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Pending AB 2579

Cleaning Up AB 130 and Why This Bill Matters

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This legislative session, the California State Legislature is considering Assembly Bill 2579 (“AB 2579”), which would build on last year’s changes initiated by Assembly Bill 130 (“AB 130”). As you will certainly recall, AB 130’s controversial amendments to the Civil Code limited community associations’ ability to impose fines in excess of \$100.00, upending current fine policies and enforcement methods. This article addresses how AB 2579 would refine the health and safety exception and expand guidance on higher penalties, and why associations should update their enforcement policies now.

What the Bill Says

AB 2579 would amend Civil Code Sections 5850 and 5855 and add new Section 5851 to clarify the current health and safety exception provided in the Civil Code.

Current law generally limits penalties to the lesser amount stated in the association’s fine schedule or \$100 per violation, with one exception. Fines may exceed \$100.00 for violations posing an “adverse health or safety impact” on the common area or another member’s property.

As drafted, the bill retains the broad “health or safety” exception and adds specific categories where higher penalties (per the association’s fine schedule) can apply. The specific categories would be determined by the Department of Real Estate (“DRE”). Specifically, AB 2579 would require the DRE to develop and publish a clear, objective list of violations eligible for penalties exceeding \$100 by January 1, 2028. This list must focus on significant risks to health, safety, or the integrity of the development. The DRE would be required to engage stakeholders (including diverse CID members, board



members, and managers), release a draft for public comment, and finalize the list based on input before publishing on their website.

Notably, this bill does not change the requirement that boards make written findings prior to imposing increased penalties. Accordingly, before imposing an increased fine, the board must make a written finding regarding the violation's health or safety impact, even if the violation appears on the DRE's published list.

Further, AB 2579 addresses habitual or repeated offenses by clarifying that a member engaged in habitual, repeated, or continuing violations is not deemed to have cured a violation simply because the violation simply is not occurring at the time of the hearing.

Broader Importance: Beyond Passage or Failure

Whether or not AB 2579 is ultimately signed into law, it is critical for associations to identify which violations qualify as health and safety violations subject to increased penalties.

Associations should review and update their enforcement policies and/or fine schedules to clearly define health and safety violations, especially in high-risk areas such as fire safety, maintenance, rentals, and common area use. If your association has taken a wait-and-see approach to AB 130 over the past year, now is the time to update your policies. There is no indication that the health and safety standard will disappear anytime soon. Associations should align their enforcement policies with current law and ensure that the board, and future boards, have the tools needed to address violation.