

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN ASSEMBLY JULY 6, 2015

AMENDED IN SENATE MAY 19, 2015

AMENDED IN SENATE APRIL 27, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 419

Introduced by Senator McGuire

February 25, 2015

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~~ *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~~ *allow a park to establish* reasonable rules *or regulations* 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; would authorize management to require the use of a step-in L-frame sign; 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

1 telephone number of the owner of the mobilehome or his or her
2 agent and the sign face shall not exceed 24 inches in width and 36
3 inches in height. Signs posted in front of a mobilehome pursuant
4 to this section may be of an H-frame or A-frame design with the
5 sign face perpendicular to, but not extending into, the street.
6 Homeowners may attach to the sign or their mobilehome tubes or
7 holders for leaflets which provide information on the mobilehome
8 for sale, exchange, or rent.

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10 and as of that date is repealed.

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

12 798.70. (a) A homeowner, an heir, joint tenant, or personal
13 representative of the estate who gains ownership of a mobilehome
14 in the mobilehome park through the death of the owner of the
15 mobilehome who was a homeowner at the time of his or her death,
16 or the agent of any such person, may advertise the sale or exchange
17 of his or her mobilehome, or, if not prohibited by the terms of an
18 agreement with the management, may advertise the rental of his
19 or her mobilehome, by displaying one sign in the window of the
20 mobilehome, or by one sign posted on the side of the mobilehome
21 facing the street, or by one sign in front of the mobilehome facing
22 the street, stating that the mobilehome is for sale or exchange or,
23 if not prohibited, for rent by the owner of the mobilehome or his
24 or her agent. Any such person also may display one sign
25 conforming to these requirements indicating that the mobilehome
26 is on display for an “open-house.” *house,” if allowed by the park.*
27 *The park may allow open houses and may establish by rule or*
28 ~~regulation~~ *reasonable rules reasonable rules or regulations*
29 *governing how an open house may be conducted, including rules*
30 ~~regarding hours~~ *the number of houses allowed to be open at one*
31 *time, hours, and parking. The sign shall state the name, address,*
32 *and telephone number of the owner of the mobilehome or his or*
33 *her agent and the sign face shall not exceed 24 inches in width and*
34 *36 inches in height. Signs posted in front of a mobilehome pursuant*
35 *to this section may be of an H-frame, A-frame, L-frame, or*
36 *generally accepted yard-arm type design with the sign face*
37 *perpendicular to, but not extending into, the street. Management*
38 *may require the use of a step-in L-frame sign. Homeowners may*
39 *attach to the sign or their mobilehome tubes or holders for leaflets*

1 that provide information on the mobilehome for sale, exchange,
2 or rent.

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

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

5 798.71. (a) (1) The management may not show or list for sale
6 a manufactured home or mobilehome without first obtaining the
7 owner’s written authorization. The authorization shall specify the
8 terms and conditions regarding the showing or listing.

9 (2) Management may require that a homeowner advise
10 management in writing that his or her manufactured home or
11 mobilehome is for sale. If management requires that a homeowner
12 advise management in writing that his or her manufactured home
13 or mobilehome is for sale, failure to comply with this requirement
14 does not invalidate a transfer.

15 (b) The management shall prohibit neither the listing nor the
16 sale of a manufactured home or mobilehome within the park by
17 the homeowner, an heir, joint tenant, or personal representative of
18 the estate who gains ownership of a manufactured home or
19 mobilehome in the mobilehome park through the death of the
20 owner of the manufactured home or mobilehome who was a
21 homeowner at the time of his or her death, or the agent of any such
22 person other than the management.

23 (c) The management shall not require the selling homeowner,
24 or an heir, joint tenant, or personal representative of the estate who
25 gains ownership of a manufactured home or mobilehome in the
26 mobilehome park through the death of the owner of the
27 manufactured home or mobilehome who was a homeowner at the
28 time of his or her death, to authorize the management or any other
29 specified broker, dealer, or person to act as the agent in the sale
30 of a manufactured home or mobilehome as a condition of resale
31 of the home in the park or of management’s approval of the buyer
32 or prospective homeowner for residency in the park.

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

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

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

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

4 798.71. (a) (1) The management may not show or list for sale
5 a manufactured home or mobilehome without first obtaining the
6 owner's written authorization. The authorization shall specify the
7 terms and conditions regarding the showing or listing.

8 (2) Management may require that a homeowner advise
9 management in writing that his or her manufactured home or
10 mobilehome is for sale. If management requires that a homeowner
11 advise management in writing that his or her manufactured home
12 or mobilehome is for sale, failure to comply with this requirement
13 does not invalidate a transfer.

14 (b) The management shall prohibit neither the listing nor the
15 sale of a manufactured home or mobilehome within the park by
16 the homeowner, an heir, joint tenant, or personal representative of
17 the estate who gains ownership of a manufactured home or
18 mobilehome in the mobilehome park through the death of the
19 owner of the manufactured home or mobilehome who was a
20 homeowner at the time of his or her death, or the agent of any such
21 person other than the management. For purposes of this section,
22 "listing" includes advertising the address of the home to the general
23 public.

24 (c) The management shall not require the selling homeowner,
25 or an heir, joint tenant, or personal representative of the estate who
26 gains ownership of a manufactured home or mobilehome in the
27 mobilehome park through the death of the owner of the
28 manufactured home or mobilehome who was a homeowner at the
29 time of his or her death, to authorize the management or any other
30 specified broker, dealer, or person to act as the agent in the sale
31 of a manufactured home or mobilehome as a condition of resale
32 of the home in the park or of management's approval of the buyer
33 or prospective homeowner for residency in the park.

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

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

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

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

6 798.74. (a) The management may require the right of prior
7 approval of a purchaser of a mobilehome that will remain in the
8 park and that the selling homeowner or his or her agent give notice
9 of the sale to the management before the close of the sale. Approval
10 cannot be withheld if the purchaser has the financial ability to pay
11 the rent and charges of the park unless the management reasonably
12 determines that, based on the purchaser's prior tenancies, he or
13 she will not comply with the rules and regulations of the park. In
14 determining whether the purchaser has the financial ability to pay
15 the rent and charges of the park, the management shall not require
16 the purchaser to submit copies of any personal income tax returns
17 in order to obtain approval for residency in the park. However,
18 management may require the purchaser to document the amount
19 and source of his or her gross monthly income or means of financial
20 support.

21 Upon request of any prospective homeowner who proposes to
22 purchase a mobilehome that will remain in the park, management
23 shall inform that person of the information management will
24 require in order to determine if the person will be acceptable as a
25 homeowner in the park.

26 Within 15 business days of receiving all of the information
27 requested from the prospective homeowner, the management shall
28 notify the seller and the prospective homeowner, in writing, of
29 either acceptance or rejection of the application, and the reason if
30 rejected. During this 15-day period the prospective homeowner
31 shall comply with the management's request, if any, for a personal
32 interview. If the approval of a prospective homeowner is withheld
33 for any reason other than those stated in this article, the
34 management or owner may be held liable for all damages
35 proximately resulting therefrom.

36 (b) If the management collects a fee or charge from a prospective
37 purchaser of a mobilehome in order to obtain a financial report or
38 credit rating, the full amount of the fee or charge shall be credited
39 toward payment of the first month's rent for that mobilehome
40 purchaser. If, for whatever reason, the prospective purchaser is

1 rejected by the management, the management shall refund to the
2 prospective purchaser the full amount of that fee or charge within
3 30 days from the date of rejection. If the prospective purchaser is
4 approved by the management, but, for whatever reason, the
5 prospective purchaser elects not to purchase the mobilehome, the
6 management may retain the fee, or a portion thereof, to defray its
7 administrative costs under this section.

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

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

11 798.74. (a) The management may require the right of prior
12 approval of a purchaser of a mobilehome that will remain in the
13 park and that the selling homeowner or his or her agent give notice
14 of the sale to the management before the close of the sale. Approval
15 cannot be withheld if the purchaser has the financial ability to pay
16 the rent and charges of the park unless the management reasonably
17 determines that, based on the purchaser's prior tenancies, he or
18 she will not comply with the rules and regulations of the park. In
19 determining whether the purchaser has the financial ability to pay
20 the rent and charges of the park, the management shall not require
21 the purchaser to submit copies of any personal income tax returns
22 in order to obtain approval for residency in the park. However,
23 management may require the purchaser to document the amount
24 and source of his or her gross monthly income or means of financial
25 support.

26 Upon written request of any selling homeowner or prospective
27 homeowner who proposes to purchase a mobilehome that will
28 remain in the park, management shall inform that person, in
29 writing, of the information management will require and the
30 standards that will be utilized in determining if the person will be
31 acceptable as a homeowner in the park.

32 Within 15 business days of receiving all of the information
33 requested from the prospective homeowner, the management shall
34 notify the seller and the prospective homeowner, in writing, of
35 either acceptance or rejection of the application, and the reason if
36 rejected. During this 15-day period the prospective homeowner
37 shall comply with the management's request, if any, for a personal
38 interview. If the approval of a prospective homeowner is withheld
39 for any reason other than either of the following, the management

1 or owner may be held liable for all damages proximately resulting
2 therefrom:

3 (1) Reasons stated in this article.

4 (2) Reasons based upon fraud, deceit, or concealment of material
5 facts by the prospective purchaser.

6 (b) If the management collects a fee or charge from a prospective
7 purchaser of a mobilehome in order to obtain a financial report or
8 credit rating, the full amount of the fee or charge shall be credited
9 toward payment of the first month's rent for that mobilehome
10 purchaser. If, for whatever reason, the prospective purchaser is
11 rejected by the management, the management shall refund to the
12 prospective purchaser the full amount of that fee or charge within
13 30 days from the date of rejection. If the prospective purchaser is
14 approved by the management, but, for whatever reason, the
15 prospective purchaser elects not to purchase the mobilehome, the
16 management may retain the fee, or a portion thereof, to defray its
17 administrative costs under this section.

18 (c) This section shall become operative on July 1, 2016.