

Within Department of Consumer Affairs

CID Oversight Agency Proposed

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The California Law Revision Commission, appointed by the Legislature to examine the laws governing community associations, is proposing the creation of an oversight

agency for community associations. The Commission is in the process of having informational hearings on the proposed law before it is finalized and submitted to the Legislature for approval. Laws submitted by the non-partisan commission have an 80-90 percent rate of passage.

The proposed law would create the Common Interest Development Bureau within the Department of Consumer Affairs. Primarily, the functions of the Bureau would be three-fold.

Education — The Commission found that homeowners do not fully understand their rights or obligations in communicating with their associations. Mistakes and misunderstandings are inevitable and may lead to serious, costly and divisive problems. The Bureau's purpose in educating officers and homeowners is to reduce or prevent the severity of these unforeseen conflicts.

Mediation — The Commission believes that many homeowners association disputes can be resolved inexpensively, informally and amicably through

Bureau-facilitated mediation. The law will allow any person to request the Bureau's assistance in resolving a dispute. On receipt of such request, the Bureau shall, within its resources, inves-

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The Bureau will also be empowered to impose an administrative fine of up to \$1,000 per violation against any individuals it finds have acted with malice, oppression or fraud.

tigate the dispute, confer with the interested parties and assist in efforts to resolve the dispute by mutual agreement of the parties.

Law Enforcement Powers —

The Commission believes there will

be some disputes that cannot be resolved through appeals to reason and goodwill. When the Bureau finds a violation of community association law, and efforts through mediation are unsuccessful, the Bureau would have the authority to issue a corrective citation. This citation would order abatement of the violation and could include other relief. In addition, the Bureau will also be empowered to impose an administrative fine of up to \$1,000 per violation against any individuals it finds have acted with malice, oppression or fraud. Any fines imposed against Board Members cannot be indemnified by their community association, but must be paid by the Board Member individually.

Financial support for the Bureau will come entirely from the residents of community associations. The required fee would be paid by the community association when it registers with the Secretary of State every two years. The initial funding would be set between \$5 to \$10 per unit per year.

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