

SB 2 - RECORDING FEES INCREASE



SB2 IS EFFECTIVE JANUARY 1, 2018. THIS AFFECTS RECORDING FEES UP TO \$225 PER TRANSACTION

The California Legislature passed and the Governor signed Senate Bill 2, Chapter 2.5 of the Statutes of 2017 changing effective January 1, 2018, recordable documents may be charged a fee to support the Building Homes and Jobs Act.

The bill imposes a mandate on County Recorders to charge an additional \$75 at the time of recording every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each transaction per parcel of real property, not to exceed \$225.

Documents believed to be exempt from paying the \$75 Building Homes and Jobs Act fee must have an exemption on the face of the document when submitted for recording. The following exemptions which may apply include:

- GC 27388.1 (a) (2) - documents recorded concurrently "in connection with" a transfer subject to documentary transfer tax (DTT);
- GC 27388.1 (a) (2) - documents recorded concurrently "in connection with" a transfer of real property that is owner occupied residential dwelling;
- GC 27388.1 (a) (1) - documents recorded concurrently "in connection with" a transfer in which fee cap of \$225 has been already reached; or,
- GC 27388.1 (a) (1) - documents not related to real property.

Failure to declare an exemption will result in imposition of the \$75 Building Homes and Jobs Act fee. Fees collected are deposited to the state and may not be available for refund.

On the reverse is a fee grid describing how the fee/tax is anticipated to be implemented in most counties. This fee grid does not include the usual existing recording fees. The notes at the bottom of the fee grid further define how most Recorder's Offices are expected to interpret "parcel" and "transaction." We would like to offer this information for those that need to prepare closing disclosures for transactions following December 31, 2017. We will provide further updates when possible.

SB 2 - FEE GRID

California Government Code § 27388.1 Buildings Homes and Jobs Act Fee Grid

DOCUMENTS W/Exemption	
1 document, 1 document title = \$0 No DTT TOTAL - \$0	All documents which have a valid exemption stated on the face of the document are exempt and NO fee will be assessed.
INDIVIDUAL & CONCURRENT DOCUMENTS- DTT PAID	
1 document, 1 document title = \$0 DTT Paid TOTAL - \$0	Any document with paid DTT is exempt and NO fee will be assessed.
4 documents each with 1 document title = \$0 DTT Paid on one document TOTAL - \$0	Any document(s) submitted in the same transaction "in connection with" documents that has DTT paid are exempt and NO fee will be assessed.
INDIVIDUAL DOCUMENTS- NO DTT	
1 document, 1 document title = \$75 No DTT TOTAL - \$75	1 st title charged \$75 includes any parcel
1 document, 2 document titles = \$150 No DTT TOTAL = \$150	
1 document, 4 document titles = \$225 No DTT TOTAL = \$225	\$75 cannot be assessed on remaining documents, titles or parcels because the cap is reached.
CONCURRENT DOCUMENTS	
3 documents, 3 document titles = \$225 No DTT TOTAL = \$225	
4 documents, 5 document titles = \$225 No DTT TOTAL = \$225	\$75 cannot be assessed on remaining documents, titles or parcels because the cap is reached.
No CAP – Unrelated Documents	
5 documents– 1 title each No DTT, non-related, but sent in together, TOTAL: \$75.00 x 5 = \$375.00	Because these documents are unrelated, each will be charged the \$75. For example, 5 lien releases mailed in together with 5 different names.

NOTES:

1. The definition of a parcel is, "a piece of land of any size that is in one ownership." *(1984, American Institute of Real Estate Appraisers; The Dictionary of Real Estate Appraisal)*. The Recorder does not have the ability to determine or dissect parcel information as this is not a function of the Recorder. As such, the County Recorders Association of California (CRAC) has determined the SB2 fee will be calculated as one parcel being the same as one transaction with the single charge of \$75.
2. Transaction is defined and "refers to an instrument, paper or notice presented together and related to the same parties and property." *(CRAC)*