

CONCURRENCE IN SENATE AMENDMENTS

AB 2439 (Blanca Rubio and Lowenthal)

As Amended August 21, 2026

Majority vote

SUMMARY

Amends the Davis-Stirling Common Interest Development Act (Act) by prohibiting a homeowners association (HOA) from restricting a member's use of public streets, requires delivery of notice to members if the person or entity authorized to receive payments of assessment on behalf of the HOA changes, as specified, and imposes liability on HOAs for failing to follow statutory delinquent lien procedures.

Senate Amendments

- 1) Specify an HOA must notify members through individual notice by either electronic delivery or first-class mail if the person or entity authorized to receive payments of assessment on behalf of the HOA changes.
- 2) Require an HOA to send a notice by certified mail with return receipt if a member fails to make the next two consecutive assessment payments following the individual notice required in 1), unless the member affirmatively responded to the notice in 1).
- 3) Require the HOA to maintain records confirming that individual notices were distributed pursuant to 1) and 2) for five years.
- 4) Provide that if the HOA fails to comply with the procedures in 2), and the failure is the third failure to comply with the procedures in 2) within a five-year period, the board of an HOA shall be liable to the owner of the separate interest for a civil penalty of \$1,000.

COMMENTS

Common Interest Developments (CIDs): 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 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 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 streets 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 electronic delivery or first-class mail, of any change in the person authorized to receive the assessment payments for the HOA. Then, if a member fails to make the next two consecutive assessment payments after the individual notice is provided, this bill requires an HOA to send notice of the change via certified mail. 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.
- 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.

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."

Arguments in Support

None on file.

Arguments in Opposition

According to the Community Associations Institute's California Legislative Action Committee, "Community associations play a critical role in managing shared property, enforcing governing documents, and ensuring compliance with applicable laws on behalf of their members. We appreciate the work of the committee to remove some of the costs and overly burdensome notice requirements currently in the bill. We remain very concerned about the personal liability the bill seeks to impose on volunteer board members. This approach is contrary to case law and current statute and needs to be removed."

FISCAL COMMENTS

None. This bill is keyed- non-fiscal by the Legislative Counsel.

VOTES:**ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0**

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM JUDICIARY: 12-0-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Johnson, Pacheco, Papan, Sanchez, Lee, Zbur

ASSEMBLY FLOOR: 74-0-6

YES: 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

ABS, ABST OR NV: Arambula, Bennett, Caloza, Chen, Gallagher, Hart

SENATE FLOOR: 32-5-3

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Grove, Niello, Ochoa Bogh, Seyarto

ABS, ABST OR NV: Choi, Dahle, Valladares

UPDATED

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