

AMENDED IN SENATE MARCH 30, 2000

**SENATE BILL**

**No. 1570**

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**Introduced by Senator Dunn**

February 18, 2000

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An act to ~~add Section 798.16.5 to~~ amend Section 798.74 of, and to add Sections 798.9.5, 798.16.5, 798.18.1, and 798.18.2 to, the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

SB 1570, as amended, Dunn. Mobilehome tenancies: arbitration or mediation agreements.

Under the Mobilehome Residency Law, a rental agreement is an agreement between the management of a mobilehome park and a homeowner establishing the terms and conditions of a park tenancy.

This bill would provide that management may offer, and a homeowner may voluntarily agree and enter into, an arbitration or mediation agreement for the resolution of disputes arising from the rental agreement or tenancy in the mobilehome park. The bill would require that the arbitration or mediation agreement be set forth in a document separate from the rental agreement, and would prohibit management from making the homeowner's agreement thereto a condition of tenancy or a condition of acceptance by management of the rental agreement. *The bill would define a "prospective homeowner" for these purposes, and would require management to offer a copy of any rental agreement to a homeowner to inspect and review at least 30 days prior to*

signature and to provide a copy of the signed rental agreement to the persons who have signed it.

Existing law prohibits management from withholding approval of a purchaser of a mobilehome that will remain in the park if the purchaser has the financial ability to pay the rent and charges, with specified exceptions.

This bill would prohibit management from withholding approval if a bank or financial institution has qualified the purchaser to finance the purchase of a mobilehome in the park.

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 798.9.5 is added to the Civil  
2 Code, to read:

3 798.9.5. "Prospective homeowner" is a person who  
4 has not yet signed a rental agreement and for whom the  
5 approval of management is sought for residency under  
6 subdivision (a) of Section 798.74 in order to purchase a  
7 mobilehome that will remain in the park, or a person who  
8 has already purchased, or has become the registered  
9 owner of, a mobilehome in the park.

10 SEC. 2. Section 798.16.5 is added to the Civil Code, to  
11 read:

12 798.16.5. Management may offer a homeowner an  
13 arbitration or mediation agreement for the resolution of  
14 disputes arising from the homeowner's rental agreement  
15 with management or tenancy in the mobilehome park,  
16 and the homeowner may voluntarily agree to the  
17 arbitration or mediation agreement.—~~The arbitration or~~  
18 ~~mediation agreement shall not~~ No arbitration or  
19 mediation agreement shall be part of, or included in, the  
20 rental agreement, and shall be a separate document.  
21 Under no circumstances shall management make the  
22 homeowner's acceptance of an arbitration or mediation  
23 agreement a condition of tenancy or a condition of  
24 acceptance by management of the rental agreement  
25 signed by the homeowner.



1 SEC. 3. Section 798.18.1 is added to the Civil Code, to  
2 read:

3 798.18.1. Notwithstanding any other provision of law,  
4 a copy of any rental agreement offered by the  
5 management pursuant to Sections 798.17 and 798.18 shall  
6 be given to a homeowner to inspect and review at least  
7 30 days prior to signature. The copy of the rental  
8 agreement shall include the actual amount of the  
9 monthly rent and charges under the agreement proposed  
10 to be accepted and signed by the homeowner. The  
11 management shall also provide a copy of the signed rental  
12 agreement to persons who have signed it at the time that  
13 agreement is accepted and signed.

14 SEC. 4. Section 798.18.2 is added to the Civil Code, to  
15 read:

16 798.18.2. For purposes of Sections 798.16.5, 798.17,  
17 798.18, and 798.18.1, a homeowner shall include a  
18 prospective homeowner as defined in Section 798.9.5.

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

21 798.74. (a) The management may require the right  
22 of prior approval of a purchaser of a mobilehome that will  
23 remain in the park and that the selling homeowner or his  
24 or her agent give notice of the sale to the management  
25 before the close of the sale. Approval cannot be withheld  
26 if the purchaser has the financial ability to pay the rent  
27 and charges of the park unless the management  
28 reasonably determines that, based on the purchaser's  
29 prior tenancies, he or she will not comply with the rules  
30 and regulations of the park. ~~It~~

31 (b) In determining whether the purchaser has the  
32 financial ability to pay the rent and charges of the park,  
33 the management shall ~~not require~~ be prohibited from  
34 engaging in the following:

35 (1) Withholding approval on this basis if a bank or  
36 financial institution has qualified the purchaser to finance  
37 the purchase of a mobilehome in the park.

38 (2) Requiring the purchaser to submit copies of any  
39 personal income tax returns in order to obtain approval  
40 for residency in the park. However, management may



1 require the purchaser to document the amount and  
2 source of his or her gross monthly income or means of  
3 financial support.

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

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

22 ~~(b)~~

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

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