

ASSEMBLY THIRD READING  
AB 2579 (Petrie-Norris)  
As Amended April 29, 2026  
Majority vote

## SUMMARY

Requires the Department of Real Estate (DRE) to establish a list of violations that permit a homeowners association (HOA) to fine a member more than \$100 dollars.

### Major Provisions

- 1) Requires the DRE, on or before January 1, 2028, to develop and publish a list of specified violations for which an HOA may impose a monetary penalty in excess of \$100, notwithstanding any other provision of law.
- 2) Requires the list developed pursuant to 1) to include clear definitions of violations and only address violations posing significant risks to health, safety, or the integrity of the common interest development.
- 3) Requires the DRE, in developing the list of violations pursuant to 1) to focus on violations that include, but are not limited to, the following:
  - a) Violations that create a risk of fire or other life safety hazards;
  - b) Violations resulting in environmental harms;
  - c) Violations involving unpermitted construction or alterations;
  - d) Violations related to animal control and pose risks to other residents;
  - e) Violations that constitute a failure to maintain property in a manner as to create health or safety risks;
  - f) Violations that involve violence of the threat thereof; and
  - g) Violations that cause damage to common areas or facilities.
- 4) Requires the DRE, before finalizing the list specified in 1) to seek input from the following stakeholders:
  - a) Members of common interest developments from a regionally diverse section of the state;
  - b) Members of age-restricted communities;
  - c) Members of associations on fixed incomes;
  - d) Association board members; and
  - e) Association management professionals.

- 5) Requires the DRE to publish a list of proposed violations and accept public comment on the list prior to publishing the final list.
- 6) Clarifies that a member of an HOA engaged in the habitual violation of an association rule is not deemed to have cured the violation simply because they are not presently engaging in the violation at the time the association board meets to consider penalties.

## 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 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 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:* This bill would task the DRE with developing a list of violations for which an HOA could impose penalties in excess of \$100 by 2028. This bill outlines the types of violations that the DRE is required to focus on, largely those related to community safety, but also provides the DRE with latitude to make its decisions on what violations to include in the final list. This bill requires the DRE to conduct extensive stakeholder engagement when crafting the list, including seeking input from HOA boards, members from HOAs from a geographically diverse area of the state, and from HOA members on fixed incomes. This bill requires the DRE to publish a preliminary list of violations that would permit penalties in excess of \$100 and requires the DRE to receive and consider public comment before publishing the final list of violations sufficiently severe to warrant exceeding the \$100 cap.

### **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."

### **Arguments in Support**

The California Association of Community managers writes in support: "Homeowner associations are an important part of California's housing stock, as they are self-sufficient communities that alleviate local governments of various obligations and maintain the quality of life for its residents. One of the most fundamental obligations of an association is to protect its members from health and safety violations such as fire hazards, unstable structures, uninhabitable conditions and physical threats by other residents. Under current law, none of these would be able to be enforced beyond a one-time \$100 fine, which does little to deter significant misconduct. Because of this overly broad cap, boards of directors have been unable to fulfill their fiduciary duty to their residents.

AB 2579 builds off the existing health and safety exception in current law and refines it to create a process where health and safety violations that may exceed the \$100 cap. We believe that AB 2579 enhances the health and safety of homeowners, allows associations to function more effectively, and preserves the protection for homeowners from being fined for minor infractions."

### **Arguments in Opposition**

None on file.

### **FISCAL COMMENTS**

None.

## 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

## UPDATED

VERSION: April 29, 2026

CONSULTANT: Dori Ganetsos / H. & C.D. / (916) 319-2085

FN: 0002444