

Ending of Another Legislative Year: CAI-CLAC 2025

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The CAI California Legislative Action Committee (CLAC) wrapped up their annual efforts in Sacramento for the year 2025. Below is a brief summary of some of the wins and losses from this calendar year.

Homeowner Association Accountability - AB 21 (DeMaio)

This bill proposed an overhaul of the meeting procedures and board oversight over the management of common interest developments (CIDs) and homeowners' associations (HOAs).

The bill was defeated in the Assembly Housing Committee, but eligible for a motion to move out of committee in January 2026. This was a definite win to push this off calendar year!

Cap on Fines- AB 130 (Committee on Budget)

This bill included amendments covering numerous issues involving housing. One of the amendments mirrored the language from SB 681 to cap the fines an association can charge at \$100, unless “the violation may result in an adverse health or safety impact on the common area or another association member’s property.”

As everyone knows, the bill was signed and was effective as of June 30, 2025. CLAC already considers a response to this law as a top priority, but we will have to wait until next legislative session. In the meantime, associations must look at their fine schedules and reconsider how they use fines as an enforcement tool.

CID Real Estate Broker License - AB 739 (Jackson)

This proposed legislation would require that managers hold a real estate broker license issued by the state.

This bill was defeated in the Assembly but will be eligible for a motion to move out of committee in January 2026. If and when it does move, CLAC is ready with significant changes to the requirements. Another good outcome!

Balcony Inspection Cover Page - SB 410 (Grayson)

This bill required inspectors to include specific information on the cover page of balcony inspection reports.

The bill passed Assembly Floor without further debate and was signed by the Governor to be effective January 1, 2026.

Insurance Limits - SB 547 (Perez)

This bill adds commercial property with policy limits of \$10,000,000 or more to the cancellation moratorium list.

CAI supported this legislation, and it was passed and signed by the Governor to be effective January 1, 2026. This prevents associations from immediate loss of coverage until longer term insurance reform is in place. Another win!

Streamlined Architectural Procedures - SB 625 (Wahab),

This bill proposed a streamlined architectural review process for rebuilding after natural disasters.

After productive discussions, the bill's scope was limited to actual disaster-related events, and CLAC moved to a neutral position. The bill passed the Assembly and was signed by the Governor to be effective January 1, 2026.

Invalidate Restrictions during Rebuilding - SB 677 (Wiener)

The proposed legislation attempted to prevent associations from imposing CC&Rs that prohibit or unreasonably restrict housing developments or urban lot splits on single-family zoned districts statewide.

CAI opposed this legislation, and it failed to pass in the Senate. A good outcome for a bad association bill.

EV Charging Station - SB 770 (Allen)

This bill proposed to eliminate the requirement that Owners list their association as additional insured on individual policies covering EV charging equipment.

Despite no objection from insurers to maintaining these protections for associations, the bill passed the Assembly and was signed by the Governor to be effective January 1, 2026. By removing the association as an additional insured, the law will shift risk from the Owner of the charging station onto the association. Associations may need to increase their existing coverage to reduce the risk, or to cover damage from Owners' EV equipment. Another setback for communities during an already challenging insurance market.

Overall, this was an incredibly challenging year for legislation. While the theme that legislators explored spent a lot of time and energy focused on "affordable housing," much

of the legislation targeting California Common Interest Developments will likely have the opposite effect.

Associations are already seeing some of the downside. As boards and managers work to implement new approaches to enforcement resulting from AB 130, they are realizing that owners may simply choose to ignore fines or violation notices. What was once a reasonable penalty of \$100-\$500 may instead turn into full blown litigation effort to correct violations and seek attorney fees for enforcement of the governing documents. Legislation passed without significant discussion or consideration of the unintended consequences may lead to openings in next years legislative session to make important revisions to existing harmful policy outcomes.

Do your part to make your voices heard in Sacramento. Continue to support CLAC, and make sure to respond to emails and calls to action to limit harmful legislation from Sacramento.