

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1430 (Bennett) – As Amended March 17, 2025

SUBJECT: County recorders: fees.

SUMMARY: Increases the recording and indexing fee to \$15 for recording the first page and \$4 for recording each additional page at the county recorder's office, and makes additional changes to various recording fees for specified purposes. Specifically, **this bill:**

- 1) Requires the fee for recording and indexing every instrument, paper, or notice required or permitted by law to be recorded to be \$15 for recording the first page and \$4 for each additional page, to reimburse the county for the costs of services rendered, as specified.
- 2) Prohibits the fee required pursuant to 1), above, from exceeding the reasonable costs of the county recorder's office for providing these services.
- 3) Deletes a provision requiring \$1 of the recording fee for each additional page to be deposited in the county general fund.
- 4) Increases the fee for recording the first page that shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents, from \$1 to \$3.
- 5) Provides that all fees collected pursuant to 1) through 4) and existing law governing additional specified recording fees are to be dedicated to, and solely utilized for, the recorder's office.
- 6) Removes the sunset date of January 1, 2026, in existing law that allows the board of supervisors of any county to provide for an additional fee of \$1 for filing every instrument, paper, or notice for record for the following purposes:
 - a) For restoration and preservation of the county recorder's permanent archival mediums (instead of microfilm).
 - b) To implement and fund a county recorder archive program as determined by the county recorder.
 - c) To implement and maintain or utilize a trusted system, as specified, for the permanent preservation of recorded document images.
- 7) Allows the board of supervisors of any county to provide for an additional fee of \$1 for filing every instrument, paper, or notice for record, in order to defray the cost of converting the county recorder's document storage system to micrographics indefinitely, by removing language specifying that this additional fee shall no longer be imposed upon completion of the conversion and payment of the costs therefor.
- 8) Contains a number of findings and declarations regarding its purpose.

- 9) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill, as specified.

EXISTING LAW:

- 1) Prohibits the fee for recording and indexing an instrument, paper, or notice from exceeding \$10 for recording the first page and \$3 fee for each additional page, to reimburse the county for the costs of services rendered, as specified. [Government Code (GOV) § 27361]
- 2) Requires \$1 of each \$3 fee for each additional page to be deposited in the county general fund. (GOV § 27361)
- 3) Requires \$1 for recording the first page and \$1 for each additional page to be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents. (GOV § 27361)
- 4) Authorizes the county board of supervisors to provide for an additional fee of \$1 for filing each instrument, paper, or notice of record for any of the following purposes:
 - a) To defray the cost of converting the county recorder's document storage system to micrographics. Upon completion of the conversion and payment of the costs therefor, this additional fee shall no longer be imposed.
 - b) Until January 1, 2026, to defray the cost for restoration and preservation of the county recorder's permanent archival microfilm.
 - c) Until January 1, 2026, to implement and fund a county recorder archive program as determined by the county recorder.
 - d) Until January 1, 2026, to implement and maintain or utilize a trusted system, as specified, for the permanent preservation of recorded document images. (GOV § 27361.4)

FISCAL EFFECT: This bill is keyed fiscal and contains a state-mandated local program.

COMMENTS:

- 1) **Bill Summary.** This bill makes a number of changes to various recording fees, as follows:
 - a) Requires the fee for recording to be \$15 (instead of up to \$10 under current law) for recording the first page and \$4 (instead of up to \$3 under current law) for each additional page, and prohibits these fees from exceeding the reasonable costs for providing these services.
 - b) Deletes a provision requiring \$1 of the recording fee for each additional page to be deposited in the county general fund.

- c) Increases, from \$1 to \$3, the fee for recording the first page that shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents.
- d) Provides that all fees specified above are to be dedicated to, and solely utilized for, the recorder's office.
- e) Removes the sunset date of January 1, 2026, in existing law that allows the board of supervisors of any county to provide for an additional recording fee of \$1 for the following purposes:
 - i) For restoration and preservation of the county recorder's permanent archival mediums (instead of microfilm).
 - ii) To implement and fund a county recorder archive program as determined by the county recorder.
 - iii) To implement and maintain or utilize a trusted system, as specified, for the permanent preservation of recorded document images.
- f) Allows the board of supervisors of any county to provide for an additional fee of \$1 for filing every instrument, paper, or notice for record, in order to defray the cost of converting the county recorder's document storage system to micrographics indefinitely, by removing language specifying that this additional fee shall no longer be imposed upon completion of the conversion and payment of the costs for doing so.

This bill is sponsored by the County Recorders' Association of California.

- 2) **Author's Statement.** According to the author, "California Recorder's Offices are supposed to be funded via fees on recorded documents. However, their fees have not been increased since 2011, resulting in growing budget shortages. AB 1430 addresses the fact that it is time for recorder's fees to catch up to the rising costs that recorders' offices face, and clarifies that any dollars raised by their fees must be used to fund the services they provide."
- 3) **County Recorders.** County recorders are responsible for examining and recording all documents dealing with the ownership of land in counties. Documents that are commonly recorded include payments of taxes or fees, filings of fictitious business names, deeds, mortgage documents, easements, power of attorney documents, liens, and any documents that affect the ownership of any given property. Other documents include deeds of trust, court decrees, and many other documents affecting title to real property; commercial code filings; subdivision maps; vital statistics such as births, deaths, and marriages; and other items.
- 4) **Need for Increased Fees.** The most recent county recorder's fee increase was in 2009 with the implementation of SB 676 (Wolk), which increased the maximum charge for the recording of the first page from \$4 to \$10, and maintained the maximum charge of \$3 for each additional page, with the ability to charge additional fees as specified. According to the sponsor, without an inflation adjustment, county recorders have increased difficulty in providing services to the public at the usual time and quality standards that county recorders hold. The sponsor argues that adjusting the base recording first and additional page fees to

align with inflationary factors will aid in the effective and efficient processing of county recording documents.

Several counties in California have increased the recording fees for their Clerk-Recorder-Elections offices to adjust to the costs of services and be financially sustainable without relying heavily on general fund allocations. In 2024, Mono County increased recording fees to be \$14 for the first-page recording fee and \$3 for each additional page. Legal-sized documents increased to \$17 for the first-page recording fee and \$6 additional page.

Contra Costa County's Board of Supervisors evaluated a fee evaluation report from the Clerk-Recorder-Elections Office, revealing that only 62% of the department's costs were covered through existing fees. The county worked with NBS Government Finance Group in 2023 to provide fee analyses and fee schedules related to services rendered. This provided an opportunity for the Board of Supervisors to re-align fee amounts to account for increased costs and inflation. Beginning 2025, Orange County increased its first-page recording fee from \$7 to \$12, and the government rate recording fee from \$10 to \$18, to align with the current costs of providing county recording services.

According to the author's office, several counties conducted a fee increase study, with at least five of them finding that the fee did not fully cover the cost of service, even with the county recorder fee increase in 2010. Across the state, 34 of the 58 county recorders are relying on general fund dollars to maintain services and supplant operational costs, leading to impacts in their hours available to the public, staff reductions, and the consideration of the closure of satellite offices. This may lead to impacts in recording delays and processing a real estate transaction. The author's office notes that document recordings are essential to having a functional home buying and selling process.

California's recorder offices are processing documents at one of the lowest costs for residents. Illinois increased the initial page fee to \$14, and increased the real estate-related documents from \$9 to \$18. Other states, like Arizona, Washington DC, and Michigan, have implemented a \$30 fee.

According to the California Consumer Price Index (CPI), there has been a 38% inflation increase from 2011 to 2024. In other regions of the state, such as San Francisco, the CPI increased by 49% during that time. With the increase in inflation, the author's office states that this measure is necessary by ensuring that fees maintained by the county recorders office help relieve budgetary imbalances.

- 5) **Previous Legislation.** AB 212 (Bonta) Chapter 41, Statutes of 2019, allowed county recorders to use a \$1 fee collected pursuant to existing law for additional purposes.

AB 22 (Bonta) Chapter 834, Statutes of 2017, authorized state and local agencies to store documents through the use of a cloud computing storage service.

AB 794 (Gallagher) Chapter 349, Statutes of 2017, allowed specified persons to request that information in the recorder's index of record be corrected upon providing sufficient evidence, and clarified that a recorder may correct indexing errors.

AB 1974 (Gallagher) Chapter 406, Statutes of 2016, required a document presented to a county recorder for re-recording to be executed and acknowledged, or verified as a new document.

AB 661 (Mathis) Chapter 76, Statutes of 2015, clarified an exemption in current law from fees that counties may place on certain recorded real estate documents to fund real estate fraud prevention and enforcement.

AB 679 (Allen) Chapter 778, Statutes of 2015, required any document presented for county recording to state the number of pages to be recorded.

SB 676 (Wolk) Chapter 606, Statutes of 2009, increased or eliminated the statutory limits on 11 fees, including county recorder fees. This bill increased the maximum charge for the recording of the first page from \$4 to \$10, and maintained the maximum charge of \$3 for each additional page, with the ability to charge additional fees, as specified.

SB 521 (Torlakson) of 2005 would have allowed Contra Costa County to increase real estate document recording fees to fund affordable housing development. SB 521 was placed on the inactive file.

- 6) **Arguments in Support.** The County Recorder's Association of California, sponsor of this bill, writes, "County Recorders are a fee-for-service office. Their office plays a fundamental role throughout the State as they serve as the custodian of vital records, recorded land documents, and other legal documents that support the integrity of property ownership, and legal transactions. These documents, and the efficiency of County Recorder operations, is critical to the real estate industry."

"Legislative statutes govern Recorder offices structures and fees associated with cost recovery to allow fiscal stability. Currently, Government Code 27361 authorizes County Recorders to charge a fee maximum of \$10 for the first page of a recording, and \$3 for every additional page - a fee that was codified in 2009 and implemented 15 years ago in January 2010 despite rising costs for Counties and a decline in real estate transactions. Provided that our Recorder offices are foundationally a fee-for-service department, the Recorder is to only charge for the services provided, with fees structured not to collect more than the cost of providing the service to the public. However, many Recorders for the past few years have been forced to request funds from their county general fund to supplant their costs and maintain operations. While these are practical approaches, it points out the fact that the statutes that were created for Recorders to maintain sustainability are outdated and now require counties to divert financial resources away from other vital county departments such as law enforcement, healthcare, and infrastructure. Additionally, County Recorder offices are vulnerable to unpredictable fluctuations in workload directly tied to market changes. Currently, if the market shifted resulting in a rapid increase in recordings or transactions, Recorders would face a further financial burden and strain on its current resources."

"AB 1430 updates the fee a County Recorder may charge for recording the first page of a document from \$10 to \$15 and additional pages from \$3 to \$4. These adjustments are in alignment with the Consumer Price Index and requires fees collected to be dedicated to, and solely utilized for, the county recorder's office, and prohibits the fees from exceeding the reasonable costs of the document recording function. The current funding situation poses a

significant threat to Recorder operations. Without an adequate and updated fee, disruption will be imminent to California constituents.”

7) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

County Recorders Association of California [SPONSOR]
California State Association of Counties (CSAC)
County of Los Angeles Board of Supervisors
Rural County Representatives of California (RCRC)
Urban Counties of California (UCC)

Opposition

None on file

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