



TITLE: Emergency Adoption of Fine Schedule

RECOMMENDED ACTION:

By Motion:

The Board of Directors adopts Administrative Resolution 2025-16.

BACKGROUND:

On July 1, 2025, Assembly Bill 130 (AB 130) was signed into law by Governor Newsom. The bill's scope is expansive across numerous housing initiatives, amending Civil Code § 5580 and 5855, which significantly impair the Association's ability to enforce the governing documents, levy fines, and ensure the health, safety, and welfare of the Association and its members.

A few key points regarding the legal changes:

- This change in law imposed a \$100 maximum fine for violations of governing documents within HOAs. 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.
- Civil Code § 5855 states that a homeowner shall have the opportunity to cure a violation prior to the meeting, 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 any fine for the violation. However, certain violations of the governing documents are arguably inherently incurable, for instance, those related to fire bans. This may be due to their nature as non-continuous actions or because they involve conditions that cannot be remedied through affirmative action.

Tahoe Donner has fine schedules that include fines for health and safety, architectural standards, and general governing document violations, with fines ranging from \$100 per violation to \$5,000 or more for health and safety violations. To comply with the enacted law, Tahoe Donner must immediately address its fine schedule and other procedural aspects of enforcement.

In response to these changes to state law and to ensure compliance and protect the health, safety, and well-being of the community, the staff is providing the board with short- and long-term solutions, including:

1. Short-Term: Immediate adoption of an emergency rule change resolution to modify the association's fine schedules consistent with the updates to the Davis-Stirling Act and the Tahoe Donner governing documents.
2. Long-Term: Drafting and future adoption of proposed permanent rule changes, including the fine schedule and enforcement procedures, through the regular rule-making process.

DISCUSSION:

The Board is empowered to adopt Association Rules concerning, but not limited to, the Common Area, Common Facilities, Other Association Real Property, enforcement of the governing documents, member discipline, monetary penalties, and any other subject or matter within the jurisdiction of the governing documents.



There are several aspects of the law change that Tahoe Donner will have to address through the rule-making process:

1. The Fine Schedule for governing document violations.
2. Determination of health and safety violations and fines relating.
3. Change to certain enforcement procedures.

The Board also has the authority to adopt emergency rules “if the board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the association¹.” The emergency action can take place immediately but shall not remain in effect for a period not exceeding 120 days. The intent is to provide a temporary fine schedule that can be used until a permanent fine schedule is reviewed and implemented thereafter.

Short-Term Efforts and Actions

Tahoe Donner has numerous rules in place to protect the health and safety of its residents, including prohibitions on fires, fireworks, and defensible space, as well as regulations governing control of animals. To ensure that the Association can effectively address health and safety violations that arise during the summer months, staff requests that the board consider adopting an emergency fine schedule for health and safety violations. Ideally, this would be done at the July 25 regular board meeting.

Tahoe Donner has adopted similar emergency rules in the past concerning smoking and the seasonal fire ban to ensure that the Association could address an imminent threat to public health or safety or an imminent risk of substantial economic loss to the Association². Staff believe the updated fine schedule is necessary to address imminent threats to public health and safety during the summer months, especially during the upcoming peak wildfire season.

Staff, with the review of legal counsel, have prepared Administrative Resolution 2025-16 for board consideration and immediate action effective July 25, 2025. Should the Board adopt Administrative Resolution 2025-16, the emergency adoption will be communicated to the membership as required. “As soon as possible, but not more than 15 days after making the rule change, the board shall deliver general notice...If the rule change was an emergency rule change made..., the notice shall include the text of the rule change, a description of the proposed and effective rule change, and the date that the rule change expires³.”

Long-Term Efforts and Actions

Knowing that emergency rule adoption actions are temporary, staff anticipate completing a full review of the Association's rules enforcement procedures, consulting with legal counsel to draft proposed changes, as well as any further changes to the fine schedules needed for the board to consider for permanent adoption through the regular rule-making process over the next few months.

In the meantime, with the proposed emergency adoption of the fine schedule, staff and committees can proceed in compliance with the new regulations.

Exhibit B includes a comparison of the current fine schedule, proposed changes, and identification of those violations to be considered health and safety related.

¹ First Restated Declaration of Covenants and Restrictions of Tahoe Donner Association, Article III, Section 7.

² Davis-Stirling Common Interest Development Act, Chapter 3, Article 5, Sections 4360.

³ Davis-Stirling Common Interest Development Act, Chapter 3, Article 5, Sections 4360.

**RECOMMENDATION:**

The recommended board action is as follows:

By Motion:

The Board of Directors adopts Administrative Resolution 2025-16.

Alternative(s) the Board may consider:

The Board of Directors may instruct staff to create alternative responses to the new laws enacted by the State of California. Failing to have a schedule that complies with state law or that is suitable for addressing violations of governing documents could result in liability exposure that negatively impacts the association.

OUTREACH:

Staff has sought legal advice from association counsel.

Should the Board adopt Administrative Resolution 2025-16, the emergency adoption will be appropriately communicated to the membership via general delivery, which includes, but is not limited to, posting at the Northwoods Clubhouse, on the website, by email, and through other means as required.

FISCAL IMPACT:

Potential exposure to legal challenges due to non-compliance with state law regarding fine schedules and violations of governing documents.

ATTACHMENTS:

Exhibit A: Administrative Resolution 2025-16

Exhibit B: Fine Schedule Comparison

Exhibit C: Bill Text for AB 130

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Reviewed by: Annie Rosenfeld, General Manager

Board of Directors Meeting: July 25, 2025