

Date of Hearing: April 13, 2016

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Susan Talamantes Eggman, Chair

AB 1974 (Gallagher) – As Introduced February 16, 2016

**SUBJECT:** County recorder: recordation of documents.

**SUMMARY:** Requires a document presented to a county recorder for re-recording to be executed and acknowledged or verified as a new document, and to contain a notation on its face specifying the reason for the re-recording. Specifically, **this bill:**

- 1) Requires each recorded instrument, paper, or notice that is re-recorded to be executed and acknowledged or verified as a new document, in addition to any previous acknowledgment or verification, unless otherwise exempted under current law, as specified, or if being presented solely to correct a recording sequence. The instrument, paper, or notice shall contain a notation on its face specifying the reason for the re-recording.
- 2) Requires, if a specified real estate document recorded in the official records of a county is re-recorded, that document to be executed or acknowledged or verified as a new document, in addition to any previous acknowledgment or verification, unless otherwise exempted under current law, as specified, or if being presented solely to correct a recording sequence. The document shall contain a notation on its face specifying the reason for the re-recording.
- 3) Provides that, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

**EXISTING LAW:**

- 1) Requires the county recorder, upon payment of proper fees and taxes, to record any instrument, paper, or notice that is authorized or required to be recorded, provided that the instrument, paper, or notice meets certain standards.
- 2) Requires specified real estate documents authorized by law to be recorded in the official records of a county to contain specified information.

**FISCAL EFFECT:** This bill is keyed fiscal.

**COMMENTS:**

- 1) **Bill Summary.** This bill requires a document that is presented to a county recorder for re-recording to be executed and acknowledged or verified as a new document, and to contain a notation on its face specifying the reason for the re-recording. This requirement does not apply if the document is exempt from certain recording requirements under current law, or if it is being presented solely to correct a recording sequence. This bill is sponsored by the County Recorders Association of California.

- 2) **Author's Statement.** According to the author, "Under current law, there is no codified way to re-record documents in county recorder offices. This bill would set a standard procedure for re-recording documents. This bill will ensure records remain accurate when being re-recorded and will help in keeping local government efficient."
- 3) **Background.** County recorders are responsible generally for examining and recording all documents that deal with establishing ownership of land in counties. This includes the recording of title documents, notes, and home loan payoffs by homeowners, title companies, mortgage companies and government agencies involved in real estate transactions.  
  
Documents such as deeds, loan documents, easements, power of attorney, liens, and other documents which affect title to or possession of real property need to be rerecorded when there is an error in a previously recorded document or there needs to be a change in name or other details. There is no formal procedure to rerecord documents in statute. According to the County Recorders Association of California, sponsor of this measure, county recorders each have their own procedure, which creates uncertainty over the accuracy and correct procedure for re-recording.
- 4) **State Mandate.** This bill is keyed a state mandate, which means the state could be required to reimburse local agencies and school districts for implementing the bill's provisions if the Commission on State Mandates determines that the bill contains costs mandated by the state.
- 5) **Arguments in Support.** The County Recorders Association of California, sponsor of this measure, writes, "AB 1974 would create a formal procedure for re-recording documents. This will end consumer confusion when fixing errors in previously recorded documents."
- 6) **Arguments in Opposition.** None on file.

**REGISTERED SUPPORT / OPPOSITION:****Support**

County Recorders Association of California [SPONSOR]

**Opposition**

None on file

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