

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2439 (Blanca Rubio) – As Amended March 19, 2026

**SUBJECT:** Common Interest Developments: governing documents: assessments

**SUMMARY:** Amends the Davis-Stirling Act (Act) to prohibit homeowners associations (HOAs) from restricting members' use of public roads, require certified notice of changes to assessment payment recipients, and impose liability on HOAs for failing to follow statutory delinquent assessment lien procedures. Specifically, **this bill:**

- 1) Prohibits an HOA's governing documents from restricting a member's use of public roads, except as necessary to enforce public health and safety standards or requirements imposed by a local authority.
- 2) Requires HOAs to notify members by certified mail, return receipt requested, within 60 days of any change to the person authorized to receive HOA assessment payments.
- 3) Makes an HOA's board liable to a homeowner for specified costs, including reconveyance fees and related expenses, and imposes a \$1,000 civil penalty if the association fails to comply with required lien procedures.

**EXISTING LAW:**

- 1) Provides that regular and special assessments, along with late charges, interest, reasonable collection costs, and attorney's fees, constitute a debt of the homeowner in an HOA at the time they are levied. (Civil Code (CIV) Section 5650)
- 2) Authorizes HOAs to impose late charges and interest on delinquent assessments, subject to specified limits, including interest not to exceed 12% annually unless a lower rate is specified in the declaration. (CIV 5650)
- 3) Requires HOAs to apply homeowner debt payments first to delinquent assessments owed to the HOA, and only after those are paid in full, to fees, collection costs, attorney's fees, late charges, or interest. (CIV 5655)
- 4) Requires HOAs to provide a receipt to the homeowner upon request for payments made, and to include a mailing address for overnight payment of assessments in the HOA's annual policy statement. (CIV 5655)
- 5) Requires HOAs to follow specified notice procedures prior to recording a lien for delinquent assessments and to recommence the notice process, at the HOA's expense, if those procedures are not followed. (Civil Code 5690)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

**Author's Statement:** According to the author, "Families living in HOAs deserve fairness, transparency, and clear communication from their HOA Board. Yet too often, residents face inconsistent rule enforcement and are left unaware of critical financial actions affecting their property."

This bill addresses these issues by prohibiting HOAs from regulating parking on public streets except for public safety, requiring clear and verifiable notice of changes to payment systems, and establishing penalties when HOAs fail to comply with lien notification laws."

**Common Interest Developments:** There are over 50,000 CIDs in the state that range in size from three to 27,000 units, with the average CID having 286 residents. CIDs make up roughly 4.7 million housing units, and 36% of Californians (over 14 million Californians) live in a CID. These rates are even higher for homeowners, with approximately 65% of homeowners living in a CID. CIDs include condominiums, community apartment projects, housing cooperatives, and planned unit developments. They are characterized by a separate ownership of dwelling space coupled with an undivided interest in a common property, restricted by covenants and conditions that limit the use of common area, and the separate ownership interests and the management of common property and enforcement of restrictions by an HOA. CIDs are governed by the Davis-Stirling Common Interest Development Act (the Act) as well as the governing documents of the association (Covenants, Conditions, and Restrictions, or CC&Rs), including bylaws, declaration, and operating rules.

**Davis-Stirling Common Interest Development Act:** The Davis-Stirling Act (Act) went into effect in 1986 and is the primary body of law governing CIDs in California. The Act provides the legal framework for the creation and management of HOAs, including rules related to governance, assessments, dispute resolution, maintenance responsibilities, and member rights. The law aims to balance the authority of HOAs with the rights of individual property owners, ensuring that communities are managed efficiently and fairly.

Over time, the Act has been amended to address the evolving needs of CIDs and to increase transparency, accountability, and consumer protections. Key provisions include requirements for open meetings, financial disclosures, election procedures, and architectural review processes. The Act also provides mechanisms for resolving disputes, including internal dispute resolution and alternative dispute resolution before certain legal actions can proceed. As CIDs continue to represent a significant portion of California's housing stock, the Act plays a critical role in shaping the living environment and governance of millions of residents across the state.

**This Bill:** This bill makes the following changes to the Act:

- 1) **Use of Public Roads.** This bill expands the limits on what an HOA's governing documents may regulate by prohibiting restrictions on a homeowner's use of public roads serving the HOA, with a narrow exception for public health and safety requirements imposed by local authorities. For example, this provision could apply to common HOA rules governing activities such as on-street parking, including restrictions on overnight parking, or the parking of recreational vehicles on public streets.
- 2) **Assessment Mailing Address.** This bill also adds new notice requirements related to the collection of assessments. Assessments are regular or special fees paid by members of the

HOA to fund common area maintenance and other HOA obligations. This bill would require HOAs to inform members, via certified mail, of any change in the person authorized to receive the assessment payments for the HOA. While existing law already requires certain disclosures related to payment processing (such as providing a receipt upon the homeowner's request, and providing the address for overnight payments in the HOA's annual policy statement), this bill imposes a more formal and trackable notice requirement tied to changes in payment handling. In doing so, this bill may reduce confusion or disputes over where payments should be directed, especially in the instance when the address for payments changes after the annual policy statement is published. On the other hand, it may increase costs to the HOA as sending certified mail can cost approximately \$9 per unit, according to opponents of this provision.

- 3) **Lien Requirements.** Lastly, this bill strengthens enforcement of existing lien procedures by imposing direct liability on the HOA's board if it fails to comply with required pre-lien notice requirements. Under current law, an HOA that fails to follow these procedures must restart the notice process at its own expense, but this bill goes further by requiring reimbursement of specified homeowner costs and imposing a \$1,000 civil penalty. In doing so, this bill shifts the remedy for failing to follow these lien procedures from a procedural remedy to one that creates financial consequences for noncompliance.

**Arguments in Support:** None on file.

**Arguments in Opposition:** The California Association of Community Managers writes in an oppose unless amended position: Homeowner associations are funded by homeowner assessments. All costs are paid for by homeowners. We agree that members should be notified whenever there is a change in where they send their assessments. However, requiring the notice be sent by certified mail, return receipt requested, will result in an unnecessary cost to homeowners. Certified mail costs, on average, \$9.00 per unit. In a large association, this could be a hit to association budgets in the thousands. The certified mail requirement may also be counterproductive, as homeowners routinely refuse to sign for certified mail. We request that the bill be amended to remove the requirement that the notice be sent by certified mail."

**Double-Referred:** This bill was also referred to the Committee on Judiciary, where it will be heard should it pass out of this Committee.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on file.

### **Opposition**

California Association of Community Managers (oppose unless amended)

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