

EMERGENCY ADOPTION OF FINE SCHEDULE

July 25, 2025



MEETING OUTCOME

The staff will present the effect of Assembly Bill 130, which significantly impairs the Association's ability to enforce governing documents, levy fines, and ensure the health, safety, and welfare of the Association and its members.

Staff will present short and long-term actions to address compliance and concerns.

The desired outcome of today's meeting is:

ACTION - BY MOTION:

The Board of Directors adopts Administrative Resolution 2025-16, Emergency Adoption of Fine Schedule.

ASSEMBLY BILL 130

On July 1, 2025, the State Legislature enacted AB 130, which was signed into law by Governor Newsom and took effect immediately. Among other Civil Code changes, the bill amended § 5580 and 5855.

KEY ELEMENTS OF CHANGE:

- Imposes a \$100 cap on fines for violations of governing documents. The only exception to this \$100 maximum fine is for health and safety violations.
- Boards must identify in an open session meeting those governing document violations deemed to be health and safety related, and what the related fine per violation is.
- §5580 states that a homeowner shall have the opportunity to cure a violation prior to a hearing, and that if a homeowner cures their violation prior to a hearing, the board (or committee in the case of Tahoe Donner) may not impose a fine. There are certain violations that are arguably inherently incurable.

WHAT DOES THIS MEAN FOR TAHOE DONNER?

Tahoe Donner must update its processes and governing documents to ensure compliance with applicable changes to law.

PROPOSED ACTIVITIES + ACTIONS

SHORT TERM:

Emergency rule change resolution to modify the fine schedule consistent with updates to the Davis-Stirling Act and the Tahoe Donner governing documents.

Board authority for emergency rule changes is provided for in § 4360 and TDA C&Rs Article III section 7(b).

LONG TERM:

Drafting and future adoption of proposed permanent rule changes, including the fine schedule and enforcement procedures, through the regular rule-making process.

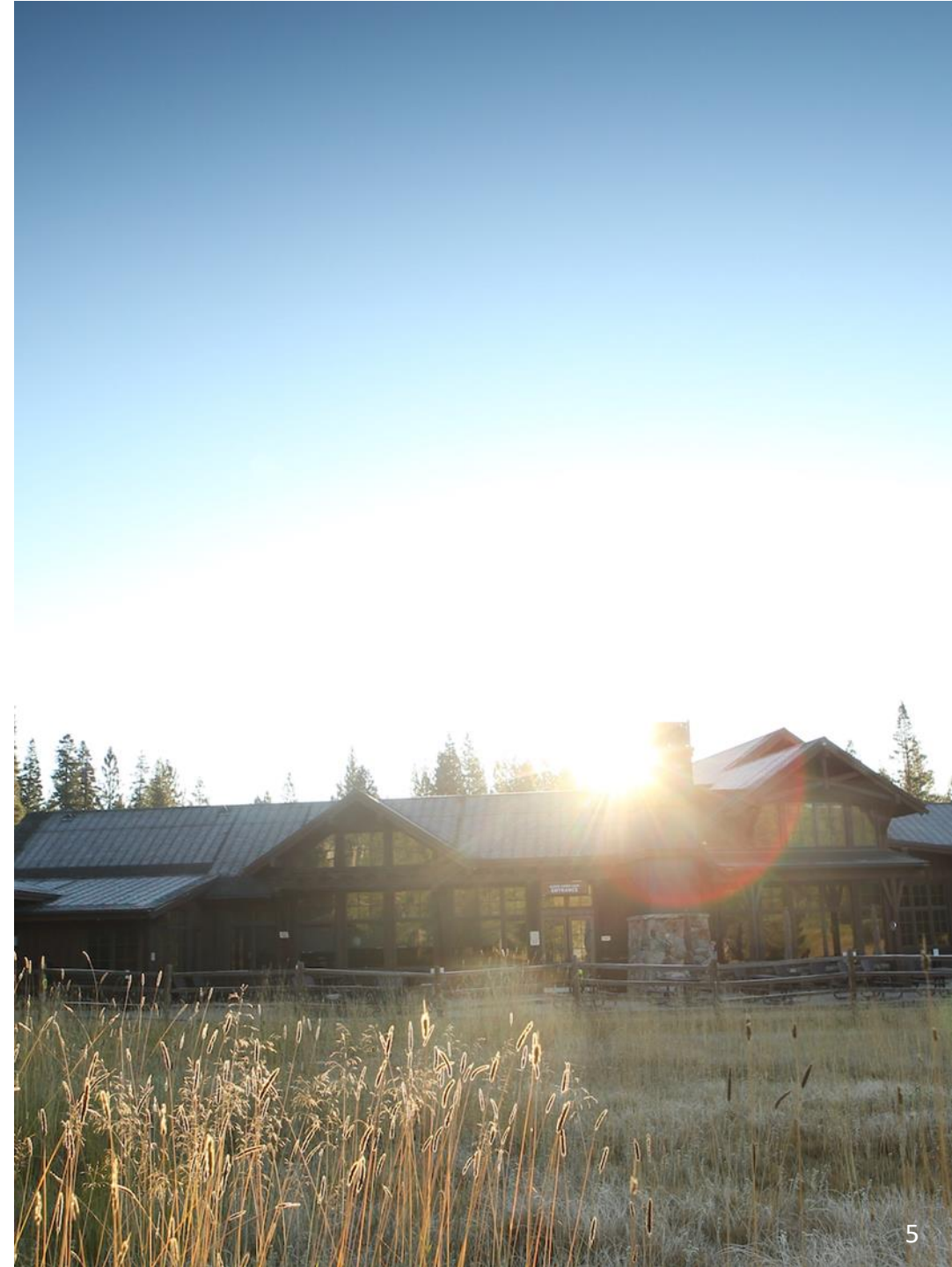
The rule-making process is governed by Civil Code Article 5 and TDA C&Rs Article III section 7.



CURRENT AND PROPOSED FINE SCHEDULE CHANGES

Exhibit B of the Staff Report provides:

- A comparison matrix of the current and proposed fine schedule changes
- Identifies those violations that are considered health and safety related
- Reference to certain, but not all, Tahoe Donner rules enforcement provisions.



RECOMMENDED NEXT STEPS

To summarize, the staff is recommending the following next steps:

- Adoption of Administrative Resolution 2025-16, Emergency Adoption of Fine Schedule.
- The Board may consider directing staff to develop the necessary materials for consideration of a permanent rules change adoption, including the fine schedule and enforcement procedures.



RECOMMENDED ACTION

BY MOTION:

The Board of Directors adopts Administrative Resolution 2025-16, Emergency Adoption of Fine Schedule.



THANK YOU