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AB-999 Mobilehomes: disposal. (2015-2016)

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Assembly Bill No. 999

CHAPTER 376

An act to amend Sections 798.56a and 798.61 of the Civil Code, and to amend Section 18080.5 of the Health and Safety Code, relating to mobilehomes, and making an appropriation therefor.

[Approved by Governor September 30, 2015. Filed with Secretary of State September 30, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 999, Daly. Mobilehomes: disposal.

The Mobilehome Residency Law governs tenancies in mobilehome parks and, among other things, authorizes the management of a mobilehome park, under specified circumstances, to either remove the mobilehome from the premises and place it in storage or store the mobilehome on its site. Existing law provides the management with a warehouse lien for these costs and imposes various duties on the management to enforce this lien. Existing law also imposes various duties on the management of a mobilehome park when seeking to sell an abandoned mobilehome and its contents. Existing law requires a court to enter a judgment of abandonment if the criteria for abandonment has been satisfied and no party establishes an interest in the mobilehome at the hearing. Existing law requires the management, under certain circumstances, to obtain a tax clearance certificate from the county tax collector of the county in which the mobilehome is located when selling an abandoned mobilehome.

Existing law, the Manufactured Housing Act of 1980, requires the Department of Housing and Community Development to enforce various laws pertaining to manufactured housing, mobilehomes, park trailers, commercial coaches, special purpose commercial coaches, and recreational vehicles. Existing law requires all fees accruing to the department pursuant to the act to be deposited within the Mobilehome Revolving Fund, which is continuously appropriated to the department for carrying out the act.

This bill would amend the Mobilehome Residency Law to, among other things, authorize the management to enforce a warehouse lien and to designate a mobilehome for disposal without requiring the management or other person enforcing the lien to pay past or current vehicle license fees or obtain a tax clearance certificate. The bill would require a court to enter a judgment of abandonment if, instead, the criteria for abandonment has been satisfied and no party establishes an interest in the mobilehome and tenders all past due rent and other charges. The bill would authorize a procedure for the management of a mobilehome park to dispose of an abandoned mobilehome and its contents without requiring the management to pay past or current vehicle license fees or obtain a tax clearance certificate. This bill would require the management to notify the county tax collector in the county in which the mobilehome park is located that management will either apply to have the mobilehome designated for disposal after a warehouse lien sale or dispose of an abandoned mobilehome and its contents pursuant to these provisions. This bill would also require the management to file a notice of disposal, as specified, and to submit certain information required for completing the disposal process under penalty of perjury. This bill would require the Department of Housing and Community Development to charge a fee, as specified, for processing the notice of disposal and any information required for completing the disposal process. By establishing additional fees to be deposited into the Mobilehome Revolving Fund, this bill would make an appropriation.

By expanding the crime of perjury, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 798.56a of the Civil Code is amended to read:

798.56a. (a) Within 60 days after receipt of, or no later than 65 days after the mailing of, the notice of termination of tenancy pursuant to any reason provided in Section 798.56, the legal owner, if any, and each junior lienholder, if any, shall notify the management in writing of at least one of the following:

(1) Its offer to sell the obligation secured by the mobilehome to the management for the amount specified in its written offer. In that event, the management shall have 15 days following receipt of the offer to accept or reject the offer in writing. If the offer is rejected, the person or entity that made the offer shall have 10 days in which to exercise one of the other options contained in this section and shall notify management in writing of its choice.

(2) Its intention to foreclose on its security interest in the mobilehome.

(3) Its request that the management pursue the termination of tenancy against the homeowner and its offer to reimburse management for the reasonable attorney's fees and court costs incurred by the management in that action. If this request and offer are made, the legal owner, if any, or junior lienholder, if any, shall reimburse the management the amount of reasonable attorney's fees and court costs, as agreed upon by the management and the legal owner or junior lienholder, incurred by the management in an action to terminate the homeowner's tenancy, on or before the earlier of (A) the 60th calendar day following receipt of written notice from the management of the aggregate amount of those reasonable attorney's fees and costs or (B) the date the mobilehome is resold.

(b) A legal owner, if any, or junior lienholder, if any, may sell the mobilehome within the park to a third party and keep the mobilehome on the site within the mobilehome park until it is resold only if all of the following requirements are met:

(1) The legal owner, if any, or junior lienholder, if any, notifies management in writing of the intention to exercise either option described in paragraph (2) or (3) of subdivision (a) within 60 days following receipt of, or no later than 65 days after the mailing of, the notice of termination of tenancy and satisfies all of the responsibilities and liabilities of the homeowner owing to the management for the 90 days preceding the mailing of the notice of termination of tenancy and then continues to satisfy these responsibilities and liabilities as they accrue from the date of the mailing of that notice until the date the mobilehome is resold.

(2) Within 60 days following receipt of, or no later than 65 days after the mailing of, the notice of termination of tenancy, the legal owner or junior lienholder commences all repairs and necessary corrective actions so that the mobilehome complies with park rules and regulations in existence at the time the notice of termination of tenancy was given as well as the health and safety standards specified in Sections 18550, 18552, and 18605 of the Health and Safety Code, and completes these repairs and corrective actions within 90 calendar days of that notice, or before the date that the mobilehome is sold, whichever is earlier.

(3) The legal owner, if any, or junior lienholder, if any, complies with the requirements of Article 7 (commencing with Section 798.70) as it relates to the transfer of the mobilehome to a third party.

(c) For purposes of subdivision (b), the "homeowner's responsibilities and liabilities" means all rents, utilities, reasonable maintenance charges of the mobilehome and its premises, and reasonable maintenance of the mobilehome and its premises pursuant to existing park rules and regulations.

(d) If the homeowner files for bankruptcy, the periods set forth in this section are tolled until the mobilehome is released from bankruptcy.

(e) (1) Notwithstanding any other provision of law, including, but not limited to, Section 18099.5 of the Health and Safety Code, if neither the legal owner nor a junior lienholder notifies the management of its decision pursuant to subdivision (a) within the period allowed, or performs as agreed within 30 days, or if a registered owner of a mobilehome, that is not encumbered by a lien held by a legal owner or a junior lienholder, fails to comply with a notice of termination and is either legally evicted or vacates the premises, the management may either remove the mobilehome from the premises and place it in storage or store it on its site. In this case, notwithstanding any other provision of law, the management shall have a warehouse lien in accordance with Section

7209 of the Commercial Code against the mobilehome for the costs of dismantling and moving, if appropriate, as well as storage, that shall be superior to all other liens, except the lien provided for in Section 18116.1 of the Health and Safety Code, and may enforce the lien pursuant to Section 7210 of the Commercial Code either after the date of judgment in an unlawful detainer action or after the date the mobilehome is physically vacated by the resident, whichever occurs earlier. Upon completion of any sale to enforce the warehouse lien in accordance with Section 7210 of the Commercial Code, the management shall provide the purchaser at the sale with evidence of the sale, as shall be specified by the Department of Housing and Community Development, that shall, upon proper request by the purchaser of the mobilehome, register title to the mobilehome to this purchaser, whether or not there existed a legal owner or junior lienholder on this title to the mobilehome.

(2) (A) Notwithstanding any other law, if the management of a mobilehome park acquires a mobilehome after enforcing the warehouse lien and files a notice of disposal pursuant to subparagraph (B) with the Department of Housing and Community Development to designate the mobilehome for disposal, management or any other person enforcing this warehouse lien shall not be required to pay past or current vehicle license fees required by Section 18115 of the Health and Safety Code or obtain a tax clearance certificate, as set forth in Section 5832 of the Revenue and Taxation Code, provided that management notifies the county tax collector in the county in which the mobilehome is located of management's intent to apply to have the mobilehome designated for disposal after a warehouse lien sale. The written notice shall be sent to the county tax collector no less than 10 days after the date of the sale to enforce the lien against the mobilehome by first class mail, postage prepaid.

(B) (i) In order to dispose of a mobilehome after a warehouse lien sale, the management shall file a notice of disposal with the Department of Housing and Community Development in the form and manner as prescribed by the department, no less than 10 days after the date of sale to enforce the lien against the mobilehome.

(ii) After filing a notice of disposal pursuant to clause (i), the management may dispose of the mobilehome after obtaining the information required by applicable laws.

(C) (i) Within 30 days of the date of the disposal of the mobilehome, the management shall submit to the Department of Housing and Community Development all of the following information required for completing the disposal process:

(I) Photographs identifying and demonstrating that the mobilehome was uninhabitable by the removal or destruction of all appliances and fixtures such as ovens, stoves, bathroom fixtures, and heating or cooling appliances prior to its being moved.

(II) A statement of facts as to the condition of the mobilehome when moved, the date it was moved, and the anticipated site of further dismantling or disposal.

(III) The name, address, and license number of the person or entity removing the mobilehome from the mobilehome park.

(ii) The information required pursuant to clause (i) shall be submitted under penalty of perjury.

(D) For purposes of this paragraph, "dispose" or "disposal" shall mean the removal and destruction of an abandoned mobilehome from a mobilehome park, thus making it unusable for any purpose and not subject to, or eligible for, use in the future as a mobilehome.

(f) All written notices required by this section, except the notice in paragraph (2) of subdivision (e), shall be sent to the other party by certified or registered mail with return receipt requested.

(g) Satisfaction, pursuant to this section, of the homeowner's accrued or accruing responsibilities and liabilities shall not cure the default of the homeowner.

SEC. 2. Section 798.61 of the Civil Code is amended to read:

798.61. (a) (1) As used in this section, "abandoned mobilehome" means a mobilehome about which all of the following are true:

(A) It is located in a mobilehome park on a site for which no rent has been paid to the management for the preceding 60 days.

(B) It is unoccupied.

(C) A reasonable person would believe it to be abandoned.

(D) It is not permanently affixed to the land.

(2) As used in this section:

(A) "Mobilehome" shall include a trailer coach, as defined in Section 635 of the Vehicle Code, or a recreational vehicle, as defined in Section 18010 of the Health and Safety Code, if the trailer coach or recreational vehicle also satisfies the requirements of paragraph (1), including being located on any site within a mobilehome park, even if the site is in a separate designated section pursuant to Section 18215 of the Health and Safety Code.

(B) "Abandoned mobilehome" shall include a mobilehome that is uninhabitable because of its total or partial destruction that cannot be rehabilitated, if the mobilehome also satisfies the requirements of paragraph (1).

(C) "Dispose" or "disposal" shall mean the removal and destruction of an abandoned mobilehome from a mobilehome park, thus making it unusable for any purpose and not subject to, or eligible for, use in the future as a mobilehome.

(b) After determining a mobilehome in a mobilehome park to be an abandoned mobilehome, the management shall post a notice of belief of abandonment on the mobilehome for not less than 30 days, and shall deposit copies of the notice in the United States mail, postage prepaid, addressed to the homeowner at the last known address and to any known registered owner, if different from the homeowner, and to any known holder of a security interest in the abandoned mobilehome. This notice shall be mailed by registered or certified mail with a return receipt requested.

(c) (1) Thirty or more days following posting pursuant to subdivision (b), the management may file a petition in the superior court in the county in which the mobilehome park is located, for a judicial declaration of abandonment of the mobilehome. A proceeding under this subdivision is a limited civil case. Copies of the petition shall be served upon the homeowner, any known registered owner, and any known person having a lien or security interest of record in the mobilehome by posting a copy on the mobilehome and mailing copies to those persons at their last known addresses by registered or certified mail with a return receipt requested in the United States mail, postage prepaid.

(2) To dispose of an abandoned mobilehome pursuant to subdivision (f), the management shall also do all of the following:

(A) Declare in the petition that the management will dispose of the abandoned mobilehome, and therefore will not seek a tax clearance certificate as set forth in Section 5832 of the Revenue and Taxation Code.

(B) Declare in the petition whether the management intends to sell the contents of the abandoned mobilehome before its disposal.

(C) Notify the county tax collector in the county in which the mobilehome park is located of the declaration that management will dispose of the abandoned mobilehome by sending a copy of the petition by first class mail.

(D) Declare in the petition that management intends to file a notice of disposal with the Department of Housing and Community Development and complete the disposal process consistent with the requirements of subdivision (f).

(d) (1) Hearing on the petition shall be given precedence over other matters on the court's calendar.

(2) If, at the hearing, the petitioner shows by a preponderance of the evidence that the criteria for an abandoned mobilehome has been satisfied and no party establishes an interest therein at the hearing and tenders all past due rent and other charges, the court shall enter a judgment of abandonment, determine the amount of charges to which the petitioner is entitled, and award attorney's fees and costs to the petitioner. For purposes of this subdivision, an interest in the mobilehome shall be established by evidence of a right to possession of the mobilehome or a security or ownership interest in the mobilehome.

(3) A default may be entered by the court clerk upon request of the petitioner, and a default judgment shall be thereupon entered, if no responsive pleading is filed within 15 days after service of the petition by mail.

(e) To sell an abandoned mobilehome, the management shall do all of the following:

(1) (A) Within 10 days following a judgment of abandonment, the management shall enter the abandoned mobilehome and complete an inventory of the contents and submit the inventory to the court.

(B) During this period the management shall post and mail a notice of intent to sell the abandoned mobilehome and its contents under this section, and announcing the date of sale, in the same manner as provided for the notice of determination of abandonment under subdivision (b). The management shall also provide notice to the county tax collector in the county in which the mobilehome park is located.

(C) At any time prior to the sale of an abandoned mobilehome or its contents under this section, any person having a right to possession of the abandoned mobilehome may recover and remove it from the premises upon payment to the management of all rent or other charges due, including reasonable costs of storage and other costs awarded by the court. Upon receipt of this payment and removal of the abandoned mobilehome from the premises pursuant to this paragraph, the

management shall immediately file an acknowledgment of satisfaction of judgment pursuant to Section 724.030 of the Code of Civil Procedure.

(2) Following the judgment of abandonment, but not less than 10 days following the notice of sale specified in paragraph (1), the management may conduct a public sale of the abandoned mobilehome, its contents, or both. The management may bid at the sale and shall have the right to offset its bids to the extent of the total amount due it under this section. The proceeds of the sale shall be retained by the management, but any unclaimed amount thus retained over and above the amount to which the management is entitled under this section shall be deemed abandoned property and shall be paid into the treasury of the county in which the sale took place within 30 days of the date of the sale. The former homeowner or any other owner may claim any or all of that unclaimed amount within one year from the date of payment to the county by making application to the county treasurer or other official designated by the county. If the county pays any or all of that unclaimed amount to a claimant, neither the county nor any officer or employee of the county is liable to any other claimant as to the amount paid.

(3) Within 30 days of the date of the sale, the management shall submit to the court an accounting of the moneys received from the sale and the disposition of the money and the items contained in the inventory submitted to the court pursuant to paragraph (1).

(4) The management shall provide the purchaser at the sale of an abandoned mobilehome with a copy of the judgment of abandonment and evidence of the sale, as shall be specified by the Department of Housing and Community Development, which shall register title in the abandoned mobilehome to the purchaser upon presentation thereof within 20 days of purchase. The sale shall pass title to the purchaser free of any prior interest, including any security interest or lien, except the lien provided for in Section 18116.1 of the Health and Safety Code, in the abandoned mobilehome.

(f) To dispose of an abandoned mobilehome, the management shall do all of the following:

(1) (A) Within 10 days following a judgment of abandonment, the management shall enter the abandoned mobilehome and complete an inventory of the contents and submit the inventory to the court.

(B) During this period the management shall post and mail a notice of intent to dispose of the abandoned mobilehome and its contents under this section, and announcing the date of disposal, in the same manner as provided for the notice of determination of abandonment under subdivision (b). The management shall also provide notice to the county tax collector in the county in which the mobilehome park is located.

(C) (i) The management shall file a notice of disposal with the Department of Housing and Community Development in the form and manner as prescribed by the department.

(ii) Notwithstanding any other law, when filing a notice of disposal pursuant to clause (i), the management shall not be required to pay past or current vehicle license fees required by Section 18115 of the Health and Safety Code or obtain a tax clearance certificated as set forth in Section 5832 of the Revenue and Taxation Code, provided that the management notifies the county tax collector in the county in which the mobilehome is located of the management's intent to apply to have the mobilehome designated for disposal pursuant to this subdivision. The written notice shall be sent to the county tax collector no less than 10 days after the date of the abandonment judgment by first class mail, postage prepaid.

(D) At any time prior to the disposal of an abandoned mobilehome or its contents under this section, any person having a right to possession of the abandoned mobilehome may recover and remove it from the premises upon payment to the management of all rent or other charges due, including reasonable costs of storage and other costs awarded by the court. Upon receipt of this payment and removal of the abandoned mobilehome from the premises pursuant to this subparagraph, the management shall immediately file an acknowledgment of satisfaction of judgment pursuant to Section 724.030 of the Code of Civil Procedure and a cancellation of the notice of disposal with the Department of Housing and Community Development.

(2) Following the judgment of abandonment and approval of the notice of disposal by the Department of Housing and Community Development, but not less than 10 days following the notice of disposal specified in paragraph (1), the management may dispose of the abandoned mobilehome after obtaining the information required in subparagraph (A) of paragraph (3).

(3) (A) Within 30 days of the date of the disposal of an abandoned mobilehome and its contents, the management shall do both of the following:

(i) Submit to the court and the county tax collector in the county in which the mobilehome park is located a statement that the abandoned mobilehome and its contents were disposed with supporting documentation.

(ii) (I) Submit to the Department of Housing and Community Development all of the following information required for completing the disposal process:

(ia) Photographs identifying and demonstrating that the mobilehome was uninhabitable by the removal or destruction of all appliances and fixtures such as ovens, stoves, bathroom fixtures, and heating or cooling appliances prior to its being moved.

(ib) A statement of facts as to the condition of the mobilehome when moved, the date it was moved, and the anticipated site of further dismantling or disposal.

(ic) The name, address, and license number of the person or entity removing the mobilehome from the mobilehome park.

(II) The information required pursuant to subclause (I) shall be submitted under penalty of perjury.

(B) Within 30 days of the date of the disposal of an abandoned mobilehome or the date of the sale of its contents, whichever date is later, the management shall submit to the court and the county tax collector in the county in which the mobilehome park is located an accounting of the moneys received from the sale and the disposition of the money and the items contained in the inventory submitted to the court pursuant to paragraph (1) and a statement that the abandoned mobilehome was disposed with supporting documentation.

(g) Notwithstanding any other law, the management shall not be required to obtain a tax clearance certificate, as set forth in Section 5832 of the Revenue and Taxation Code, to dispose of an abandoned mobilehome and its contents pursuant to subdivision (f). However, any sale pursuant to this section shall be subject to the registration requirements of Section 18100.5 of the Health and Safety Code and the tax clearance certificate requirements of Section 18092.7 of the Health and Safety Code.

SEC. 3. Section 18080.5 of the Health and Safety Code is amended to read:

18080.5. (a) A numbered report of sale, lease, or rental form issued by the department shall be submitted each time the following transactions occur by or through a dealer:

(1) Whenever a manufactured home, mobilehome, or commercial coach previously registered pursuant to this part is sold, leased with an option to buy, or otherwise transferred.

(2) Whenever a manufactured home, mobilehome, or commercial coach not previously registered in this state is sold, rented, leased, leased with an option to buy, or otherwise transferred.

(b) The numbered report of sale, lease, or rental forms shall be used and distributed in accordance with the following terms and conditions:

(1) A copy of the form shall be delivered to the purchaser.

(2) All fees and penalties due for the transaction that were required to be reported with the report of sale, lease, or rental form shall be paid to the department within 10 calendar days from the date the transaction is completed, as specified by subdivision (e). Penalties due for noncompliance with this paragraph shall be paid by the dealer. The dealer shall not charge the consumer for those penalties.

(3) Notice of the registration or transfer of a manufactured home or mobilehome shall be reported pursuant to subdivision (d).

(4) The original report of sale, lease, or rental form, together with all required documents to report the transaction or make application to register or transfer a manufactured home, mobilehome, or commercial coach, shall be forwarded to the department. Any application shall be submitted within 10 calendar days from the date the transaction was required to be reported, as defined by subdivision (e).

(c) A manufactured home, mobilehome, or commercial coach displaying a copy of the report of sale, lease, or rental may be occupied without registration decals or registration card until the registration decals and registration card are received by the purchaser.

(d) In addition to the other requirements of this section, every dealer upon transferring by sale, lease, or otherwise any manufactured home or mobilehome shall, not later than the 10th calendar day thereafter, not counting the date of sale, give written notice of the transfer to the assessor of the county where the manufactured home or mobilehome is to be installed. The written notice shall be upon forms provided by the department containing any information that the department may require, after consultation with the assessors. Filing of a copy of the notice with the assessor in accordance with this section shall be in lieu of filing a change of ownership statement pursuant to Sections 480 and 482 of the Revenue and Taxation Code.

(e) Except for transactions subject to Section 18035.26, for purposes of this section, a transaction by or through a dealer shall be deemed completed and consummated and any fees and the required report of sale, lease, or rental are due when any of the following occurs:

(1) The purchaser of any commercial coach has signed a purchase contract or security agreement or paid any purchase price, the lessee of a new commercial coach has signed a lease agreement or lease with an option to buy or paid any purchase price, or the lessee of a used commercial coach has either signed a lease with an option to buy or paid any purchase price, and the purchaser or lessee has taken physical possession or delivery of the commercial coach.

(2) For sales subject to Section 18035, when all the amounts other than escrow fees and amounts for uninstalled or undelivered accessories are disbursed from the escrow account.

(3) For sales subject to Section 18035.2, when the installation is complete and a certificate of occupancy is issued.

(f) The department shall charge a fee, not to exceed forty-five dollars (\$45), for processing the notice of disposal and any information required for completing the disposal process required pursuant to Section 798.56a and 798.61 of the Civil Code.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.