



2024 CAI California End of Legislative Session Report

Community Associations Institute (CAI) California Legislative Action Committee (CLAC) spent the 2024 legislative session advocating on behalf of the <u>approximately 14,401,000 Californians living in 5,009,200 homes in more than 50,700 community associations across the Golden State.</u> California's state legislature began on January 3 and adjourned on August 31, 2024. CLAC tracked a total of 187 bills during the legislative session. Below are highlights from the 2024 California State Legislature:

AB 2159 Common interest developments: association governance: elections.

This bill allows associations the option of conducting most electronically, saving your association money and making it easier for homeowners to participate. This bill was the result of a yearslong effort by the LAC to enshrine into law a voting option that exists for associations in 27 other states. The bill was the subject of intense negotiation with lawmakers during the legislative session, in order to craft provisions which would explicitly protect the privacy of Californians and prevent potential abuse of personal information.

CAI sponsored this bill. While vote-by-mail is a valid method for voting, it suffers from low community participation and significant costs. Additionally, if an association fails to meet the quorum requirement, the election must be postponed and then rescheduled, which increases costs and inconveniences owners. Electronic voting can make it easier for homeowners to vote, leading to higher turnout and more representative elections. In addition to reducing costs associated with printing, mailing, and processing paper ballots, electronic voting also will reduce waste and save fuel, so it is also an environmentally friendly process.

A call to action (email campaign for members to reach their legislators directly) went to the Senate Judiciary Committee in advance of their July 2 hearing on the bill, which saw 4663 emails sent by 641 advocates across California urging the Committee to pass the bill. An additional call to action went out to Governor Newsom, which saw 1282 emails sent by 1248 advocates across California urging him to sign the bill into law.

Status: Successfully PASSED, signed by Governor Newsom September 22, 2024. Effective January 1, 2025.

AB 2114 Building standards: exterior elevated elements: inspection.

Existing law requires the board of an association of a condominium project to cause a visual inspection to be conducted, at least every 9 years, of the exterior elevated elements for which the association has maintenance or repair responsibility, this includes balconies. The inspection, under previous existing statute, must be conducted by a licensed structural engineer or architect.

This bill authorizes a licensed civil engineer to conduct the inspection. CLAC sponsored this bill, as it provides an additional avenue for an important inspection to be conducted.

Status: Successfully PASSED, signed by Governor Newsom July 15, 2024. Effective immediately.

AB 2460 Common interest developments: association governance: member election.

In the absence of a quorum, this bill allows associations to reschedule the meeting to a date at least 20 days after the adjourned meeting, at which time the quorum required for purposes of a reconvened meeting would be 20% of the members, voting in person, by proxy, or by secret ballot. The bill would also require an association to provide notice of the reconvened meeting no later than 15 days prior. These requirements would apply to not just regular board meetings, but also special meetings and for meetings to elect new board members.

This bill also incorporates the changes made by AB 2159 with the stipulation they would only come into effect if AB 2159 was passed.

CLAC supported and helped introduce this bill, due to the flexibility given to associations to meet lower quorum thresholds to continue business in the event of an inability to secure the required number of homeowners.

Status: Successfully PASSED, signed by Governor Newsom September 22, 2024. Effective January 1, 2025.

AB 2149 Gates: Standards: Inspection

This bill mandates new safety standards and inspections for any gate over 50 pounds and more than 48 inches wide or 84 inches tall in areas accessible to the public. The law would have added new mandatory inspections of such gates by July 1, 2026, and required associations to keep compliance records for at least ten years. Failure to comply could result in the designation of the gate as a public nuisance, exposing the association to enforcement action by local agencies and fines.

CLAC was opposed to this bill, due to the unnecessary exposure of associations to punitive measures.

Status: Successfully DIED in committee.

SB 900 Repair and Maintenance. Repairs of Gas, Heat and Water Services

As initially introduced, this bill would have required repairs to gas, water, or heat services in the common areas to be completed within 30 days from the date of interruption of services. There was no consideration in the bill for what might be necessary for the repairs to be completed, or how an association that does not have sufficient funds in reserves would pay for the repairs.

CLAC was opposed to the bill as introduced, and worked with the bill's sponsor to amend the legislation. As chaptered, the law now only requires that an association begin the process of repairs within 14 days, and if the association lacks the funds to make the repairs, the law allows a board to obtain a loan

without a vote of the members and levy an assessment for the repayment of the loan. The law does not apply to associations in an area affected by a state of disaster or emergency. Lastly, the law adds gas, water, or electrical services the association is responsible for repairing to the list of "major components" to be included in an association's reserve study.

Status: Successfully PASSED, signed by Governor Newsom September 19, 2024. Effective January 1, 2025.

AB 2996 California FAIR Plan Association.

This bill would give the California FAIR Plan Association authority to request the California Infrastructure and Economic Development Bank to issue bonds and would authorize the bank to issue those bonds to finance the costs of claims, to increase liquidity and claims-paying capacity of the association, and to refund bonds previously issued for that purpose.

CLAC supported this bill, as it would have allowed the association to inject new capital into the insurance market in response to increased volatility, leading to an outcome which would see greater stability in premiums.

Status: Unsuccessfully DIED in Senate.

SB 1211 Land use: accessory dwelling units: ministerial approval.

This bill is intended to streamline the approval process and eliminate existing barriers, such as the requirement for the replacement of lost parking spaces, found in local-level ordinances regulating the development of Accessory Dwelling Units (ADUs).

CLAC monitored this bill, in case it was redirected to impact the authority of associations to regulate the presence of ADUs.

Status: PASSED, signed by Governor Newsom September 19, 2024. Effective immediately.

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