

SB 323 UPDATE NIGHTMARE BILL SIGNED

This morning you received our latest newsletter summarizing legislation. Our top story was [Senate Bill 323](#), a scary bill sitting on the Governor's desk, awaiting his signature or veto.

We received word this morning that Governor Newsom signed SB 323, which becomes law on January 1, 2020. This is really unfortunate.

As Halloween approaches, it is a fitting backdrop for this nightmare legislation pushed by the Center for California Homeowner Association Law (CCHAL).

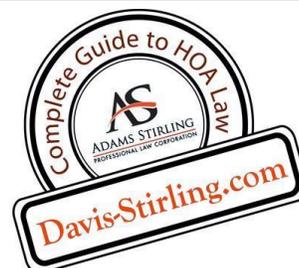


Increased Election Burdens. Starting January 1, SB 323:

- Limits the right of an association's membership to set qualifications for board candidates.
- Prevents non-owners from running for the board (a blow to small associations who may want a tenant, such as a CPA, to serve on the board).
- Allows associations to only disqualify candidates who (i) have been owners for less than a year, (ii) would be on the board with a joint owner, (iii) has been convicted of a felony that jeopardizes the association's fidelity bond insurance, or (iv) is delinquent in the payment of their assessments.
- Prohibits associations from ever suspending an owner's right to vote.
- Requires the inspector of elections to be an entity or individual with no previous contractual relationship with the association, which disqualifies an association's existing managers, attorneys and accountants, among others. This will increase the cost of elections for many associations.
- Requires associations to post the requirements for running for the board at least 30 days before the nomination deadline.



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- Requires associations to post the list of candidates, deadline for returning ballots, time and place of the annual meeting 30 days before ballots are mailed.

- Allows owners to review the signatures of all other owners on the outside mailing envelopes, and to copy voter lists, including parcel numbers. As a condition of casting a ballot, homeowners must give up their right to keep their signatures private.

Email Addresses Made Public. SB 323 also makes your email addresses available to all members by making them part of the membership list available upon request. Members can opt out of having their email addresses included with the membership list, but the bill makes NO allowance for email addresses already provided to associations.

Costly Changes. In addition to loss of privacy, loss of control over email addresses, and loss of rights to set reasonable standards for directors, associations will need to go through costly bylaw amendments and election rule revisions to comply with SB 323.

RECOMMENDATIONS: Associations throughout the state will need to amend their election rules in order to comply with the onerous requirements of SB 323. Many associations will need to amend their bylaws. Associations utilizing member email addresses will need to develop a strategy for handling existing emails as well as for collecting new email addresses. We are developing policies and procedures to comply with SB 323. [Contact us for assistance.](#)



Boards can [contact us](#) for friendly, professional advice.

A handwritten signature in blue ink that reads "Adrian".

[Adrian J. Adams, Esq.](#)
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