

AMENDED IN ASSEMBLY MARCH 9, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1927

Introduced by Assembly Member Knight

February 17, 2010

An act to add Section 1360.2 to the Civil Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

AB 1927, as amended, Knight. Real property: common interest developments.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments. Under existing law, a common interest development is managed by an association pursuant to the provisions of the governing documents of the development.

This bill would provide that a governing document that is amended, adopted, or recorded on or after January 1, 2011, shall not prohibit the rental or lease of a separate interest in a common interest development, unless the provision imposing the prohibition is approved by $\frac{2}{3}$ of all of the owners of separate interests, as provided.

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. The Legislature finds and declares that the rights
- 2 of common interest development owners to rent or lease their
- 3 properties, as the rights existed at the time they acquired them,

1 should be protected by the State of California. The Legislature
2 further finds and declares that a common interest development
3 creates a unique home ownership model that is unlike the status
4 of a single family home in a traditional neighborhood. Property
5 owners and residents who purchase units within, and live in, a
6 common interest development governed by a homeowner's
7 association have agreed to live under rules and guidelines created
8 by a democratic process. It is best, therefore, as provided herein,
9 that the owners of units within a common interest development
10 determine, through the exercise of a democratic decisionmaking
11 process, what is best for their communities.

12 SEC. 2. Section 1360.2 is added to the Civil Code, to read:

13 1360.2. (a) A governing document that is amended, adopted,
14 or recorded on or after January 1, 2011, shall not prohibit the rental
15 or lease of a separate interest in a common interest development,
16 except as provided in this section.

17 (b) Notwithstanding any provision of the governing documents
18 to the contrary, if a common interest development adopts a
19 governing document or an amendment to a governing document
20 that prohibits the rental or lease of a separate interest in a common
21 interest development, that provision shall be approved by a vote
22 of ~~all~~ the owners of separate interests in the common interest
23 development.

24 (c) The vote required by subdivision (b) shall be by means of
25 a written ballot *conducted pursuant to the requirements of*
26 *subdivision (b) of Section 1363.03* and approved by not less than
27 two-thirds of ~~all~~ of the owners of separate interests in the common
28 interest development.