

AB 2050 Reserve Questions: For Members

Seven questions to send your board or manager about the new reserve funding law. Each one has an answer the association should already be able to give from its own documents. Tick the box when it has been asked, and keep the reply.

"S" refers to the California Civil Code (Davis-Stirling Act, §§4000–6150). AB 2050 is Chapter 796, Statutes of 2026; its reserve funding rules start January 1, 2032. The full explanation is in "California HOA Reserve Law AB 2050: What Changes in 2032" at haveny.co.

Why ask now

AB 2050 (Chapter 796, Statutes of 2026) starts on January 1, 2032. From that date an association has to fund at least the minimum level its reserve study calculates, transfer at least 15 percent of its budget to reserves if the 30-year projection dips below zero, and only then levy a reserve funding special assessment. The five years before that are the cheapest time to close a gap, and a written question now creates a written record.

QUESTION	WHY IT MATTERS	WHERE THE ANSWER COMES FROM	ASKED
1. When was the last full reserve study with a site inspection done, and when is the next one due?	The law requires an inspection at least every three years and a review every year (§5550(a)). If the last inspection is more than three years old, ask why.	The reserve study, or the summary in the annual budget report.	☐
2. Does the current 30-year projection show the reserve balance staying at or above zero in every year? If not, in which year does it first dip, and which component causes it?	This is the test AB 2050 will apply from 2032. A dip means the 15 percent rule applies and a special assessment becomes possible.	The reserve study's cash-flow projection; question 3 of the Assessment and Reserve Funding Disclosure Summary (§5570(a)(3)).	☐
3. What yearly contribution would keep the balance above zero for 30 years, and how does that compare with what the association puts in now?	The gap between these two numbers is the problem AB 2050 is about. Small, if it is closed early; large, if it is left to 2032.	The reserve specialist can calculate it from the existing study.	☐
4. Has the board discussed AB 2050, and does it have a plan to reach the minimum contribution level before January 1, 2032?	A board with a plan is spreading the cost. A board without one is leaving it to whoever owns in 2032.	Board meeting minutes; the budget report.	☐
5. If the plan involves raising regular assessments, roughly how much and over how many years?	The board can raise regular assessments by up to 20 percent a year without a member vote (§5605(b)). Several small steps beat one big one.	The reserve funding plan (§5560(a)) and the budget report.	☐
6. Does the board anticipate a special assessment to repair or replace a major component or to build up reserves, and if so, how much, from when, and for how long?	The budget report must already disclose this, with amount, start date, and duration (§5300(b)(5)).	The annual budget report.	☐
7. May I have a copy of the full reserve study plan?	The budget report carries only a summary. The association has to provide the full plan to any member on request (§5300(b)(3)).	Request in writing to the board or the manager.	☐

AB 2050 Reserve Questions: For Board Members

Seven questions to raise at a board meeting before 2032. They turn the new law into a plan the association can spread over five budget cycles instead of one.

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What the five years are for

A board can raise regular assessments by up to 20 percent over the previous year without a member vote, provided it has distributed a compliant annual budget report (§5605(a) and (b)). Several smaller increases between now and 2031 are easier on owners than a 15 percent transfer and a special assessment in a single year. The questions below are the ones a board needs answered to choose that path.

QUESTION	WHY IT MATTERS	WHERE THE ANSWER COMES FROM	ASKED
1. Has our reserve specialist been asked to calculate the minimum reserve contribution level under the 2032 version of §5550(b)(6), even though it is not yet required?	Knowing the number five years early is what makes a gradual path possible.	Reserve specialist; current study.	☐
2. If our projection dips below zero, what would 15 percent of our gross annual budget be, and how far is that from what we contribute today?	This is the Step 2 transfer under §5552(b). The difference is the yearly increase owners will face if nothing changes before 2032.	Current budget; reserve study.	☐
3. Can we close the gap with regular assessment increases inside the 20 percent board limit between now and 2031, and what would each year’s increase need to be?	Each increase within §5605(b) needs a compliant budget report (§5605(a)) and a separate board action under §5560(c), not a member vote.	Treasurer or manager; reserve funding plan.	☐
4. Does our budget report explain the 2032 rules to owners, alongside the §5300(b)(5) statement on special assessments?	Owners who hear about this early plan for it. Owners who hear in 2031 feel ambushed.	Draft of the next annual budget report.	☐
5. Is our reserve study contract set up for an annual update from 2032, not just an annual review?	From 2032 the study must be reviewed and updated every year (§5550(a), 2032 version). That is a different scope of work.	Reserve specialist’s engagement letter.	☐
6. Which components are we assuming will not be repaired or replaced, and have we justified that in the budget report?	Leaving a component out lowers the minimum figure. The board has to state and justify any deferral (§5300(b)(4)).	Reserve study component list; budget report.	☐
7. Do we expect any repair in the next five years that the reserves cannot cover, and which route would we use for it?	An ordinary special assessment (within 5 percent, or with a vote), or an emergency assessment under §5610 if the facts fit one of its three grounds.	Reserve study; board discussion.	☐

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