



Got Wired?

Under current law, sellers or their real estate agents, must disclose to prospective buyers certain features and conditions about a property that is being sold or leased with an option to buy. These disclosures include electrical components.

However, SB 382 specifies that sellers of any real property, including property in common interest developments, must provide to buyers a specific advisory during the sale transaction process. (The bill does not address units that are leased such as short term rentals.)

The bill states: “On or after January 1, 2026, in addition to any other disclosure required pursuant to this article, the seller of any real property subject to this article, or the seller’s agent, shall deliver to the prospective buyer a disclosure statement that provides as follows: “In a purchase of real property, it may be advisable to obtain an inspection of the electrical system(s) of any buildings, including, but not limited to, the main service panel, the subpanel(s), and wiring. Substandard, recalled, or faulty wiring may cause a fire risk and may make it difficult to obtain property insurance. Limited electrical capacity may make it difficult to support future electrical additions to the building(s), such as solar generation, electric space heating, electric water heating, or electric vehicle charging equipment.”

SB 382 was introduced last April and was recently amended to be acted upon in this second half of the 2023-2024 legislative session. As of this writing, it’s still in its house of origin...the Senate.

HOALaws will disclose to its subscribers any further changes.



Got Insurance?

As millions of homeowners are finding out, insurance on their most valuable possession... their homes... is either too expensive or not available. Insurers' losses due to natural disasters such as wildfires, floods, rising tides and high winds has caused them to curtail sales of these "HO" policies; State Farm even pulled out of the homeowner market in California but has recently changed course and is offering some policies at a 20% premium increase which was just approved by the CA Department of Insurance in its attempt to get coverages on the market. (I'm told State Farm asked for a 29% increase.)

Now, there is the California "Fair Plan" for insurance customers. It was conceived as a means of last resort for HO's and at low rates. In approving new rates for insurers the Department is aiming at getting more homes covered.

Assembly Bill 1867 was just introduced to lessen the sting of high premiums by allowing a tax deduction on insurance premiums for the next five years; it applies to the primary residence... not second homes or investment properties; these may include short term rentals.

The bill will undergo hearings in the coming months and will, if passed by the Assembly and Senate and then signed by the Governor, become effective upon his signature as an "urgency statute". Of course, every bill may be amended at any time so things can change!

HOALaws will ensure that you are kept informed on this measure.



Got Quorum?

AB 1458 easily passed the Assembly and Senate in 2023 and is now law. The subject of establishing a quorum in order to elect new HOA board members has been contentious in the past as meeting quorum requirements and determining exactly who may vote has often been an issue locally and in the Legislature.

Unlike municipal elections where a quorum of voters is not required in order to determine who is elected, HOAs have quorum requirements.

When, mostly due to apathy, a sufficient number of association members fail to show up or vote, a new board cannot be seated. In those cases, the existing board may remain until voted out in a subsequent election... either in person or by proxy, or via mail-in voting as determined by the HOA's governing documents. And that was the main opposing argument... board members weren't replaced by election and they remained a "tyranny by a few over the many" as it was once characterized.

The bill allows associations to conduct a new election with a lower quorum of only 20% of the voting membership.

HOALaws will remain vigilant as any new bill may yet again surface regarding quorums.