

# Senate Bill No. 261

## CHAPTER 836

An act to amend Sections 4040 and 4360 of the Civil Code, relating to common interest developments.

[Approved by Governor September 27, 2018. Filed with Secretary of State September 27, 2018.]

### LEGISLATIVE COUNSEL'S DIGEST

SB 261, Roth. Common interest developments: governance.

Existing law, the Davis-Stirling Common Interest Development Act, governs the management and operation of common interest by an association. Under existing law, an association that is required to deliver a document by “individual delivery” or “individual notice” is authorized to deliver the document by email, facsimile, or other electronic means, if the recipient has consented in writing, unless the consent is revoked in writing.

This bill would authorize the recipient to consent to that delivery and revoke that consent by email.

Existing law requires the board of an association to provide general notice of a proposed rule change at least 30 days before making the rule change.

This bill would, instead, require at least 28 days general notice before making the rule change.

*The people of the State of California do enact as follows:*

SECTION 1. Section 4040 of the Civil Code is amended to read:

4040. (a) If a provision of this act requires that an association deliver a document by “individual delivery” or “individual notice,” the document shall be delivered by one of the following methods:

(1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the association.

(2) Email, facsimile, or other electronic means, if the recipient has consented, in writing or by email, to that method of delivery. The consent may be revoked, in writing or by email, by the recipient.

(b) Upon receipt of a request by a member, pursuant to Section 5260, identifying a secondary address for delivery of notices of the following types, the association shall deliver an additional copy of those notices to the secondary address identified in the request:

(1) The documents to be delivered to the member pursuant to Article 7 (commencing with Section 5300) of Chapter 6.

(2) The documents to be delivered to the member pursuant to Article 2 (commencing with Section 5650) of Chapter 8, and Section 5710.

(c) For the purposes of this section, an unrecorded provision of the governing documents providing for a particular method of delivery does not constitute agreement by a member to that method of delivery.

SEC. 2. Section 4360 of the Civil Code is amended to read:

4360. (a) The board shall provide general notice pursuant to Section 4045 of a proposed rule change at least 28 days before making the rule change. The notice shall include the text of the proposed rule change and a description of the purpose and effect of the proposed rule change. Notice is not required under this subdivision if the board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the association.

(b) A decision on a proposed rule change shall be made at a board meeting, after consideration of any comments made by association members.

(c) As soon as possible after making a rule change, but not more than 15 days after making the rule change, the board shall deliver general notice pursuant to Section 4045 of the rule change. If the rule change was an emergency rule change made under subdivision (d), the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.

(d) If the board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the association, it may make an emergency rule change, and no notice is required, as specified in subdivision (a). An emergency rule change is effective for 120 days, unless the rule change provides for a shorter effective period. A rule change made under this subdivision may not be readopted under this subdivision.