Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: AB 2439
Author: Blanca Rubio (D) and Lowenthal (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 8-1, 6/16/26
AYES: Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez, Grayson, Padilla
NOES: Ochoa Bogh
NO VOTE RECORDED: Seyarto

SENATE JUDICIARY COMMITTEE: 10-0, 6/23/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson
NO VOTE RECORDED: Niello, Valladares, Wiener

ASSEMBLY FLOOR: 74-0, 5/4/26 - See last page for vote

SUBJECT: Common Interest Developments: governing documents: assessments

SOURCE: Authors

DIGEST: This bill 1) prohibits a homeowner's association's (HOA) governing documents from imposing restrictions on a member's use of public streets, including parking; 2) requires an HOA to notify each member, as specified, of a change of person or entity authorized to receive payment of assessments within 60 days of the change; 3) requires an HOA to send a second notice, as specified, to any member who has missed two consecutive assessment payments, unless other conditions are met; and, 4) imposes civil liabilities, as specified, for violations of pre-lien notice requirements by the HOA board.

Senate floor amendments of 8/21/26 further clarify the responsibilities of an HOA regarding a change in receipt authorized to receive assessment payments, including notice requirements and maintenance of records.

ANALYSIS:

Existing law, pursuant to the Davis-Stirling Act (Act):

1) Provides that regular and special assessments in an HOA, 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.

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.

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.

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.

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.

This bill:

1) Prohibits HOA governing documents from imposing restrictions on a member's use of public roads, including parking, except for restrictions to enforce public health and safety standards and requirements imposed by local authorities.

2) Requires an HOA, when the person or entity authorized to receive payment of assessments on behalf of the HOA changes, to notify members through individual notice within 60 days, by either:

   a) Electronic delivery for any member who has opted into that method of delivery for receiving general notices from the HOA; or,

   b) First-class mail with a certificate of mail for any member who has not opted into the electronic delivery described in a).

3) Specifies that, if a member fails to pay two consecutive assessment payments after the HOA has provided the notice described in 2), the HOA must send a second notice by certified mail with return receipt.

4) Specifies that it is the responsibility of the HOA to maintain records confirming individual notices were distributed pursuant to 2) and 3), and that, if a member requests proof of delivery, the HOA must provide it at no charge to the member. The records shall be maintained by the HOA for five years.

5) Specifies that, if an HOA fails to comply with 3) and places a lien on a separate interest, and it is the third failure to comply within a five-year period, the board shall be liable to the owner of the separate interest for:

   a) The reconveyance fee and any costs of the owner of the separate interest associated with the HOA's failure to comply; and,

   b) A civil penalty of $1,000.

Background

HOAs. HOAs are the legal governing bodies of common interest developments (CIDs). These developments cover a variety of community arrangements, including apartment complexes, housing cooperatives, condominiums, and planned unit developments. In 1986, California enacted the Davis-Stirling Act, which outlines the requirements for CID and HOA governance, including assessments and other fees, maintenance responsibilities, and elections. There are over 50,000 HOAs throughout California, covering 36.3% of the state's population. In L.A. County alone, there are over 16,500 HOAs.

Davis-Stirling Act. The Act went into effect in 1986 and is the primary state law governing CIDs and HOAs 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 HOAs, including increased transparency, accountability, and consumer protections. Key provisions of the Act 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 the majority of new housing construction in California is part of an HOA, the Act plays a critical role in shaping the environment and governance of these communities and the tens of millions of residents who reside in them.

Comments

1) *Author's statement.* "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."

2) *Assessing the situation.* In an HOA, the owner(s) of each separate interest are expected to pay regular assessments to the association every year, often on a monthly basis, to cover essential operating expenses and other budgeted expenses, as determined by the board. The HOA is required to communicate who is responsible for collecting those payments—whether that's the association itself, or a designated third-party management company. Under existing law, HOAs are required to provide a mailing address for overnight payment of assessments in the annual policy statement. If the entity, or the address of the entity, responsible for collecting those payments changes, the HOA should be notifying its members. If this notification does not occur, this can expose both the HOA and the member to harm, with an association not receiving funds essential to its operation, and a member becoming delinquent on payments. Delinquency can lead to fines and a lien on an owner's property.

   These concerns bore out in an example described by the author, where an association alleges it provided notice of the assessment recipient changing, but could not prove it. The author then missed their assessment payments, resulting in a lien on their separate interest, along with fines. This bill contains provisions to address those concerns, including more stringent requirements for the delivery of notices. This bill would require individual notice of the assessment recipient changing be sent out to each owner of a separate interest via their preferred delivery method, as specified. If after the individual notice is sent out, the owner of a separate interest misses two consecutive assessment payments, then the HOA shall send out a second individual notice by certified mail with return receipt. These measures are intended to balance improving transparency and keeping delivery costs incurred by the HOA reasonable.

3) *Consequences for consequential actions.* Under existing law, an HOA is required to recommence the notice process, prior to recording a lien on a separate interest, if the HOA does not follow the requirements of the article. As noted above in Comment 2, however, an owner may not be aware of the lien. As such, this bill seeks to impose civil liabilities on any HOA board that violates pre-lien notice requirements, as specified, three or more times within a five-year period. It would do so by requiring a board to pay any reconveyance fee, owner fees, and a civil fine of $1,000 to any affected separate interest owner. Historically, HOAs have difficulty recruiting members to serve on the board. If a board/board member is now required to pay fines and face civil liabilities, that could worsen such recruitment efforts and affect the ability of an HOA to function. Further, this could potentially lead to complicated legal battles between an HOA board member and an HOA member. What happens if there is a dispute over whether the board member was acting in their official duties and should not be held personally liable; or whether every board member must now pay the fines versus just one, and how those fees might be split? The committee may wish to consider whether there are other ways to ensure greater accountability without the potential for these unintended consequences.

4) *Members' use of public roads.* A minor provision of this bill clarifies that an HOA may not impose restrictions on a member's use of public roads, including parking, except for specified health and safety reasons. This arises out of a situation where the author was told she could not park on a public road, while visitors faced no restrictions for their parking on the same road. This would not change an HOA's ability to regulate the use of roads managed by the association, including parking restrictions on such. Rather, this would ensure that HOAs are not exceeding their authority and regulating roads they do not have jurisdiction over, even if they are neighboring the community.

5) *Double-referral.* This bill was also heard in the Senate Judiciary Committee on June 23, 2026, where it received a vote of 10-0.

Related/Prior Legislation

SB 1238 (Wahab, 2026) — would provide that a person or entity that facilitates specified activities, including reviewing association operating accounts, owes a duty of care that is prudent and provides the highest good faith effort to the association and its members. *This bill is pending on the Assembly Floor.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 8/21/26)

None received.

OPPOSITION: (Verified 8/21/26)

California Association of Community Managers
CAI-CLAC

ARGUMENTS IN OPPOSITION: Those writing in opposition expressed concerns about the bill's provisions subjecting HOA Boards to civil liability, including a set of fines, for specified violations. They argue that this could depress willingness to serve on the board and stifle HOA operations.

ASSEMBLY FLOOR: 74-0, 5/4/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Berman, Boerner, Bonta, Bryan, Calderon, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Bennett, Caloza, Chen, Gallagher, Hart

Prepared by: Ryan Hardmeyer / HOUSING / (916) 651-4124
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