

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2579 (Petrie-Norris) – As Amended April 29, 2026

Policy Committee:	Housing and Community Development	Vote:	12 - 0
	Judiciary		12 - 0

Urgency: No      State Mandated Local Program: No      Reimbursable: No

**SUMMARY:**

This bill requires, by January 1, 2028, the Department of Real Estate (DRE) to establish a list of violations for which a homeowner association (HOA) may impose a fine of more than \$100.

Specifically, this bill:

- 1) Requires the DRE, by 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 item 1, above, to include clear definitions of violations and only address violations posing significant risks to health, safety, or the integrity of the common interest development (CID).
- 3) Requires the DRE, in developing the list of violations pursuant to item 1, above, 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 that 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.
  - g) Violations that cause damage to common areas or facilities.
- 4) Requires the DRE, before finalizing the list specified in item 1, above, to seek input from specified stakeholders, including members of common interest developments from a regionally diverse section of the state, members of age-restricted communities, members of associations on fixed incomes, association board members, and 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.

**FISCAL EFFECT:**

DRE estimates the following costs:

- 1) One-time General Fund costs of \$1.12 million in the first year and \$1.1 million in the second year for seven positions to enact a program to develop and publish a comprehensive list of specified violations, including (a) researching common HOA violations, (b) reviewing HOA governing documents, (c) contacting local, state, or federal government officials regarding health and safety rules and regulations, (d) reviewing stakeholder feedback, (d) coordinating with the consultant, (e) researching and defining violations, including clear objective standards for violations, (f) drafting and promulgating regulations, and (g) handling an increased volume of calls and “Ask DRE” emails from potentially dissatisfied consumers.
- 2) One-time General Fund costs of \$500,000 for an external consultant to assist DRE staff with the above tasks as well as to develop and assist with the implementation of a public communications plan.
- 3) DRE further anticipates existing staff within the Legal, Subdivisions, Communications, and Information Technology Divisions will be required to divert attention from existing obligations to assist with the development and implementation of this program.

Because HOA boards, members, and managers impacted by this proposed list development process are not contributors to the Real Estate Fund and the proposed program falls outside of the fund’s scope, costs to implement this bill would be General Fund costs.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

**COMMENTS:**

- 1) **Purpose.** 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.

- 2) **Background. CIDs.** There are over 50,000 CIDs in California. They vary in size and structure and include condominiums, community apartment projects, housing cooperatives, and planned unit developments. CIDs are generally characterized by (a) separate ownership of dwelling space coupled with an undivided interest in a common property, (b) Covenants, Conditions, and Restrictions, or CC&Rs that limit the use of both separate interests and common property, and (c) management of common property and enforcement of restrictions by an HOA. CIDs are governed by the Davis-Stirling Common Interest Development Act, as well as the governing documents of the association (CC&Rs), including bylaws, declarations, and operating rules.

**Fines.** In 2025, the Legislature capped 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, through AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, the housing budget trailer bill. Existing law requires, 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.

The Legislature adopted these limitations to increase affordability and prevent excessive or punitive fines within CIDs, 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 requires DRE to develop a list of violations for which an association may impose penalties in excess of \$100 by 2028. The bill outlines the types of violations the department must focus on, largely those related to community safety, but also provides the department with latitude to make decisions on what violations to include in the final list.

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