Legis. Prog., J-1403, H-820, H-855 April 7, 2008

Memorandum 2008-11

2008 Legislative Program: Status of Bills

Legislation has been introduced to implement all of the recommendations approved by the Commission for introduction in 2008, as follows:

- AB 1921 (Saldaña): CID Recodification
- AB 2166 (Tran): Trial Court Restructuring: Appellate Jurisdiction of Bail Forfeiture
- AB 2193 (Tran): Deposition in Out-of-State Litigation
- AB 2299 (Silva): References to Recording Technology
- SB 1182 (Ackerman): Trial Court Restructuring: Part 4; Trial Court Restructuring: Transfer of Case Based on Lack of Jurisdiction
- SB 1264 (Harman): Revision of No Contest Clause Statute
- SB 1691 (Lowenthal): Mechanics Lien Law

In addition, there are two bills that were introduced last year to implement Commission recommendations, which are still pending for possible enactment this year:

- AB 250 (DeVore): Revocable TOD Deed
- AB 567 (Saldaña): CID Bureau

This is a fairly heavy legislative program. It will consume a considerable amount of staff time.

The procedural status of these bills is indicated on the attached chart. Matters that require Commission attention are discussed below.

AB 1921 (SALDAÑA): RECODIFICATION OF CID LAW

AB 1921 would implement the Commission's recommendation on *Statutory Clarification and Simplification of CID Law* (Dec. 2007). Now that AB 1921 has been introduced, a number of CID interest groups have expressed concerns that were not raised during the Commission's deliberative process.

That is not unexpected. It is often the case that a prospective bill receives less intense scrutiny than a bill that has been introduced and is proceeding toward enactment. To the extent that this new input exposes flaws in the bill, it is beneficial and appreciated.

The staff is working with the various groups to determine which of their concerns may require an amendment to the bill or revision to a Commission Comment.

As it turns out, many of the concerns that have been raised are actually objections to existing law. Those concerns are often well-founded, but the problems are not created by the proposed law. **Complaints about existing law are not actually complaints about AB 1921 and do not require any amendment of the bill.**

Many other concerns that have been identified are based on a misreading of the proposed law. The staff is working to clear up these misunderstandings. **No amendments are required to address this type of concern.**

Some concerns involve policy objections to substantive changes that would be made by the proposed law. The Commission only included substantive changes in the proposed law if it concluded that those changes would not be controversial. **Where it appears that we misjudged that question, the staff recommends that the bill be amended to undo the substantive change.**

Other concerns involve purely technical problems. In a few cases, typographical errors or unintended changes in meaning have been pointed out. In other cases, concerns about terminology have been raised. **Plain errors should be corrected. Meritorious concerns about terminology and phrasing should also be addressed.** Several of these concerns are discussed below for Commission review.

Finally, some groups have expressed concern about possible implications that might be raised by restated provisions. In each case, there was no intention to create the implication that is causing concern. **The staff believes that these issues can be addressed by revision of Commission Comments, to dismiss the implication.**

Proposed changes of the types described above are set out below for the Commission's review. The Commission should decide whether the proposed changes are acceptable.

The staff continues to work with the various interest groups and it is expected that additional issues will need to be resolved.

Policy Objections to Proposed Substantive Changes

Distribution of Notice to Eligible Voters

Proposed Civil Code Sections 4595(a) and 4600(b) both require that the association distribute notice of a member meeting to members who are "entitled to vote at the meeting." That language is imported from Corporations Code Section 7511. Section 7511 already applies to every homeowner association that is organized as a corporation. It also applies to unincorporated associations when conducting a meeting pursuant to Civil Code Sections 1355.5 (amendment of governing documents), 1357.140 (member reversal of rule change), or 1366 (large assessment increase).

Consistent with that approach, proposed Civil Code Section 4640(b) requires that an association distribute voting materials "to every member who is entitled to vote." That is a change from existing Civil Code Section 1363.03(e), which requires that voting materials be delivered to "every member."

By adopting the rule from the Corporations Code in these contexts, the proposed law is making a minor substantive change with respect to the distribution of ballot materials and some notices of member meetings in unincorporated associations.

The California Association of Retired Americans ("CARA"), is opposed to this change on policy grounds. CARA believes that this change will tend to disenfranchise homeowners. An association's decision that a member is not entitled to vote may not be correct, in which case the member would be improperly denied an opportunity to participate in member meetings and elections. Even if a member is ineligible to vote, the member would still have an interest in knowing what decisions are being made at a member meeting. The member might choose to attend and speak on an issue, even if the member is not allowed to vote.

Given those policy objections, the staff recommends that the substantive change be reversed. Unfortunately, there is no clean way to do so, because of the complicated way in which Corporations Code Section 7511 is applied to unincorporated homeowner associations. In the interests of simplicity, the staff recommends that the provisions simply be amended to require notice to all members. The cost of the extra notices should not be a great burden to associations and might even be offset by the efficiency of a simplified rule (which

would not require an association to consider which type of meeting is being announced and which members will be ineligible on the meeting date).

This could be accomplished by amending the referenced provisions as follows:

> 4595. (a) The board shall deliver individual notice (Section 4040) of a regular meeting to each member ~~who, on the date of the notice, is entitled to vote at the meeting~~. The notice shall be delivered at least 10 days, but not more than 90 days, before the date of the meeting.
> …
>
> 4600. …
> (b) Within 20 days after a special meeting is called, the board shall deliver individual notice (Section 4040) of the special meeting to each member ~~who, on the date of the notice, is entitled to vote at the special meeting~~. The notice shall include all of the following information:
> …
>
> 4640.…
> (b) The association shall deliver the following voting materials to every member ~~who is entitled to vote~~, by first-class mail or personal delivery, at least 30 days prior to the deadline for voting:
> …

Jurisdiction of Small Claims Division in Election Dispute

Existing Civil Code Section 1363.09 provides for a civil action to enforce the election requirements of Section 1363.03. Equitable relief is expressly authorized. Section 1363.09(c) also provides:

> (c) A cause of action under Section 1363.03 *with respect to access to association resources by a candidate or member advocating a point of view, the receipt of a ballot by a member, or the counting, tabulation, or reporting of, or access to, ballots for inspection and review after tabulation* may be brought in small claims court if the amount of the demand does not exceed the jurisdiction of that court.

(Emphasis added.)

Proposed Civil Code Section 4685 continues the right to bring a civil action to enforce the election laws. It also expressly authorizes equitable relief. Subdivision (g) of that section generalizes the provision authorizing recourse to the small claims division:

> (g) An action under this section that alleges a violation of this part may be brought in the small claims division of the superior

court, so long as the amount of any demand for restitution does not exceed the jurisdiction of that division.

Attorney John D. Garvic has expressed concern that this broadened provision might be read to improperly expand the equitable powers of the small claims division.

Given the Commission's general practice of avoiding controversial substantive changes, especially with respect to the election provisions, **the staff recommends that proposed Section 4685 be revised to restore the existing language, as follows:**

(g) An action under this section that alleges a violation of this ~~part~~ article with respect to access to association resources by a candidate or member advocating a point of view, the receipt of a ballot by a member, or the counting, tabulation, or reporting of, or access to, ballots for inspection and review after tabulation may be brought in the small claims division of the superior court, so long as the amount of any demand ~~for restitution~~ does not exceed the jurisdiction of that division.

Statement of Reason for Record Request

Existing law requires that a member of a homeowner association have a proper reason, related to the member's interest as a member, in order to inspect an association record. Civ. Code § 1365.2(e)(1); Corp. Code § 8338. If an association believes a record will be used for an impermissible purpose, it can deny a request to inspect the record. Corp. Code § 8331. The homeowner's remedy is a civil action to compel production of the record. See Civ. Code § 1365.2(f).

A homeowner who asks to inspect *the membership list* must *state* a proper reason for doing so. Civ. Code § 1365.2(a)(1)(I)(ii). The proposed law would generalize that requirement, so that a proper reason must be stated when requesting any record.

CARA objects to that change as imposing a new and burdensome obstacle to homeowner record inspection rights.

The staff recommends that the proposed law be amended to restore existing law on this point, as follows:

§ 4705. Inspection procedure

4705. (a) A member may deliver to the board (Section 4035) a written request to inspect association records. The request shall identify the records to be inspected ~~and~~ . If the requested record is

> the membership list, the member shall state a purpose for the inspection that is reasonably related to the member's interest as a member. The request may designate an agent to inspect the records on the member's behalf.

Mailed Notice to Members who "Opt Out" of Membership List

Existing Civil Code Section 1365.2(a)(1)(I)(iii) allows a member to "opt out" of the membership list. When another member requests the list, information about members who have opted out will not be included. Instead, those members can "be contacted via the alternative process described in subdivision (c) of Section 8330 of the Corporations Code."

Proposed Civil Code Section 4715 continues the opt out mechanism, with one exception. Rather than referencing the alternative procedure provided in the Corporations Code, a fixed procedure is provided in Section 4715(b):

> (b) A member who requests the membership list may also request that the association deliver material to any member whose information has been removed from the membership list. The association shall deliver the material to those members by individual delivery (Section 4040), within 15 days after delivery of the request.

The California Association of Community Managers ("CACM") has asked, who would pay for delivery of the material under that provision? A similar concern was raised by the Community Associations Institute ("CAI"). A statutory answer to that question would undoubtedly be controversial, given the political polarization on these sorts of issues.

The staff recommends that the issue be avoided by restoring the existing reference to the alternative procedure provided in the Corporations Code, which requires that the association offer a reasonable alternative, but says nothing specific about costs:

> (b) ~~A member who requests the membership list may also request that the association deliver material to any member whose information has been removed from the membership list. The association shall deliver the material to those members by individual delivery (Section 4040), within 15 days after delivery of the request.~~ If a member requests the membership list, the association shall offer a reasonable alternative method of delivering materials to members whose information has been removed from the membership list, as described in subdivision (c) of Section 8330 of the Corporations Code.

Fee for Retrieval of Records

Existing law provides that an association may charge a member the cost to copy and deliver records requested by the member. The association may also charge up to $10 per hour, not to exceed $200, for the cost of redacting the requested records. See Civ. Code §1365.2(b)(1), (c)(4)-(5).

The proposed law would continue those reimbursement rules, but would also make a minor expansion, allowing an association to include the cost of retrieval of records in the amount charged for redaction.

CARA has policy objections to that increased cost for homeowners. **The staff recommends that proposed Civil Code Section 4720(b) be amended to restore existing law on this point:**

> (b) The association may charge a fee of up to ten dollars ($10) per hour, not to exceed two hundred dollars ($200) per written request, for the time actually and reasonably spent to ~~retrieve and~~ redact a record. The association shall inform the member of the estimated fee amount, and the member shall agree to pay the fee, before the record is ~~retrieved and~~ redacted.

Technical Concerns

Simplified Amendment of Statutory Cross-References

Both CARA and CAI have objected that changes in section numbering that would result from the proposed law would impose costs on associations. Specifically, associations that have statutory cross-references in their governing documents would need to amend those documents to conform to the new numbers.

Strictly speaking, there would be no legal requirement to amend the governing documents, because proposed Civil Code Section 4010(b) would treat obsolete references as references to the new law:

> (b) A reference in an association's governing documents, to a former provision that is restated and continued in this part, is deemed to include a reference to the provision of this part that restates and continues the former provision.

Nonetheless, an association with extensive statutory cross-referencing in its governing documents might want to amend those documents for clarity. That could be costly, especially if a member election (perhaps with a supermajority approval requirement) is required to amend a document.

The staff has proposed the following language to minimize those costs:

> 6010. If the governing documents include a reference to a former provision of this act that is continued by a current provision of this act, the board may amend the governing documents, solely to correct the statutory reference, by adopting a board resolution that clearly shows the proposed correction.
>
> **Comment**. Section 6010 is new. It is intended to provide a simplified method to correct technical statutory cross-references in an association's governing documents. No other amendment can be made under this section.

Neither group has yet indicated whether this section would be beneficial. **The staff believes this would be a positive change in the proposed law and recommends that the Commission approve it as a possible amendment.**

Secret Election for Assessment Increase

Under existing law, the secret ballot procedure applies to "elections regarding assessments legally requiring a vote." Civ. Code § 1363.03(b). Proposed Civil Code Section 4640(a)(1) restates that rule as follows:

> 4640. (a) This section governs a member election on any of the following matters:
> (1) Assessment approval.

CAI has expressed concern that this restated provision might imply that an election must be held for any assessment increase, regardless of whether other law requires member approval.

That was not the intention. **To avoid any misunderstanding on this important issue, the staff recommends that Section 4640(a)(1) be amended to restore the existing language:**

> 4640. (a) This section governs a member election on any of the following matters:
> (1) ~~Assessment approval.~~ Assessments legally requiring a vote.

Member "Handbook"

Several commenters object to the proposed law's requirement that an association prepare and distribute a "member handbook." See proposed Civ. Code § 4810. The objection seems to be based on an assumption that a "handbook" would need to be bound, adding new production expenses.

That was never a stated intention of the proposed law. The staff is working with the various groups to find language that would avoid any implication that

the material must be bound (e.g., "member information packet"). Once agreement is reached, implementing amendment language will be drafted.

In addition, CACM expressed concern about one element of the required content of the member handbook. Proposed Civil Code Section 4810(a)(6) requires that the member handbook include:

> (6) A statement describing the association's discipline policy, including any schedule of penalties for violations of the governing documents.

CACM is concerned that this language would require an association that does not have an enforcement policy to create one. That was not the intention. **The staff recommends that Section 4810(a)(6) be amended as follows:**

> (6) A statement describing the association's discipline policy, <u>if any,</u> including any schedule of penalties for violations of the governing documents.

Misstatement of Reserve Calculation Method

Proposed Civil Code Section 5555(c)(6) states the method for calculating the replacement cost of a component, for the purpose of preparing the reserve study:

> (6) The required balance for the component. This is calculated by one of the two following methods: (A) by multiplying the average annual repair and replacement cost and the number of years that the component has been in service, or (B) by a generally accepted alternative method that is described in the study.

Both CACM and CAI have correctly pointed out that the staff made an error in drafting that provision. Existing law does not provide for alternative methods (A) and (B). Instead, method (A) is mandatory and *may* be *supplemented* by a second set of calculations using an alternative method. That alternative method does not replace method (A). **The staff regrets having misunderstood that point and recommends amending Section 5555(c)(6) along the following lines:**

> (6) The required balance for the component. This is calculated by ~~one of the two following methods: (A) by~~ multiplying the average annual repair and replacement cost and the number of years that the component has been in service~~, or (B) by~~ <u>. The required balance may also be calculated using</u> a generally accepted alternative method that is described in the study. <u>If the required balance is calculated using an alternative method, the alternative amount shall be provided as a supplement to the amount calculated by the method specified in this section, and not as a replacement for that amount.</u>

Public comment on that proposed language is requested.

Rulemaking Procedure

Proposed Civil Code Section 6115(b) provides:

> (b) A proposed rule change may be approved by the board (Section 4060).

CARA believes that this provision dilutes the rights of homeowners as provided in existing Section 1357.130(b), which provides:

> (b) A decision on a proposed rule change shall be made at a meeting of the board of directors, after consideration of any comments made by association members.

In the context of other provisions governing board action and open meetings, the staff is not convinced that the proposed law would actually make any substantive change to the law. Nonetheless, if the new language implies a substantive change, that could lead to misunderstanding and disputes. **The staff therefore recommends that the language of proposed Section 6115(b) be deleted and replaced with the language from Section 1357.130(b).**

"General Assessment"

CAI has pointed out that proposed Civil Code Section 5560 uses the term "general assessment" in the same sense as the term "regular assessment." There is no reason for this inconsistent usage. **The staff recommends that Section 5560(b)-(c) be amended to conform to the usual term:**

> (b) The plan may provide for an increase in the ~~general~~ regular assessment, a special assessment, borrowing, use of other assets, deferral of selected replacement or repairs, or other mechanisms.
>
> (c) If the plan proposes an increase in the ~~general~~ regular assessment, it shall describe the proposed increase in the following form:
>
> …

Circumvention of ADR Requirement

Under existing law (as continued in proposed Civil Code Section 5080), a person must make an offer of ADR before filing a civil action to enforce the Davis-Stirling Act, an association's governing documents, or applicable portions of the Nonprofit Mutual Benefit Corporation Law. That is a general requirement.

The proposed law includes a new provision, proposed Civil Code Section 5130, which provides:

> 5130. In addition to any other remedy provided by law, a member may bring an action in superior court to enforce a provision of this part.

The Civil Justice Association of California ("CJAC") is concerned that this language might be read as circumventing the ADR requirements of proposed Section 5080. It opposed the bill on that basis.

That was not the Commission's intention. The staff has made that clear to CJAC's representative and has offered to add the following language to the Comment to Section 5130: "Nothing in this section affects the requirements of Section 5080." That general approach seems to be acceptable to CJAC, though the staff has not yet heard whether language in the Comment would be sufficient. CJAC may ask that the language be added to Section 5130. **Is that Commission amenable to adding such language, either in the Comment or, if necessary, the statute?**

Typographical Errors

Two typographical errors have been pointed out and should be corrected.

Proposed Civil Code Section 5680(a) should be amended as follows:

> 5680. (a) An association officer or director is not personally liable for a tortious act or omission of the officer or director, in excess of the amount of insurance coverage specified in paragraph ~~(6)~~ (7), if all of the following requirements are met:

Proposed Civil Code Section 6120(b) should be amended as follows:

> (b) A special member meeting may be called by delivering a request to the board (Section 4035) that includes the requisite number of member signatures, after which the board shall provide general notice (Section 4045) of the meeting and hold the meeting in conformity with Article ~~2~~ 3 (commencing with Section ~~4500~~ 4575) of Chapter 3. A written request may only be delivered within 30 days after general notice (Section 4045) of the rule change or enforcement of the resulting rule, whichever occurs first.

Accounting Terminology

CAI has raised a number of concerns about the terminology used in the proposed law to describe various accounting practices. The concern is that language is used in a way that is inconsistent with existing practice in the accounting profession. **The staff has offered to work with any interested group, to go through all of the accounting language and fix any technical problems**

that may exist. In doing so, the staff would only make changes to existing law if there is a consensus that they are needed and would not cause problems.

The staff will keep the Commission informed on this work as it proceeds.

"Member"

CAI has also objected to inconsistency in the use of the terms "member" and "owner." The staff has committed to working to determine whether any changes should be made to improve the consistency of the use of these terms. No specific amendment language has yet been developed to address this concern.

Unintended Implications

Duty to Create Record

Proposed Civil Code Section 4507(b) provides timing rules for compliance with a record inspection request:

> (b) Except as provided in Sections 4710, 4715 and 4725, the association shall make the requested records available for inspection according to the following deadlines:
> (1) For a record prepared in the current fiscal year, within 15 days after the request is delivered.
> (2) For a record prepared in a prior fiscal year, within 30 days after the request is delivered.
> (3) For a record that has not yet been prepared, within 15 days after the request is delivered or the record is prepared, whichever is later.
> (4) For the membership list, within 10 days.

CACM is concerned that the language in (b)(3) might be read to impose a duty on an association to *create* a requested record, which it would not have otherwise created.

The staff suggested to CACM that the issue be addressed by adding language along the following lines to the section's Comment:

> This section governs the right of a member to inspect a record, if that record exists. Nothing in this section mandates that any record be created or maintained.

That would parallel language in the Comment to proposed Section 4700, which was added to avoid a similar implication in connection with that section (which lists the types of records that are subject to inspection). **Is that approach acceptable?**

Fees for "Extras"

Existing Civil Code Section 1366.1 provides: "An association shall not impose or collect an assessment or fee that exceeds the amount necessary to defray the costs for which it is levied."

The substance of that rule is continued in proposed Section 5570(b), which provides: "(b) An association shall not levy an assessment or fee that exceeds the amount necessary to defray the costs for which it is levied."

CAI is concerned that this rule might interfere with an association's ability to make a profit on services provided as an "extra." For example, an association might provide landscaping services beyond what it is obligated to provide, or operate a restaurant, or a market. Should Section 1366.1 limit the association to recovering only its costs, or could the association fix or negotiate a higher price for these optional sorts of goods and services?

The staff suspects that Section 1366.1 was never intended to apply to fees charged for extras. That could be addressed in Comment language, along these lines:

> Nothing in this section affects the price that an association may charge for goods or services provided as an option, beyond the goods and services that the association is required to provide under this part or under the governing documents.

Is that language acceptable?

Cost Reimbursement

Proposed Civil Code Section 5830 continues existing law on the reimbursement of costs relating to the provision of documents required when a separate interest is being sold. That issue has been the subject of two recent appellate decisions.

CACM is concerned that minor changes in language introduced in Section 5830 might provide some basis for arguing that the proposed law is intended to abrogate the recent court decisions. That was not the intention. The staff has offered to add Comment language to make that clear, in the Comment to proposed Section 5830:

> Nothing in this section is intended to affirm or abrogate the decisions in *Berryman v. Merit Property Management*, 152 Cal. App. 4th 1544, 62 Cal. Rptr. 3d 177 (2007), or *Brown v. Professional Community Management*, 127 Cal. App. 4th 532, 25 Cal. Rptr. 3d 617 (2005).

Is that language acceptable?

Drafting Suggestion

Although the staff is reluctant to consider purely stylistic drafting suggestions at this point in the process, CACM offered one change that would seem to make a provision significantly easier to read. They proposed amending the introduction to proposed Civil Code Section 5825 as follows:

> 5825. As soon as practicable before the transfer of title to a separate interest or the execution of a real property sales contract (as defined in Section 2985) for a separate interest, ~~as defined in Section 2985,~~ the owner of the separate interest, other than an owner subject to the requirements of Section 11018.6 of the Business and Professions Code, shall provide the following documents to the prospective purchaser:

Does the Commission agree that this is an improvement in clarity that should be made?

AB 2166 (TRAN) — TRIAL COURT RESTRUCTURING: APPELLATE JURISDICTION OF BAIL FORFEITURE

Assembly Bill 2166 (Tran) would implement the Commission's recommendation on *Trial Court Restructuring: Appellate Jurisdiction of Bail Forfeiture* (Dec. 2007). The bill would clarify the jurisdiction of bail forfeiture appeals, preserving pre-unification procedures but making them workable in the context of a unified trial court.

The author has received opposition letters from the following organizations: Golden State Bail Agents Association, Orange County Bail Bonds, Orange County Bail Agents Association, Two Jinn, Inc., dba Aladdin Bail Bonds, Inland Empire Bail Bonds, North Bay Bail Agents Association, and Absolute Bail Bonds. Most of the concerns raised in these letters are the same as the concerns that were previously raised during the Commission's study. The Commission considered those concerns in detail and decided not to revise its proposal in response to them.

Assembly Member Tran has met with representatives of Golden State Bail Agents Association and other opponents to discuss their concerns. He has also discussed the matter with Commission staff. Other organizations are in the process of reviewing the bill and formulating their positions.

No amendments are currently planned or under discussion. The bill is pending in the Assembly Committee on Public Safety. It has not yet been set for a hearing.

We will keep the Commission posted on future developments. If issues arise between Commission meetings, we will seek guidance from the Chair and Vice-Chair as needed.

SB 1691 (LOWENTHAL) — MECHANICS LIEN LAW

SB 1691 would implement the Commission's recommendation on *Mechanics Lien Law* (Feb. 2008). The bill is set for hearing before the Senate Committee on the Judiciary on April 8, 2008.

Given the unusually large size of the bill, and the importance of the many interests at stake in mechanics lien law, staff from the Senate Committee on the Judiciary expressed serious concern about the feasibility of enacting the bill in a single legislative year. Interest groups that did not participate in the Commission's process might have an unreasonably short time to review the bill and offer comments.

Those concerns could be substantially allayed if the bill were amended to delete all potentially controversial substantive changes from existing law. The nonsubstantive core of the bill could then be reviewed for any technical problems, without also needing to analyze and debate the more substantive reforms proposed by the Commission.

The changes that were removed from the bill could be introduced as separate legislation next year or thereafter. Those substantive changes could be reviewed on their own merits, in a more manageable time frame, without holding up the nonsubstantive recodification of mechanics lien law. Because the proposed law has a one-year deferred operative date (January 1, 2010), any substantive changes introduced in 2009 would have the same operative date. All of the reforms would take effect at the same time.

This proposed approach does not imply any substantive judgment about the policy merits of any provision that is deleted. It simply reflects the Committee's procedural requirements for processing such a large bill.

That proposed approach was explained to the Commission's Chair, who gave his general approval.

Many of the requested changes have already been implemented as amendments to SB 1691. They are presented below, under "First Round of Amendments." The Commission should review those amendments and the conforming revisions to Comment language and decide whether to approve those changes.

In addition, some further changes of the same sort have been proposed, but not yet made. It is expected that they will be made as author's amendments at the April 8 hearing. Those amendments are also presented for review and approval, under "Second Round of Amendments," below.

First Round of Amendments

The changes listed below have already been made in SB 1691, as amended on April 1, 2008. They all involve the deletion of proposed substantive changes to existing law.

Presumption in Favor of Material Supplier

The proposed evidentiary presumption that material delivered to a jobsite was used or consumed in the work of improvement has been deleted, as follows:

> **§ 8026. Material supplier**
>
> 8026. ~~(a)~~ "Material supplier" means a person that provides material or supplies to be used or consumed in a work of improvement.
>
> ~~(b) Materials or supplies delivered to a site are presumed to have been used or consumed in the work of improvement. The presumption established by this subdivision is a presumption affecting the burden of proof.~~
>
> **Comment.** ~~Subdivision (a) of~~ Section 8026 continues former Section 3090 without substantive change. It replaces the term "materialman" with the term "material supplier" to conform to contemporary usage under this part.
>
> ~~Subdivision (b) is new. It reverses existing law. See, e.g., Consolidated Elec. Distributors, Inc. v. Kirkham, Chacon & Kirkham, Inc., 18 Cal. App. 3d 54, 58, 95 Cal. Rptr. 673 (1971).~~
>
> See also Sections 8032 ("person"), 8050 ("work of improvement").

Definition of "Completion" (Private and Public Work)

The existing definitions of "completion" have been restored, as follows:

§ 8150. Completion

8150. (a) For the purpose of this part, completion of a work of improvement occurs at the earliest of the following times:

(1) ~~Substantial~~ Actual completion of the work of improvement.

(2) Occupation or use by the owner accompanied by cessation of labor.

(3) Cessation of labor for a continuous period of 60 days.

(4) Recordation of a notice of cessation after cessation of labor for a continuous period of 30 days.

(5) Acceptance of the work of improvement by the owner.

(b) Notwithstanding subdivision (a), if a work of improvement is subject to acceptance by a public entity, completion occurs on acceptance.

Comment. Section 8150 ~~restates~~ continues former Section 3086 without substantive change, to the extent it applied to a private work. References to occupation or use by an owner include those actions by the owner's agent. See Section 8028 ("owner").

~~Subdivision (a)(1) replaces the term "actual completion" in former Section 3086 with "substantial completion," consistent with judicial interpretation of the former term. See cases collected in *Lewis v. Hopper*, 140 Cal. App. 2d 365, 367, 295 P.2d 93 (1956). This is a nonsubstantive change.~~

~~"Acceptance by the owner" is not continued as a form of completion.~~

The provision in subdivision (b) for acceptance by a public entity refers to acceptance pursuant to a legislative enactment of the public entity and not to inspection and approval or issuance of a certificate of occupancy under building regulations.

Subdivision (b) applies only to a private work of improvement. See Section 8052 (application of part).

See also Sections 8036 ("public entity"), 8050 ("work of improvement").

§ 42210. Completion

42210. For the purpose of this part, completion of a work of improvement occurs at the earliest of the following times:

(a) Acceptance of the work of improvement by the public entity.

(b) Cessation of labor on the work of improvement for a continuous period of ~~60~~ 30 days. This subdivision does not apply to a contract awarded under the State Contract Act, Part 2 (commencing with Section 10100).

Comment. Section 42210 ~~restates~~ continues former Civil Code Section 3086 without substantive change, to the extent it applied to a public work of improvement~~, but extends the period of continuous cessation of labor necessary to constitute completion from 30 days to 60 days~~. See also Section 42230 (notice of completion).

See also Sections 41110 ("public entity"), 41170 ("work of improvement").

Notice as Prerequisite to Recording Lien Claim

The requirement that a claimant give notice to an owner before recording a lien claim is deleted, as follows:

~~**§ 8418. Notice of intended recording of claim of lien**~~

~~8418. (a) Before recording a claim of lien, the claimant shall give notice of the intended recording to the owner or reputed owner of property subject to the claim of lien, if known. The notice shall comply with the requirements of Article 3 (commencing with Section 8100) of Chapter 1.~~

~~(b) Notice of the intended recording of a claim of lien shall include a copy of the claim of lien.~~

~~**§ 8420. Notice prerequisite to recording claim of lien**~~

~~8420. The county recorder shall not record a claim of lien that is filed for record unless accompanied by a declaration under penalty of perjury attesting to service of a true and accurate copy of the lien claim on the owner or reputed owner.~~

Recordation of Lis Pendens

The requirement that a claimant record a lis pendens on filing an action to enforce a lien claim is deleted, as follows:

§ 8460. Time for commencement of enforcement action

8460. (a) The claimant shall commence an action to enforce a lien within 90 days after recordation of the claim of lien ~~and record a notice of the pendency of the action under Title 4.5 (commencing with Section 405) of Part 2 of the Code of Civil Procedure within 110 days after recordation of the claim of lien~~. If the claimant does not commence an action ~~and record notice of the pendency of the action~~ within the time provided in this subdivision, the claim of lien expires and is unenforceable.

(b) Subdivision (a) does not apply if the claimant and owner agree to extend credit, and notice of the fact and terms of the extension of credit is recorded (1) within 90 days after recordation of the claim of lien or (2) more than 90 days after recordation of the claim of lien but before a purchaser or encumbrancer for value and in good faith acquires rights in the property. In that event the claimant shall commence an action to enforce the lien ~~and record a notice of the pendency of the action~~ within 90 days after the expiration of the credit, but in no case later than one year after completion of the work of improvement. If the claimant does not

commence an action ~~and record notice of the pendency of the action~~ within the time provided in this subdivision, the claim of lien expires and is unenforceable.

Comment. Section 8460 restates former Sections 3144, 3145, and the first sentence of former Section 3146~~, adding the requirement that a claim of lien is unenforceable if a lis pendens is not recorded within the statutory periods~~. The reference to the lis pendens statute is corrected, to reflect the repeal of Code of Civil Procedure Section 409. See 1992 Cal. Stat. ch. 883, § 1. See also Section 8054 (rules of practice).

The second sentence of former Section 3146 is not continued. It is superseded by general provisions governing the effect of a lis pendens. See Code Civ. Proc. § 405.24 (constructive notice).

Subdivision (b) makes clear that the owner must be a party to the extension of credit, and allows for late recording of the extension of credit. This codifies the rule in *Richards v. Hillside Development Co.*, 177 Cal. App. 2d 776, 2 Cal. Rptr. 693 (1960), and overrules *Dorer v. McKinsey*, 188 Cal. App. 2d 199, 10 Cal. Rptr. 287 (1961).

For completion of a work of improvement, see Section 8150.

See also Sections 8002 ("claimant"), 8024 ("lien"), 8050 ("work of improvement").

Statute of Limitations for Claim Against Payment Bond (Private and Public Work)

The proposed law had generalized the statutes of limitations for an action on a payment bond, so that the same rules applied regardless of whether the defendant is the surety or the principal on the bond. Those changes have been reversed, as follows:

§ 8610. Statute of limitations for suit on recorded bond

8610. If a payment bond under this part is recorded before completion of a work of improvement, an action <u>against the surety on the bond</u> to enforce the liability on the bond may not be commenced later than six months after completion of the work of improvement.

Comment. Section 8610 ~~restates~~ <u>continues</u> former Section 3240 <u>without substantive change</u> ~~, and broadens it to cover enforcement of any liability on the bond, not limited to the liability of the surety. *Cf.* Code Civ. Proc. § 996.440 (judgment on bond against principal and sureties)~~. It supersedes former Section 3239 (provision shortening statute of limitations). ….

§ 45050. Statute of limitations

45050. A claimant may commence an action <u>against the surety on a payment bond</u> to enforce the liability on ~~a payment~~ <u>the</u> bond at any time after the claimant ceases to provide work, but not later

than six months after the period in which a stop payment notice may be given under Section 44140.

Comment. Section 45050 ~~restates~~ continues former Civil Code Section 3249 ~~, and broadens it to cover enforcement of any liability on the bond, not limited to the liability of the surety. Code Civ. Proc. § 996.440 (judgment on bond against principal and sureties)~~ without substantive change.

See also Sections 41020 ("claimant"), 41080 ("payment bond"), 41140 ("stop payment notice"), 41160 ("work").

Fee to Receive Notice from Public Entity of Time Limits for Claim

The proposed law would have increased a statutory fee amount, from $2 to $10. That change has been reversed, as follows:

§ 44170. Notice to claimant

44170. (a) Not later than 10 days after each of the following events, the public entity shall give notice to a claimant that has given a stop payment notice of the time within which an action to enforce payment of the claim stated in the stop payment notice must be commenced:

(1) Completion of a public works contract, whether by acceptance or cessation.

(2) Recordation of a notice of cessation or completion.

(b) The notice shall comply with the requirements of Article 2 (commencing with Section 42110) of Chapter 2.

(c) A public entity need not give notice under this section unless the claimant has paid the public entity ~~ten dollars ($10)~~ two dollars ($2) at the time of giving the stop payment notice.

Comment. Section 44170 restates former Civil Code Section 3185. See also Sections 42210 (completion), 42220 (notice of cessation), 42230 (notice of completion), 44420 (time for enforcement of payment of claim stated in stop payment notice). ~~The $2 fee is increased to $10 in recognition of the change in the value of the dollar since the fee's enactment.~~

See also Sections 41020 ("claimant"), 41110 ("public entity"), 41120 ("public works contract"), 41140 ("stop payment notice").

Technical Amendments

The amendments also include a small number of purely technical amendments that clean up drafting errors. They are not described here.

Recommendation

The staff recommends that the Commission ratify these changes. They are procedurally necessary if the bill is to have any chance of enactment this year.

The deleted reforms can be introduced in separate bills, without prejudice (and if enacted in 2009, without any delay in operative effect).

Second Round of Amendments

The Senate Committee on the Judiciary and the author's office received additional comments on the bill, after the amendments discussed above had already been finalized. Amendments to address those concerns are necessary to avoid significant opposition to the bill or to conform to the committee's preferred approach of removing controversial substantive changes from the bill. The amendments described below will be offered as author's amendments at the April 8 hearing.

The Commission should decide whether to approve the amendments described below and the conforming revisions to Commission Comment language.

Definition of "Contractor" and "Direct Contractor"

The California Land Title Association (hereafter, "CLTA") has requested clarification of the terms "contractor" and "prime contractor" as used in the bill.

The term "contractor" is not defined in the existing mechanics lien statute. The Commission attempted to craft a substantive definition of "contractor" but ultimately decided that doing so might inadvertently change the understood meaning of the term. CLTA indicates its concerns about the use of the term would be satisfied by a more operational definition of the term, as follows:

> **§ 8011. Contractor**
>
> 8011. "Contractor" includes a direct contractor, subcontractor, or both.
>
> **Comment.** Section 8011 is new, and is included for drafting convenience.
>
> See also Sections 8014 ("direct contractor"), 8046 ("subcontractor").

The staff sees no harm in this provision, and recommends that **it be added to the proposed law.**

The term "prime contractor" is not used in any of the new substantive provisions of the proposed law. However, the term does appear in code sections containing conforming revisions. CLTA indicated that the following clarifying language would satisfy its concerns about the use of that term:

§ 8014. Direct contractor

8014. "Direct contractor" means a contractor that has a direct contractual relationship with an owner. A reference in another statute to a "prime contractor" in connection with the provisions in this part means a "direct contractor."

Comment. Section 8014 supersedes former Section 3095 ("original contractor"). ….

A direct contractor is at times referred to in other code sections as a "prime contractor." See e.g., Pub. Cont. Code § 4113.

….

The staff recommends that the Commission approve this amendment.

Notice of Overdue Labor Compensation

Existing Civil Code Section 3097(k) requires that a contractor provide notice when it fails to pay its employees on time. The notice must go to the laborer, his or her bargaining representative, and to the lender or reputed lender. Failure to provide the notice subjects the contractor to discipline.

Proposed Civil Code Section 8104 expands this provision, by requiring that notice also be given to the owner.

E. Scott Holbrook, Jr., an attorney who represents subcontractors, objected that this expanded requirement could place an undue burden on subcontractors, who often have difficulty ascertaining who the owner is on a project. Mr. Holbrook suggested that the provision should allow, as an alternative, that the notice be given to the "reputed owner" on the project.

The staff sees no problem with this suggestion. The preliminary notice, arguably the most important notice in the mechanics lien process, can be given to a reputed owner. If it is proper to give the preliminary notice to a reputed owner, the staff sees no reason why a stricter rule should apply in this context.

The staff recommends that Section 8104 be revised as follows:

§ 8104. Notice of overdue laborer compensation

8104. (a) A direct contractor or subcontractor that employs a laborer and fails to pay the full compensation due the laborer, including any employer payments described in Section 1773.1 of the Labor Code and implementing regulations, shall not later than the date the compensation became delinquent, give the laborer, the laborer's bargaining representative, if any, the construction lender or reputed construction lender, if any, and the owner or reputed owner, notice that includes all of the following information, in addition to the information required by Section 8102:

(1) The name and address of the laborer, and of any person or entity described in subdivision (b) of Section 8020 to which employer payments are due.

(2) The total number of straight time and overtime hours worked by the laborer on each job.

(3) The amount then past due and owing.

(b) Failure to give the notice required by subdivision (a) constitutes grounds for disciplinary action under the Contractors' State License Law, Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

Optional Recordation of Lis Pendens

The proposed law would have *required* that a lis pendens be recorded when filing a lien enforcement action. That mandatory provision superseded an existing provision that authorized the *optional* recordation of a lis pendens.

The mandatory lis pendens requirement has been deleted in the first round of amendments. **However, to fully restore existing law, the optional language should be restored, as follows:**

§ 8460. Time for commencement of enforcement action

8460. (a) The claimant shall commence an action to enforce a lien within 90 days after recordation of the claim of lien. If the claimant does not commence an action within the time provided in this subdivision, the claim of lien expires and is unenforceable.

(b) Subdivision (a) does not apply if the claimant and owner agree to extend credit, and notice of the fact and terms of the extension of credit is recorded (1) within 90 days after recordation of the claim of lien or (2) more than 90 days after recordation of the claim of lien but before a purchaser or encumbrancer for value and in good faith acquires rights in the property. In that event the claimant shall commence an action to enforce the lien within 90 days after the expiration of the credit, but in no case later than one year after completion of the work of improvement. If the claimant does not commence an action within the time provided in this subdivision, the claim of lien expires and is unenforceable.

(c) After commencing an action under subdivision (a) or (b), a claimant may record a notice of the pendency of the action under Title 4.5 (commencing with Section 405) of Part 2 of the Code of Civil Procedure.

Comment. Section 8460 ~~restates~~ continues former Sections 3144, 3145, and the first sentence of former Section 3146 ,without substantive change. The reference to the lis pendens statute is corrected, to reflect the repeal of Code of Civil Procedure Section

409. See 1992 Cal. Stat. ch. 883, § 1. See also Section 8054 (rules of practice).

….

Petition for Release of Lien Claim

The California Professional Association of Specialty Contractors ("CalPASC") expressed concern about the proposed law's expansion of the grounds on which an owner may petition to release a lien claim.

Under existing law, such a petition may be brought only on the ground that a lien claimant has failed to commence an enforcement action within 90 days of recording a lien claim. The proposed law adds four additional grounds that would not require an owner to wait 90 days before filing a release petition.

CalPASC expressed specific concern about only one of the new grounds provided in proposed Civil Code Section 8480(a), that "none of the work stated in the claim of lien has been provided." However, the group went on to explain its view that an owner wishing to challenge a recorded lien claim should either have to wait 90 days to do so, or defend an enforcement action filed by the claimant.

That objection applies with equal force to all of the new grounds for release. The staff believes that the group — which only had a short time to return comments to the Senate Committee on the Judiciary — may have overlooked the timing implications of the other grounds.

In order to avoid further wrangling over this issue, and to implement the commmittee's preferred approach of deleting substantive changes that are likely to be controversial, **the staff recommends that *all* of the new grounds be deleted.** They can be reintroduced as a coherent package in later legislation. This change would be made as follows:

§ 8480. Petition for release order

8480. (a) The owner of property subject to a claim of lien may petition the court for an order to release the property from the claim of lien ~~for any of the following causes:~~

~~(1) The~~ if the claimant has not commenced an action to enforce the lien within the time provided in Section 8460.

~~(2) The claimant's demand stated in the claim of lien has been paid to the claimant in full.~~

~~(3) None of the work stated in the claim of lien has been provided.~~

~~(4) The claimant was not licensed to provide the work stated in the claim of lien for which a license was required by statute.~~

~~(5) There is a final judgment in another proceeding that the petitioner is not indebted to the claimant for the demand on which the claim of lien is based.~~

(b) This article does not bar any other cause of action or claim for relief by the owner of the property, including, but not limited to, the filing of a complaint with the Contractors' State License Board. A release order does not bar any other cause of action or claim for relief by the claimant, other than an action to enforce the claim of lien that is the subject of the release order.

(c) A petition for a release order under this article may be joined with a pending action to enforce the claim of lien that is the subject of the petition. No other action or claim for relief may be joined with a petition under this article.

(d) Notwithstanding Section 8054, Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure does not apply to a proceeding under this article.

Comment. Subdivision ~~(a)(1)~~ (a) of Section 8480 continues former Section 3154(a) without substantive change. ~~Subdivisions (a)(2)-(6) are new. The owner need not wait until expiration of the time to commence an enforcement action before bringing a petition to release an invalid claim of lien under this section. *Cf.* Section 8422 (forfeiture of lien for false claim).~~

~~Subdivision (a)(2) includes payment in full to an assignee of the claimant.~~

….

CalPASC also objects to the proposed law's removal of the existing $2,000 cap on attorney's fees to the prevailing party on a petition to release a lien claim. **Consistent with the general approach proposed by the committee, that change should be reversed.** It can be revisited in later legislation. Thus:

§ 8488. Hearing and order

8488. (a) At the hearing both (1) the petition and (2) the issue of compliance with the service and date for hearing requirements of this article are deemed controverted by the claimant. The petitioner has the initial burden of producing evidence on those matters. The petitioner has the burden of proof as to the issue of compliance with the service and date for hearing requirements of this article. The claimant has the burden of proof as to the validity of the lien.

(b) If judgment is in favor of the petitioner, the court shall order the property released from the claim of lien.

(c) The prevailing party is entitled to ~~a reasonable attorney's fee~~ an award of attorney's fees not to exceed two thousand dollars ($2,000).

Comment. ….

Subdivision (c) continues former Section 3154(g) ~~with the exception of the $2,000 limitation~~ without substantive change.

….

Content of Stop Payment Notice (Private and Public Work)

Existing law provides that a mechanics lien claim may be based on work provided as a result of "the rescission, abandonment, or breach of the contract." Civ. Code § 3123(b).

Because the content of a stop payment notice is generally understood to be the same as the content of a lien claim, the proposed law would add the lien claim language quoted above to the stop payment provisions. See proposed Civ. Code §§ 8502(d), 44120(d).

California State University ("CSU") objects to these changes, maintaining that allowing stop payment notices to include "breach of contract claims" would unnecessarily tie up project funds, and create a potential for abuse by claimants.

There are good counter-arguments to that objection, but the more important point is that the proposed changes to the stop payment provisions are perceived as making a substantive and controversial change in the law. For that reason, **they should be removed from the bill for possible reintroduction in a later bill, as follows**:

§ 8502. Contents of stop payment notice

8502. (a) A stop payment notice shall comply with the requirements of Section 8102, and shall be signed and verified by the claimant.

(b) The notice shall include a general description of work to be provided, and an estimate of the total amount in value of the work to be provided.

(c) The amount claimed in the notice may include only the amount due the claimant for work provided through the date of the notice.

~~(d) The claimant may include in a stop payment notice an amount due for work performed as a result of rescission, abandonment, or breach of the contract. If there is a rescission, abandonment, or breach of the contract, the amount of the stop payment notice may not exceed the reasonable value of the work provided by the claimant.~~

Comment. ….

~~Subdivision (d) applies provisions applicable to a claim of lien to the stop payment notice. *Cf.* Section 8430 (amount of lien).~~

….

§ 44120. Contents of stop payment notice

44120. (a) A stop payment notice shall comply with the requirements of Section 42120, and shall be signed and verified by the claimant.

(b) The notice shall include a general description of work to be provided, and an estimate of the total amount in value of the work to be provided.

(c) The amount claimed in the notice may include only the amount due the claimant for work provided through the date of the notice.

~~(d) The claimant may include in a stop payment notice an amount due for work performed as a result of rescission, abandonment, or breach of the contract. If there is a rescission, abandonment, or breach of the contract, the amount of the stop payment notice may not exceed the reasonable value of the work provided by the claimant.~~

Comment. ….

~~Subdivision (d) is similar to former Civil Code Section 3123(b).~~

….

Private Work Payment Bond Issuance by Admitted Surety Insurer

Proposed Civil Code Section 8604 changes existing law by requiring that a payment bond on a private work be issued by an admitted surety insurer (a surety regulated by the state of California). Existing law required only a "good and sufficient" surety.

Mr. Holbrook requests, if this change is made to existing law, that language be added to the Comment to Section 8604 indicating that the new provision is not intended to either ratify or abrogate the holding of *Azusa Western, Inc. v. City of West Covina*, 45 Cal. App. 3d 259, 119 Cal. Rptr. 434 (1975). *Azusa* held that, on a certain type of *public* work, a public entity accepting a stop payment notice release bond has a duty to ensure that the surety on the release bond is a different surety than the surety on the payment bond for the project.

It was not the Commission's intent that Section 8604 affect the holding in *Azusa*. The requested clarification might be helpful and at worst is harmless.

The staff therefore recommends **the addition of the following language to the Comment to Section 8604:**

> This section is not intended to either ratify or abrogate the holding of *Azusa Western, Inc. v. City of West Covina*, 45 Cal. App. 3d 259, 119 Cal. Rptr. 434 (1975), requiring a public entity in an appropriate case to ensure that the surety on a stop payment notice release bond is not the surety that issued a payment bond on the project.

Statute of Limitation on Payment Bond Claims

The proposed law would have extended a special statute of limitation on a private work payment bond enforcement action to make the statute applicable to all such actions, rather than only those actions in which sureties were named as defendants. That new approach arguably superseded another section of existing law (Civ. Code § 3239) that also related to a time limitation on such claims. For that reason, the apparently superseded section was not continued in the proposed law.

The change that superseded Section 3239 has been amended out of the bill by the first round of amendments, as discussed above. Therefore, in order to fully restore existing law on this issue, Section 3239 needs to be restored.

Section 3239 is not well written, and its meaning is somewhat ambiguous. However, any attempt to determine and clarify its meaning could itself be seen as a controversial substantive change in the law, as it could affect the statute of limitations for an action on a payment bond. **For that reason, the staff recommends that Section 3239 be continued without clarification:**

> **§ 8609. Bond provision prescribing limitation of action**
>
> 8609. No provision in a payment bond attempting by contract to shorten the period prescribed in Section 337 of the Code of Civil Procedure for the commencement of an action thereon shall be valid if such provision attempts to limit the time for commencement of action thereon to a shorter period than six months from the completion of any work of improvement, nor shall any provision in any of such bonds attempting to limit the period for the commencement of actions thereon be valid insofar as actions brought by claimants are concerned, unless such bond is recorded before the work of improvement is commenced.
>
> **Comment.** Section 8609 continues former Section 3239 without substantive change.
>
> See also Sections 8002 ("claimant"), 8004 ("commencement" of work of improvement), 8030 ("payment bond"), 8150 ("completion"), 8050 ("work of improvement").

As under existing law, the amended Civil Code Section 8610 would need to be further amended to state its relationship to Section 8609, as follows:

> **§ 8610. Statute of limitations for suit on recorded bond**
>
> 8610. ~~If~~ Notwithstanding Section 8609, if a payment bond under this part is recorded before completion of a work of improvement, an action against the surety on the bond to enforce the liability on

the bond may not be commenced later than six months after completion of the work of improvement.

Comment. Section 8610 continues former Section 3240 without substantive change. ~~It supersedes former Section 3239 (provision shortening statute of limitations).~~ ….

Both of these sections could be revisited in subsequent legislation.

Respectfully submitted,

Brian Hebert
Executive Secretary

Status of 2008 Commission Legislative Program

As of April 4, 2008

		AB 250	AB 567	AB 1921	AB 2166	AB 2193	AB 2299		SB 1182	SB 1264	SB 1691
	Introduced	1/1/07	2/21/07	2/8/08	2/21/08	2/21/08	2/21/08		2/12/08	2/19/08	2/21/08
	Last Amended	6/28/07	1/17/08							3/24/08	4/1/08
First House	Policy Committee	3/27/07	1/16/08	4/2/08		3/25/08	3/25/08		3/25/08	*4/8/08*	*4/8/08*
	Fiscal Committee	3/31/07	1/24/08			*4/9/08*	—		—		
	Passed House	6/4/07	1/29/08				4/3/08		4/1/08		
Second House	Policy Committee										
	Fiscal Committee										
	Passed House										
Concurrence											
Governor	Received										
	Approved										
Secretary of State	Date										
	Chapter #										

Bill List:

AB 250 (DeVore): Revocable TOD Deed
AB 567 (Saldaña): CID Bureau
AB 1921 (Saldaña): CID Recodification
AB 2166 (Tran): Trial Court Restructuring: Appellate Jurisdiction of Bail Forfeiture
AB 2193 (Tran): Deposition in Out-of-State Litigation
AB 2299 (Silva): References to Recording Technology

SB 1182 (Ackerman): Trial Court Restructuring: Part 4; Trial Court Restructuring: Transfer of Case Based on Lack of Jurisdiction
SB 1264 (Harman): Revision of No Contest Clause Statute
SB 1691 (Lowenthal): Mechanics Lien Law

K E Y

Italics: Future or speculative

"—": Not applicable

*: Double referral, not fiscal

[date] : Deadline