

BILL NUMBER: AB 1938      AMENDED  
BILL TEXT

AMENDED IN ASSEMBLY    APRIL 11, 2012

INTRODUCED BY    Assembly Member Williams

FEBRUARY 22, 2012

An act to amend Sections 798.15 and 798.17 of, and to add Section 798.18.5 to, the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 1938, as amended, Williams. Mobilehomes: rental agreements. The Mobilehome Residency Law governs the terms and conditions of residency in mobilehome parks. Existing law requires mobilehome rental agreements to *be in writing and to contain certain information, including, among other things, the term of the tenancy, the rent, the rules and regulations of the park, ~~and~~* a copy of the Mobilehome Residency Law, ~~as specified~~ and all other provisions governing the tenancy .  
~~This~~

*For rental agreements in excess of 12 months' duration, this* bill would additionally require the management of a mobilehome park to include a written summary of all rent, utilities, and other specified charges a homeowner would be obligated to pay under the ~~rental~~ agreement. The bill would prohibit the inclusion of any provision in a rental agreement that would authorize the management to increase a homeowner's rent or otherwise separately charge the homeowner for losses incurred by the park owner, as specified. ~~The bill would prohibit the inclusion of any provision in a rental agreement that purports to deny a homeowner a right to a trial by jury or that would mandate binding arbitration of any dispute between the management and the homeowner. The~~

*This* bill would also provide that any agreement that purports to deny a homeowner's right to a trial by jury or mandates binding arbitration of any dispute between the management and the homeowner must be set forth in a written agreement, as specified, and be mutually agreed to by the homeowner and the management.

The Mobilehome Residency Law also exempts a rental agreement, that satisfies specified criteria, from any ordinance, rule, regulation, or initiative measure adopted by a local governmental entity that establishes a maximum amount a landlord may charge a tenant for rent. In order for the exemption to apply, existing law requires the rental agreement to, among other things, enable the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowner's execution of the agreement.

This bill would instead require that the rental agreement enable the homeowner to void the rental agreement by notifying management in writing within 72 hours of the homeowners execution of a written acknowledgment indicating that the homeowner has received an executed copy of the rental agreement.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 798.15 of the Civil Code is amended to read:

798.15. (a) The rental agreement shall be in writing and shall contain, in addition to the provisions otherwise required by law to be included, all of the following:

- (1) The term of the tenancy and the rent therefor.
- (2) The rules and regulations of the park.
- (3) A copy of the text of this chapter shall be attached as an exhibit and shall be incorporated into the rental agreement by reference. Management shall do one of the following prior to February 1 of each year, if a significant change was made in this chapter by legislation enacted in the prior year:
  - (A) Provide all homeowners with a copy of this chapter.
  - (B) Provide written notice to all homeowners that there has been a change to this chapter and that they may obtain one copy of this chapter from management at no charge. Management must provide a copy within a reasonable time, not to exceed seven days upon request.
- (4) A provision specifying that (A) it is the responsibility of

the management to provide and maintain physical improvements in the common facilities in good working order and condition and (B) with respect to a sudden or unforeseeable breakdown or deterioration of these improvements, the management shall have a reasonable period of time to repair the sudden or unforeseeable breakdown or deterioration and bring the improvements into good working order and condition after management knows or should have known of the breakdown or deterioration. For purposes of this subdivision, a reasonable period of time to repair a sudden or unforeseeable breakdown or deterioration shall be as soon as possible in situations affecting a health or safety condition, and shall not exceed 30 days in any other case except where exigent circumstances justify a delay.

(5) A description of the physical improvements to be provided the homeowner during his or her tenancy.

(6) A provision listing those services which will be provided at the time the rental agreement is executed and will continue to be offered for the term of tenancy and the fees, if any, to be charged for those services.

(7) A provision stating that management may charge a reasonable fee for services relating to the maintenance of the land and premises upon which a mobilehome is situated in the event the homeowner fails to maintain the land or premises in accordance with the rules and regulations of the park after written notification to the homeowner and the failure of the homeowner to comply within 14 days. The written notice shall state the specific condition to be corrected and an estimate of the charges to be imposed by management if the services are performed by management or its agent.

(8) ~~A~~ For rental agreements in excess of 12 months' duration, a summary page attached to the front of the rental agreement entitled "Summary Page of Rent, Utilities and Other Charges" that clearly and concisely summarizes each financial or monetary charge the homeowner shall be liable for during the term of the rental agreement, including, but not limited to, any amounts to be paid for annual rent increases, the passthrough of any expense amount as part of rent, utilities, known incidental reasonable charges for services actually rendered, rent increases intended to take effect upon the sale or transfer of the mobilehome, or any other rent increases that can be obtained during the term of the rental agreement.

(9) All other provisions governing the tenancy.

(b) A rental agreement shall not contain any provision that authorizes the management in any way to increase the amount of rent to be paid by the homeowner, or to separately charge the homeowner, for any of the following:

(1) Losses incurred by a park owner that are not fully compensated by insurance.

(2) Losses or expenses that a park owner is ordered by any court or arbitrator to pay as damages or to compensate any person or group of persons, because of any claim, lawsuit, arbitration, or administrative action brought against the park or park owner that for any reason is not paid by insurance.

Any provision described in this subdivision contained in a rental agreement shall be deemed void and unenforceable as contrary to public policy.

~~(c) A rental agreement shall not contain any provision that purports to deny a homeowner a right to a trial by jury or that would mandate binding arbitration of any dispute between the management and the homeowner.~~

SEC. 2. Section 798.17 of the Civil Code is amended to read:

798.17. (a) (1) Rental agreements meeting the criteria of subdivision (b) shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity which establishes a maximum amount that a landlord may charge a tenant for rent. The terms of a rental agreement meeting the criteria of subdivision (b) shall prevail over conflicting provisions of an ordinance, rule, regulation, or initiative measure limiting or restricting rents in mobilehome parks, only during the term of the rental agreement or one or more uninterrupted, continuous extensions thereof. If the rental agreement is not extended and no new rental agreement in excess of 12 months' duration is entered into, then the last rental rate charged for the space under the previous rental agreement shall be the base rent for purposes of applicable provisions of law concerning rent regulation, if any.

(2) In the first sentence of the first paragraph of a rental agreement entered into on or after January 1, 1993, pursuant to this section, there shall be set forth a provision in at least 12-point boldface type if the rental agreement is printed, or in capital letters if the rental agreement is typed, giving notice to the homeowner that the rental agreement will be exempt from any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity which establishes a maximum amount that a

landlord may charge a tenant for rent.

(b) Rental agreements subject to this section shall meet all of the following criteria:

(1) The rental agreement shall be in excess of 12 months' duration.

(2) The rental agreement shall be entered into between the management and a homeowner for the personal and actual residence of the homeowner.

(3) The homeowner shall have at least 30 days from the date the rental agreement is first offered to the homeowner to accept or reject the rental agreement.

(4) The homeowner who executes a rental agreement offered pursuant to this section may void the rental agreement by notifying management in writing within 72 hours of the homeowner's execution of a written acknowledgment indicating that the homeowner has received an executed copy of the rental agreement.

(c) If, pursuant to paragraph (3) or (4) of subdivision (b), the homeowner rejects the offered rental agreement or rescinds a signed rental agreement, the homeowner shall be entitled to instead accept, pursuant to Section 798.18, a rental agreement for a term of 12 months or less from the date the offered rental agreement was to have begun. In the event the homeowner elects to have a rental agreement for a term of 12 months or less, including a month-to-month rental agreement, the rental agreement shall contain the same rental charges, terms, and conditions as the rental agreement offered pursuant to subdivision (b), during the first 12 months, except for options, if any, contained in the offered rental agreement to extend or renew the rental agreement.

(d) Nothing in subdivision (c) shall be construed to prohibit the management from offering gifts of value, other than rental rate reductions, to homeowners who execute a rental agreement pursuant to this section.

(e) With respect to any space in a mobilehome park that is exempt under subdivision (a) from any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity that establishes a maximum amount that a landlord may charge a homeowner for rent, and notwithstanding any ordinance, rule, regulation, or initiative measure, a mobilehome park shall not be assessed any fee or other exaction for a park space that is exempt under subdivision (a) imposed pursuant to any ordinance, rule, regulation, or initiative measure. No other fee or other exaction shall be imposed for a park space that is exempt under subdivision (a) for the purpose of defraying the cost of administration thereof.

(f) At the time the rental agreement is first offered to the homeowner, the management shall provide written notice to the homeowner of the homeowner's right (1) to have at least 30 days to inspect the rental agreement, and (2) to void the rental agreement by notifying management in writing within 72 hours of the acceptance of a rental agreement. The failure of the management to provide the written notice shall make the rental agreement voidable at the homeowner's option upon the homeowner's discovery of the failure. The receipt of any written notice provided pursuant to this subdivision shall be acknowledged in writing by the homeowner.

(g) No rental agreement subject to subdivision (a) that is first entered into on or after January 1, 1993, shall have a provision which authorizes automatic extension or renewal of, or automatically extends or renews, the rental agreement for a period beyond the initial stated term at the sole option of either the management or the homeowner.

(h) This section does not apply to or supersede other provisions of this part or other state law.

SEC. 3. Section 798.18.5 is added to the Civil Code, to read:

798.18.5. Any agreement that purports to deny a homeowner a right to a trial by jury or that would mandate binding arbitration of any dispute between the management and the homeowner shall not be contained in a rental agreement, as described in Section 718.15, but instead shall be set forth in a separate written agreement in at least 12-point boldface type and must be mutually agreed to by the homeowner and the management.