heir, joint tenant, or personal representative of the estate who  
14 gains ownership of a manufactured home or mobilehome in the  
15 mobilehome park through the death of the owner of the  
16 manufactured home or mobilehome who was a homeowner at the  
17 time of his or her death, to authorize the management or any other  
18 specified broker, dealer, or person to act as the agent in the sale  
19 of a manufactured home or mobilehome as a condition of resale  
20 of the home in the park or of management's approval of the buyer  
21 or prospective homeowner for residency in the park.

22 (d) The management shall not require a homeowner, who is  
23 replacing a mobilehome or manufactured home on a space in the  
24 park, in which he or she resides, to use a specific broker, dealer,  
25 or other person as an agent in the purchase of or installation of the  
26 replacement home.

27 (e) Nothing in this section shall be construed as affecting the  
28 provisions of the Health and Safety Code governing the licensing  
29 of manufactured home or mobilehome salespersons or dealers.

30 (f) This section shall remain in effect only until July 1, 2016,  
31 and as of that date is repealed.

32 SEC. 4. Section 798.71 is added to the Civil Code, to read:

33 798.71. (a) (1) The management may not show or list for sale  
34 a manufactured home or mobilehome without first obtaining the  
35 owner's written authorization. The authorization shall specify the  
36 terms and conditions regarding the showing or listing.

37 (2) Management may require that a homeowner advise  
38 management in writing that his or her manufactured home or  
39 mobilehome is for sale. If management requires that a homeowner  
40 advise management in writing that his or her manufactured home

1 or mobilehome is for sale, failure to comply with this requirement  
2 does not invalidate a transfer.

3 (b) The management shall prohibit neither the listing nor the  
4 sale of a manufactured home or mobilehome within the park by  
5 the homeowner, an heir, joint tenant, or personal representative of  
6 the estate who gains ownership of a manufactured home or  
7 mobilehome in the mobilehome park through the death of the  
8 owner of the manufactured home or mobilehome who was a  
9 homeowner at the time of his or her death, or the agent of any such  
10 person other than the management. For purposes of this section,  
11 “listing” includes advertising the address of the home to the general  
12 public.

13 (c) The management shall not require the selling homeowner,  
14 or an heir, joint tenant, or personal representative of the estate who  
15 gains ownership of a manufactured home or mobilehome in the  
16 mobilehome park through the death of the owner of the  
17 manufactured home or mobilehome who was a homeowner at the  
18 time of his or her death, to authorize the management or any other  
19 specified broker, dealer, or person to act as the agent in the sale  
20 of a manufactured home or mobilehome as a condition of resale  
21 of the home in the park or of management’s approval of the buyer  
22 or prospective homeowner for residency in the park.

23 (d) The management shall not require a homeowner, who is  
24 replacing a mobilehome or manufactured home on a space in the  
25 park, in which he or she resides, to use a specific broker, dealer,  
26 or other person as an agent in the purchase of or installation of the  
27 replacement home.

28 (e) Nothing in this section shall be construed as affecting the  
29 provisions of the Health and Safety Code governing the licensing  
30 of manufactured home or mobilehome salespersons or dealers.

31 (f) This section shall become operative on July 1, 2016.

32 SEC. 5. Section 798.74 of the Civil Code is amended to read:

33 798.74. (a) The management may require the right of prior  
34 approval of a purchaser of a mobilehome that will remain in the  
35 park and that the selling homeowner or his or her agent give notice  
36 of the sale to the management before the close of the sale. Approval  
37 cannot be withheld if the purchaser has the financial ability to pay  
38 the rent and charges of the park unless the management reasonably  
39 determines that, based on the purchaser’s prior tenancies, he or  
40 she will not comply with the rules and regulations of the park. In

1 determining whether the purchaser has the financial ability to pay  
2 the rent and charges of the park, the management shall not require  
3 the purchaser to submit copies of any personal income tax returns  
4 in order to obtain approval for residency in the park. However,  
5 management may require the purchaser to document the amount  
6 and source of his or her gross monthly income or means of financial  
7 support.

8 Upon request of any prospective homeowner who proposes to  
9 purchase a mobilehome that will remain in the park, management  
10 shall inform that person of the information management will  
11 require in order to determine if the person will be acceptable as a  
12 homeowner in the park.

13 Within 15 business days of receiving all of the information  
14 requested from the prospective homeowner, the management shall  
15 notify the seller and the prospective homeowner, in writing, of  
16 either acceptance or rejection of the application, and the reason if  
17 rejected. During this 15-day period the prospective homeowner  
18 shall comply with the management's request, if any, for a personal  
19 interview. If the approval of a prospective homeowner is withheld  
20 for any reason other than those stated in this article, the  
21 management or owner may be held liable for all damages  
22 proximately resulting therefrom.

23 (b) If the management collects a fee or charge from a prospective  
24 purchaser of a mobilehome in order to obtain a financial report or  
25 credit rating, the full amount of the fee or charge shall be credited  
26 toward payment of the first month's rent for that mobilehome  
27 purchaser. If, for whatever reason, the prospective purchaser is  
28 rejected by the management, the management shall refund to the  
29 prospective purchaser the full amount of that fee or charge within  
30 30 days from the date of rejection. If the prospective purchaser is  
31 approved by the management, but, for whatever reason, the  
32 prospective purchaser elects not to purchase the mobilehome, the  
33 management may retain the fee, or a portion thereof, to defray its  
34 administrative costs under this section.

35 (c) This section shall remain in effect only until July 1, 2016,  
36 and as of that date is repealed.

37 SEC. 6. Section 798.74 is added to the Civil Code, to read:

38 798.74. (a) The management may require the right of prior  
39 approval of a purchaser of a mobilehome that will remain in the  
40 park and that the selling homeowner or his or her agent give notice

1 of the sale to the management before the close of the sale. Approval  
2 cannot be withheld if the purchaser has the financial ability to pay  
3 the rent and charges of the park unless the management reasonably  
4 determines that, based on the purchaser's prior tenancies, he or  
5 she will not comply with the rules and regulations of the park. In  
6 determining whether the purchaser has the financial ability to pay  
7 the rent and charges of the park, the management shall not require  
8 the purchaser to submit copies of any personal income tax returns  
9 in order to obtain approval for residency in the park. However,  
10 management may require the purchaser to document the amount  
11 and source of his or her gross monthly income or means of financial  
12 support.

13 Upon *written* request of any selling homeowner or prospective  
14 homeowner who proposes to purchase a mobilehome that will  
15 remain in the park, management shall inform that person, in  
16 writing, of the information management will require and the  
17 standards that will be utilized in determining if the person will be  
18 acceptable as a homeowner in the park.

19 Within 15 business days of receiving all of the information  
20 requested from the prospective homeowner, the management shall  
21 notify the seller and the prospective homeowner, in writing, of  
22 either acceptance or rejection of the application, and the reason if  
23 rejected. During this 15-day period the prospective homeowner  
24 shall comply with the management's request, if any, for a personal  
25 interview. If the approval of a prospective homeowner is withheld  
26 for any reason other than either of the following, the management  
27 or owner may be held liable for all damages proximately resulting  
28 therefrom:

- 29 (1) Reasons stated in this article.
- 30 (2) Reasons based upon fraud, deceit, or concealment of material  
31 facts by the prospective purchaser.
- 32 (b) If the management collects a fee or charge from a prospective  
33 purchaser of a mobilehome in order to obtain a financial report or  
34 credit rating, the full amount of the fee or charge shall be credited  
35 toward payment of the first month's rent for that mobilehome  
36 purchaser. If, for whatever reason, the prospective purchaser is  
37 rejected by the management, the management shall refund to the  
38 prospective purchaser the full amount of that fee or charge within  
39 30 days from the date of rejection. If the prospective purchaser is  
40 approved by the management, but, for whatever reason, the

- 1 prospective purchaser elects not to purchase the mobilehome, the
- 2 management may retain the fee, or a portion thereof, to defray its
- 3 administrative costs under this section.
- 4 (c) This section shall become operative on July 1, 2016.

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