MEMO

DATE: March 3, 2005

TO: The Community Economic and Human Development Committee (CEHD)

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SUBJECT: AB 14 (Harman) Common Interest Developments: Conversions

SUMMARY:

At its February 3rd meeting, the CEHD Committee received and discussed a matrix of state bills under the purview of the committee. Assembly Bill 14 (Harman) was added to the matrix, and the committee requested more information on the bill. Below is a general summary of the legislation and the full text of the legislation is attached.

BACKGROUND:

Assembly Member Tom Harman (R-Huntington Beach) introduced AB 14, regarding common interest developments and conversions, on December 6, 2004. AB 14 revises an existing law, known as the Davis-Stirling Common Interest Development Act, which defines and regulates common interest developments.

A common interest housing development is characterized by 1) separate ownership of dwelling space, coupled with an undivided interest in the common area; 2) covenants, conditions, and restrictions that limit use of both the common area and separate ownership interests; and 3) the administration of common property by a homeowners association.

AB14 would require the filing of documents certifying the consent of the city, county or city and county of the conversion of an existing property of less than five units to a common interest development. The bill would also require an assessor receive this certification from the city or county before taking action or assigning parcel numbers on common interest developments of less than five units converted from existing property.

AB 14 was referred to the Assembly Committees on Housing and Community Development and Local Government. A hearing date has not been scheduled. Government Affairs staff will continue monitoring AB 14.

CP#107677 for TRG

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

BILL NUMBER: AB 14 INTRODUCED
BILL TEXT

INTRODUCED BY Assembly Member Harman

DECEMBER 6, 2004

An act to amend Section 1352 of the Civil Code and to add Section 71.5 to the Revenue and Taxation Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Harman. Common interest developments: conversions.

Existing law defines and regulates common interest developments. Existing law requires that certain documents be recorded for a common interest development to be created, including a condominium plan, under specified conditions. Existing law provides for the creation of an assessor's office in each county, and requires the assessor's office to determine the new base year value for taxable real property that has been newly constructed. Existing law requires that land be properly described for tax assessment purposes.

This bill would require that a document be recorded certifying the consent of the city, county, or city and county to a conversion of an existing property into a common interest development of less than 5 units as part of the creation of the development. The bill would also prohibit an assessor from taking action on, or assigning parcel numbers for, a common interest development, as specified, without receiving a document certifying the consent of the local government, as described above.

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 1352 of the Civil Code is amended to read:

1352. This title applies and a common interest development is created whenever a separate interest coupled with an interest in the common area or membership in the association is, or has been, conveyed, provided, all of the following are recorded:(a) A declaration.

(b) A condominium plan, if any exists.

(c) A final map or parcel map, if Division 2 (commencing with Section 66410) of Title 7 of the Government Code requires the recording of either a final map or parcel map for the common interest development.

(d) A document that certifies the consent of the city, county, or city and county to the project, produced by the consenting entity, if the common interest development will consist of less than five units and is a conversion of an existing property.

SEC. 2. Section 71.5 is added to the Revenue and Taxation Code , to read:

71.5. The assessor shall not take any action upon, and shall not assign any parcel numbers for, a common interest development that will consist of less than five units that is a conversion of an existing property, until the assessor receives a document that certifies the consent of the city, county, or city and county to the project produced by the consenting entity.