CONCURRENCE IN SENATE AMENDMENTS
AB 739 (Jackson)
As Amended August 21, 2026
Majority vote

SUMMARY

Requires the board of a homeowners' association (HOA) to review, on an annual basis, a statement of fees charged by a managing agent, as specified, and makes statements of fees charged by a managing agent part of an HOA's association records.

Senate Amendments

1) Delete the provision requiring an HOA to deliver a statement of fees charged by a managing agent through electronic means upon written request by a member.

2) Revise the definition of "association record" to include statements of fees charged by the managing agent, as specified.

3) Make other technical changes.

COMMENTS

Common Interest Developments (CIDs): There are over 50,000 CIDs in the state, ranging 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, 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 Act 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 protection. 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 play as critical role in shaping the living environment and governance of millions of residents across the state

Annual reports: Under the Act, HOAs must distribute an annual budget report to the association's members 30 to 90 days before the end of the HOA's fiscal year. The budget report must include, unless the governing documents impose more stringent standards, 12 specified elements related to the HOA's fiscal condition. These elements include, among other provisions: a pro forma operating budget showing the estimated revenues and expenses on an accrual basis, a summary of the HOA's reserves, a summary of the reserve funding plan, a statement as to the mechanism by which the HOA will fund reserves to repair or replace major components (e.g., assessments, borrowing, etc.), and a summary of the HOA's various insurance policies and related policy limits and deductible amounts. An HOA must make its annual budget report available to all members in one of two forms – either the full report or a summary. If the HOA provides a summary of the report, the summary must include a general description of the content of the report and instructions regarding how to request a complete copy of the report. A member can always request to receive all reports in full, at no cost to the member, rather than a summary of the report.

This Bill: Though members receive an annual budget report, which includes a pro forma operating budget showing the estimated expenses on an accrual basis, this bill specifies the scope of the review of statements of fees charged by a managing agent to be conducted by an HOA board. An HOA's review must include the time period covered by the statement of fees, the total number of separate interests in the HOA during the time period covered by the statement of fees, and the total amount billed and paid by the HOA to the managing agent. This bill also requires the review to include a breakdown of the total amount in the following categories:

1) Base management fees, which include amounts paid pursuant to fixed or recurring compensation specified in the management agreement;

2) Fee schedule charges, which include amounts paid for additional or optional services provided by the managing agent pursuant to a fee schedule adopted by the HOA's board of directors as part of the management agreement; and

3) Reimbursable expenses, which include amounts paid to reimburse the managing agent for third-party costs or expenses incurred on behalf of the HOA.

Additionally, this bill revises the definition of "association records" to include statements of fees charged by the managing agent. The Act requires HOAs to make available association records for specified time periods and within specified timeframes for inspection and copying by a member of the HOA.

According to the Author

"Fees charged by HOA managing agents are often complex and confusing for association members who want to understand exactly what they are paying and want insight into third-party vendors. AB 739 is a transparency measure to require a summary of HOA fee information be provided to the association's board members while guaranteeing homeowners the right to access this information. Providing HOA members with clear, digestible fee information is critical to ensure they can make informed decisions about their communities."

Arguments in Support

According to the California Association of Realtors (CAR), "CAR supports AB 739 which simply requires that the HOA management companies, in the HOA's mandated annual report, included a summarized receipt to the community that paid the bills of the total costs and fees collected by the management companies from the HOA and individually from community members."

Arguments in Opposition
None on file.

FISCAL COMMENTS

Unknown. This bill is keyed non-fiscal by the Legislative Counsel.

VOTES:

ASM BUSINESS AND PROFESSIONS: 17-0-1
YES: Berman, Ahrens, Alanis, Bains, Bauer-Kahan, Caloza, Chen, Elhawary, Hadwick, Haney, Irwin, Jackson, Krell, Lowenthal, Macedo, Nguyen, Pellerin
ABS, ABST OR NV: Johnson

ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1
YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks
ABS, ABST OR NV: Wilson

ASSEMBLY FLOOR: 75-0-5
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Arambula, Gipson, Ransom, Celeste Rodriguez, Valencia

UPDATED

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