

Date of Hearing: April 28, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 2439 (Blanca Rubio) – As Amended March 19, 2026

SUBJECT: COMMON INTEREST DEVELOPMENTS: GOVERNING DOCUMENTS:
ASSESSMENTS

KEY ISSUES:

- 1) SHOULD HOMEOWNER ASSOCIATIONS BE PROHIBITED FROM RESTRICTING A MEMBER'S USE OF PUBLIC ROADWAYS?
- 2) SHOULD HOMEOWNER ASSOCIATION BOARDS BE HELD LIABLE FOR A FAILURE TO FOLLOW THE STATUTORILY PRESCRIBED PROCEDURES FOR IMPOSING A LIEN ON THE SEPARATE PROPERTY INTEREST OF AN ASSOCIATION MEMBER?

SYNOPSIS

Homeowner associations serve as the governing structure for homeowners living within a common interest development. The elected board of a homeowner association serves as the association's governing body, setting the assessments charged to homeowners to pay for association upkeep and establishing rules governing common areas of the association. Seeking to ensure that the community operates peacefully, the association board is empowered to fine residents who violate these rules and assess significant late fees and interest on missed assessments.

The author of this bill contends that several associations within her district are abusing these powers and violating the existing law. To that end, this bill makes three changes to the laws governing homeowner associations. First, the bill prohibits an association from adopting rules limiting members' access to public roadways. Secondly, the bill requires an association to improve the notices transmitted to homeowners when the association changes the procedures for remitting assessments to the association. Finally, the bill imposes civil liability on an association board that fails to follow the existing law's procedures for imposing liens on resident's property.

This author sponsored measure is aimed at addressing the concerns of her constituents related to their homeowner associations. This bill is opposed by the California Association of Community Managers and the Community Associations Institute - California Legislative Action Committee who contend that several of the bill's provisions are costly and onerous or will deter people from running for association boards. This bill was previously approved by the Committee on Housing and Community Development unanimously.

SUMMARY: Prohibits a homeowner association from restricting a member's use of public roads and imposes penalties on homeowner associations that fail to follow the laws related to the imposition of liens on member's property. Specifically, **this bill:**

- 1) Prohibits a homeowner association, unless necessary to enforce public health and safety standards and requirements imposed by local authorities, from imposing restrictions on a member's use of public roads.

- 2) Requires a homeowner association to notify the members by certified mail, return receipt requested, of a change of a person authorized to receive payment of assessments within 60 days of the change.
- 3) Provides that if a homeowner association fails to comply with the existing law's requirements for the imposition of a lien on the separate property interest of a member the board of the association is liable for the following:
 - a) The reconveyance fee and any costs of the owner of the separate interest associated with the association's failure to comply with the procedures set forth in law; and
 - b) A civil penalty of one thousand dollars (\$1,000).

EXISTING LAW:

- 1) Establishes the Davis-Stirling Common Interest Development Act and provides for the rules and regulations governing the operation of a residential common interest development and the respective rights and duties of the homeowner association and its members. (Civil Code Section 4000 *et seq.*)
- 2) Provides that a regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, are a debt of the owner of the separate interest at the time the assessment or other sums are levied. (Civil Code Section 5650.)
- 3) Provides that regular and special assessments levied pursuant to the governing documents are delinquent 15 days after they become due, unless the declaration provides a longer time period, in which case the longer time period applies. (Civil Code Section 5650 (b).)
- 4) Authorizes the board of a homeowner association to record a lien upon the separate property interest of an association member so long as the board transmits to the member, at least 30 days prior to recording the lien, the following:
 - a) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records, as specified;
 - b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
 - c) A statement that the owner is not liable to pay the charges, interest, and costs of collection, if it is determined that the assessment was paid on time to the association;
 - d) The right to request a meeting with the board;
 - e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program; and

- f) The right to request alternative dispute resolution with a neutral third party before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration is not available if the association intends to initiate a judicial foreclosure. (Civil Code Section 5660.)
- 5) Provides that if a homeowner association fails to follow the existing law's procedures for recording a lien on a member's separate interest, the association must recommence the process in its entirety before recording the lien and bear all costs associated with the recommenced process. (Civil Code Section 5690.)
- 6) Specifies that a homeowner association cannot do any of the following:
- a) Prohibit a member from displaying the flag of the United States by a member on or in the member's separate interest or within the member's exclusive use common area (Civil Code Section 4705);
 - b) Prohibit a member from displaying one or more religious items on the entry door or entry door frame of the member's separate interest (Civil Code Section 4706);
 - c) Prohibit a member from posting or displaying of noncommercial signs, posters, flags, or banners on or in a member's separate interest, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law (Civil Code Section 4710);
 - d) Prohibit the owner of a separate interest within a common interest development from keeping at least one pet within the common interest development, as specified (Civil Code Section 4715);
 - e) Mandating a member install or repair a roof in a manner that is in violation of the Health and Safety Code or specified regulations promulgated by the Department of Forestry and Fire Protection (Civil Code Section 4720);
 - f) Prohibit or restrict a member from installing or using a video or television antenna, including a satellite dish, as specified (Civil Code Section 4725);
 - g) Arbitrarily or unreasonably restrict a member's ability to market the owner's interest in a common interest development (Civil Code Section 4730); and
 - h) Enforce certain landscape watering or property washing requirements during a declared drought. (Civil Code Section 4735 & 4736.)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: Homeowner associations govern common interest developments, and generally exist to manage the day-to-day affairs of the association's finances and maintain common areas within the development. To carry out these duties, the association's board is permitted to assess fees from members of the association to pay for upkeep of the common areas and to adopt rules governing the affairs of the association. Should a resident fail to pay their assessments or ignore valid fines, the association may impose a lien on the member's property. To ensure due process, the existing law imposes specific requirements on an association board seeking to impose a lien

on a member's property. The author of this measure contends that, too often, boards ignore the existing law and their own rules. Accordingly, this bill makes several statutory revisions to the laws governing homeowner associations seeking to protect association residents from arbitrary and capricious board actions. In support of this bill the author states:

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.

By increasing accountability and transparency, this measure protects homeowners from unfair practices and ensures they are properly informed about decisions that impact their homes and finances.

Background on homeowner association governance. There are approximately 50,000 common interest developments in California. They vary in size and structure, but generally are characterized by the following: (1) separate ownership of individual residential units coupled with an undivided interest in common property; (2) CC&Rs that limit the use of both separate interests and common property; and (3) management of common property and enforcement of restrictions by a homeowner association.

Governance of these developments and the homeowner associations that make up their governing bodies is regulated under the Davis-Stirling Act (Civil Code Section 1350 *et seq.*), which sets forth general rules governing common interest developments. Beyond the overarching state law, each individual association is also subject to specific rules and regulations set forth by the association's "governing documents." These governing documents include the recorded declaration and any other documents, such as bylaws, operating rules of the association, or articles of incorporation that govern the operation of the association. Homeowner associations are governed by volunteer boards of directors who are elected by the members of the association and who are responsible for interpreting the governing documents and state law.

In order to maintain the common areas of the association, existing law enables association boards to adopt rules and regulations for the community, as well as to impose financial assessments on residents to pay for the upkeep of the association's common areas. The assessments, generally, are determined based on regular surveys conducted by the association's management company to determine the financial needs of the association. As it relates to rules adopted by the association, these rules typically include requirements that properties be maintained, that exterior construction be conducted in accordance with association guidelines, and that activities occurring within common areas adhere to various codes of conduct so as not to disturb neighbors. While many homeowner associations adopt a live-and-let-live approach to governance, only cracking down on neighbors who disturb the peace or damage the common areas, the author contends that others adopt draconian rules and regulations governing nearly every aspect of a resident's life. The author also notes that many of these rules can be applied inconsistently and enforcement is often targeted at those that are the subject of neighborhood disputes.

The author further notes that consistency in both the collection of assessments and the enforcement of rules is critical as a failure to pay an association can result in liens being placed

on a homeowner association member's property. Seeking to address some of the concerns raised by the author's constituents related to homeowner associations, the author is proposing three modest changes to the existing law to be discussed in specific detail below.

This bill would prohibit a homeowner association from restricting a member's access to public roads. The first issue this measure seeks to address is homeowner associations that seek to police their member's access to *public* roadways. The author notes that constituents have complained that several associations are issuing violations when members park their vehicles on the public streets outside of their homes, contending these spaces should be used by visitors only. The author, rightfully, argues it may be impossible for an association to truly know who is a visitor and who is a resident. The author also notes that the necessities of life often require a person to park in front of their home and not inside of a garage from time-to-time. Indeed, an association seeking to police the use of public roadways seems to provide an open invitation for conflict.

Accordingly, this bill would ban a homeowner association from adopting or enforcing parking rules that limit a member's access to public roadways unless such a rule was necessary for health and safety (i.e. no parking in front of a fire hydrant or in an area designated for persons with disabilities.) The author contends that parking restrictions are far more appropriately enforced by local governments and sworn law enforcement than homeowner associations.

This bill requires the homeowner association to properly notice residents when management changes and assessments are required to be remitted to a new entity. To assist the volunteers who serve on the board of homeowner associations, many associations hire management companies to oversee the day-to-day affairs of the association. In addition to offering advice to the board, managing contracts for the association, and assisting in elections, one of the most critical roles played by association management companies is to collect the monthly assessments that fund the association. Recognizing that the timely collection of assessments from association members is critical to maintaining the financial integrity of the association, the existing law permits a homeowner association board to rapidly impose late payments and interest on delinquent association members. However, should an association change management companies or adopt a new means of collecting assessments, one can easily see how confusion can abound.

To ensure that homeowners are not unnecessarily charged late fees and interest for assessments that were tendered incorrectly, this bill would require a homeowner association to notify their members by certified mail, return receipt requested, of a change of a person authorized to receive payment of assessments within 60 days of the change. The author notes that this will ensure that an association is properly apprising members of changes and that the association has proof that a member received such a notice should a dispute arise.

These provisions are opposed by both the California Association of Community Managers and the Community Associations Institute - California Legislative Action Committee. The representatives of the homeowner association boards and management companies contend that the requirement for obtaining a return receipt request presents an archaic and costly burden on associations. The author counters homeowners must be given adequate notice of changes to the existing assessment payment procedures in light of the significant penalties that can accrue should a payment be missed. While the Committee encourages the author and opposition to study the array of certified mailing options offered by the United States Postal Service to

determine if an agreeable form of mailing can be reached, given the expenses that missed payments pose to homeowners, the extra costs to the association seem reasonable.

This bill requires homeowner associations boards to be accountable for following the existing law related to the imposition of liens on a member's property. The final aspect of the measure focuses on the imposition of liens on a homeowner association member's property for failing to pay the association required assessments. Recognizing the need to maintain association finances, the existing law authorizes a board to quickly impose a lien on a member's property. However, seeking to provide homeowners some modicum of due process, the existing law does require meaningful notices to homeowners and provides them the right to contest the lien. The author of this measure notes that several constituents have complained that homeowner association boards are ignoring the notice and hearing requirements and are swiftly placing liens on property.

Although conceding that most homeowner association board members rely on advice from association management companies and the manager's legal counsel, the author notes that elected board members owe a fiduciary duty to the association to follow the law. Accordingly, this bill would make the association board liable for civil penalties of \$1,000 and specified cost recovery, should a homeowner association board impose a lien in violation of the procedures specified in existing law.

Again, the California Association of Community Managers and the Community Associations Institute - California Legislative Action Committee oppose these provisions. The opposition contends that it is already difficult to get homeowners to volunteer to serve on boards and the imposition of liability will only serve to further deter volunteer service. While the statements in support of several other homeowner association measures currently pending before the Committee indicate that a \$1,000 may not deter some people from gleefully volunteering to police the conduct of their neighbors, this point is well taken. However, as noted above, homeowner association board members have a fiduciary duty to follow the law, and the \$1,000 penalty is not entirely unreasonable should a person unlawfully impose a lien on their neighbor. Nonetheless, recognizing that association managers are the most likely culprit should a lien be improperly imposed, *the author may wish to consider an amendment permitting board members to demand indemnification from association managers should civil liability be imposed for a failure to impose a lien in a lawful manner.*

ARGUMENTS IN OPPOSITION: As noted, this bill is opposed by California Association of Community Managers and the Community Associations Institute - California Legislative Action Committee. In opposition, the California Association of Community Managers writes:

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.*

Given the difficulty associations have in getting homeowners to serve on the board, we also have concerns with imposing a \$1,000 civil penalty on the board if an association fails to

send the notice. The Legislature has passed numerous laws to address the lack of voter engagement in board elections. The penalties in AB 2439 will exacerbate the problem.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

California Association of Community Managers
Community Associations Institute - California Legislative Action Committee

Analysis Prepared by: Nicholas Liedtke / JUD. / (916) 319-2334