

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2579 (Petrie-Norris) – As Amended March 16, 2026

SUBJECT: Common interest developments: discipline

SUMMARY: Allows the board of a homeowners' association (HOA) to fine a member in excess of the statutory \$100 fine cap if the member violates the HOA's governing documents in specified ways. Specifically, **this bill:**

- 1) Allows an HOA to fine a member more than \$100 for any of the following violations:
 - a) Any of the following fire or environmental hazards:
 - i) The storage of any flammable or combustible material in a common area;
 - ii) The obstruction of a fire lane;
 - iii) The tampering or otherwise disabling of a fire alarm, smoke detector, fire extinguisher, or fire sprinkler;
 - iv) Smoking in any location within the community;
 - v) The use of open flames in any area in which the use of open flames is prohibited;
 - vi) The improper discharge of chemicals or hazardous waste in the community;
 - vii) The failure to abide by any fire hardening and setback requirements; and
 - viii) The flying of drones over common areas or another person's lot or condominium.
 - b) Any of the following issues with respect to architectural improvements:
 - i) The unauthorized construction of improvements or alterations, or the creation of unstable structures;
 - ii) The exposure or installation of wiring or electrical components that is not in compliance with any applicable code requirements; and
 - iii) The removal of any safety features, including the removal of railings or barriers from decks.
 - c) Any of the following issues with respect to animals:
 - i) The keeping of a pet in the community that poses a danger to persons, other pets, or property;
 - ii) The keeping of a pet in the community that is determined by a public animal control agency to be vicious or potentially dangerous;

- iii) The failure to keep any pet under control;
 - iv) The failure to pick up or properly dispose of pet waste in the common area or on another owner's lot; and
 - v) The keeping of prohibited animals within the community.
- d) Any of the following with respect to maintenance:
- i) The stockpiling or excessive storage of items visible from the common area or outside the lot or condominium that poses fire or health risks;
 - ii) The accumulation of trash or debris, which results in a sanitation risk and attracts rodents or other pests;
 - iii) The visible growth of mold or mildew on exterior walls or roofs, which could impact neighboring lots or condominiums; and
 - iv) The accumulation of standing water to remain or pool, which poses risks of reproduction among mosquitoes or other pests.
- e) Any of the following damages with respect to common areas:
- i) The cutting down, removal, or modification of trees, plants, or other landscaping or vegetation in a common area;
 - ii) The riding of bicycles, e-bikes, or other related motorized vehicles in a dangerous and unsafe manner, or otherwise in violation of the governing documents, in a common area;
 - iii) The dumping or otherwise discharging of water or other fluids onto a common area, resulting in obstructions in the community;
 - iv) The placement of personal items within a common area, including, but not limited to, on walkways, sidewalks, trails, or emergency exit paths;
 - v) The placement of toys, games, or sports equipment in a common area or on another owner's property when not in use, resulting in tripping hazards or the obstruction of traffic; and
 - vi) The obstruction of tree limbs or overgrown landscaping into the sidewalks and streets of a common area.
- f) Either of the following violent acts:
- i) Any physical acts or threats by residents or guests, including, but not limited to, harassment or stalking by residents, members, or association employees or vendors;
or
 - ii) The discharging of a weapon.

- g) A violation of a short-term rental policy that is for a period of 30 days or less.
- 2) Deletes a provision that would only allow an HOA board to charge more than \$100 for violations that may result in an adverse health or safety impact on the common area or another HOA member's property.
- 3) Deletes a provision that would require the HOA board to make a written finding specifying the adverse health or safety impact in a board meeting open to the HOA members before imposing a fine of greater than \$100.
- 4) Provides that if an HOA member engages in habitual, repeated, or continuing violations, that member is not deemed to have cured a violation simply because the violation is not occurring at the time of the hearing.

EXISTING LAW:

- 1) Authorizes an HOA to impose monetary penalties on a member for violations of the governing documents, provided the board adopts and distributes a schedule of monetary penalties in the annual policy statement. (Civil Code (CIV) Section 5850)
- 2) Requires that monetary penalties be reasonable and consistent with the HOA's governing documents. (CIV 5850)
- 3) Caps monetary penalties at the lesser of \$100 per violation, or the amount specified in the HOA's penalty schedule, unless an exception applies. (CIV 5850)
- 4) Authorizes an HOA to impose a monetary penalty exceeding \$100 if the violation may result in an adverse health or safety impact on the common area or another member's property, and requires the board to make a written finding of that impact in an open meeting prior to imposing the penalty. (CIV 5850)
- 5) Prohibits an HOA from charging late fees or interest on monetary penalties. (CIV 5850)
- 6) Requires an HOA to provide members, upon request, with the current schedule of monetary penalties and any supplements. (CIV 5850)
- 7) Requires an HOA to provide written notice to a member at least 10 days prior to a meeting to consider discipline or impose a monetary charge, including the nature of the violation and the member's right to attend and be heard. (CIV 5855)
- 8) Requires an HOA to provide a member with an opportunity to cure a violation prior to the disciplinary hearing and prohibits discipline if the violation is cured or if the member commits to curing the violation within a reasonable timeframe. (CIV 5855)
- 9) Provides an HOA member with the right to request internal dispute resolution if the matter is not resolved following the hearing. (CIV 5855)
- 10) Requires the HOA to provide written notice of any disciplinary decision within 14 days and conditions the effectiveness of the discipline on compliance with procedural requirements. (CIV 5855)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "After the Legislature limited Homeowners Association fines to \$100 in 2025, there has been an uptick in violations that threaten the health and safety of residents without a meaningful deterrent. In many cases, the only way for an HOA to enforce rules is to hire an attorney and take the matter to court, which ultimately increases costs for all residents.

If one resident's actions threaten the health and safety of an entire community, an HOA needs the appropriate tools to mitigate that behavior so that the responsibility lies with the offender, not the entire community."

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 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 (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.

Fines: In 2025, the Legislature enacted a policy capping the fines an HOA may impose for violations of governing documents at \$100 per violation, unless the violation may result in an adverse health or safety impact on the common area or another member's property, through the housing budget trailer bill (AB 130, Committee on Budget, Chapter 22, Statutes of 2025). Existing law requires that, prior to imposing a higher fine under this exception, the HOA board make a written finding specifying the adverse health or safety impact in an open board meeting. AB 130 also prohibits an HOA from charging late fees or interest on monetary penalties and requires that members be given an opportunity to cure violations prior to the imposition of

discipline, including access to internal dispute resolution procedures. These provisions were initially proposed in SB 681 (Wahab) of 2025 and later incorporated into AB 130.

The Legislature adopted these limitations in an effort to increase affordability and prevent excessive or punitive fines within common interest developments, while preserving an exception for more serious violations implicating health and safety. Prior to the enactment of AB 130, HOAs were generally permitted to impose monetary penalties in accordance with their governing documents and adopted enforcement schedules, without a statutory cap.

This Bill: Since the enactment of AB 130, stakeholders have raised concerns that the \$100 cap, combined with the requirement to make case-by-case written findings of health and safety impacts, has limited HOAs' abilities to effectively enforce their governing documents, including in situations involving recurring or potentially hazardous conditions.

This bill modifies the existing exception to the \$100 cap by replacing the general "adverse health or safety impact" standard with a specified list of violations for which an HOA may impose a fine exceeding \$100. These include, among other things, violations related to fire risks or environmental hazards (such as storing flammable materials or obstructing fire lanes), unpermitted construction or unsafe alterations, dangerous or uncontrolled animals, maintenance conditions posing health or sanitation risks, damage to common areas, violent or threatening conduct, and violations of short-term rental restrictions. This bill also removes the requirement that the HOA board make a written finding in an open meeting prior to imposing a higher fine, and instead authorizes higher penalties where the violation falls within the enumerated categories.

Additionally, this bill provides that a member engaged in habitual, repeated, or continuing violations is not deemed to have cured a violation simply because the violation is not occurring at the time of the disciplinary hearing. As a result, the existing law requirement that discipline not be imposed if a violation is cured prior to the hearing would not apply in those circumstances.

Policy Considerations: This bill raises questions about the appropriate balance between limiting excessive HOA fines and preserving the enforceability of governing documents. On the one hand, the \$100 cap established by AB 130 may, in some circumstances, reduce the effectiveness of HOA enforcement, particularly where violations are ongoing, economically beneficial to the violator (such as short-term rentals), or occur in higher-income communities where a \$100 penalty may not serve as a meaningful deterrent. In these cases, the inability to impose higher fines without making individualized findings of health or safety impacts at an open meeting may constrain HOAs' abilities to address persistent or harmful conduct.

On the other hand, by replacing the general health and safety exception with a detailed and expansive list of violations eligible for higher fines, this bill may significantly broaden the circumstances under which HOAs can impose penalties exceeding \$100. The enumerated categories include a wide range of common violations, such as maintenance issues, architectural modifications, and use of common areas, which may effectively allow higher fines in many routine enforcement situations. As a result, the Committee may wish to consider whether the bill maintains the original intent of AB 130 to limit excessive fines, or whether it shifts the balance back toward broader HOA enforcement authority in a way that could undermine affordability and consumer protections for homeowners.

Committee Amendments: In order to address the above policy considerations, the Committee may wish to consider the following amendments:

CIV 5850 is amended to read:

(d) (1) Notwithstanding subdivision (c), the board may impose a penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation that is greater than one hundred dollars (\$100) per violation, if the violation may result in any of the following: either of the following apply to the violation:

(A) The violation may result in an adverse health or safety impact on the common area or another association member's property.

(B) The violation is contained in the list developed and published by the Department of Real Estate pursuant to Section 5851.

(2) Before imposing a penalty on a violation pursuant to subparagraph (A) of paragraph (1), the board shall make a written finding specifying the adverse health or safety impact in a board meeting open to the members.

CIV 5851 is added to the Civil Code, to read:

(a) On or before January 1, 2028, the Department of Real Estate shall develop and publish a list of specified violations for which an association may impose a monetary penalty that is greater than one hundred dollars (\$100), notwithstanding any other provision of law.

(b) (1) The list shall be limited to violations that are clearly defined and address significant risks to health, safety, or the integrity of the common interest development.

(2) (A) In developing the list, the department shall identify categories of violations that pose heightened risks to health, safety, or the integrity of the common interest development, including, but not limited to, violations that do any of the following:

(i) Create a risk of fire or other life safety hazards.

(ii) Result in environmental hazards.

(iii) Involve unpermitted construction or alterations.

(iv) Relate to animal control and pose a risk to other residents.

(v) Constitute a failure to maintain property in a manner that creates health or safety risks.

(vi) Involve violence or threats of violence.

(vii) Cause damage to the common area or common facilities.

(B) The department shall ensure that each category of violation included in the list is described using clear and objective standards sufficient to provide notice to members of the conduct subject to enhanced penalties.

(c) Before finalizing the list, the department shall conduct a stakeholder engagement process to solicit input from a broad range of interested parties. The department, at a minimum, shall convene a stakeholder group that includes all of the following members:

(1) Members of common interest developments representing diverse geographic regions of the state.

(2) Members of age-restricted communities.

(3) Members of associations on fixed incomes.

(4) Association board members.

(5) Association management professionals.

(d) The department shall release a draft list of violations for public comment and shall consider all timely submitted comments before finalizing the list of violations.

(e) The department shall publish the final list of violations on the department's internet website.

Related Legislation:

AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, established the \$100 cap on fines that an HOA can charge.

SB 681 (Wahab) of 2025 initially contained the \$100 cap on fines that an HOA can charge, which was eventually incorporated into the 2025 Housing Trailer Bill (AB 130).

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

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

Opposition

None on file.

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