

Date of Hearing: May 13, 2015

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Brian Maienschein, Chair
AB 679 (Travis Allen) – As Amended April 20, 2015

SUBJECT: Documents: recordation.

SUMMARY: Requires any document presented for county recording to state the number of pages to be recorded. Specifically, **this bill:**

- 1) Requires any instrument, paper, or notice presented for recordation to state the number of pages to be recorded.
- 2) Allows the number of pages to be recorded to be stated on a cover page or a sticker on the first page of the instrument, paper, or notice.

EXISTING LAW requires the recorder of each county, upon payment of proper fees and taxes, to accept for recordation any instrument, paper, or notice that is authorized or required by law to be recorded. These documents must comply with specified standards respecting margins, quality of paper, print size and color, and other related matters.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill requires any document presented for county recording to state the number of pages to be recorded, which can be satisfied with a cover page or a sticker attached to the first page of the filing. This bill is sponsored by the author.
- 2) **Author's Statement.** According to the author, "This bill would require that a count of all pages to be submitted be on the front page of recorded documents to ensure that no documents are lost. AB 679 will make it easier for individuals who are submitting documents to be recorded by the county to ensure all pages of a given document are present. This will, therein, reduce the risk of lengthy and expensive court procedures to restore or verify recorded documents."
- 3) **Background.** Existing law requires the recorder of each county, upon payment of proper fees and taxes, to accept for recordation any instrument, paper, or notice that is authorized or required by law to be recorded. These documents must comply with specified standards respecting margins, quality of paper, print size and color, and other related matters.

This recording is done by a county-appointed official, the County Recorder (or, in some counties, the Clerk-Recorder), who officially records these documents and archives them for public access. 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.

According to the author, when documents are processed by a county recorder, pages can be lost or go missing, resulting in lengthy and expensive court processes to restore the document and/or provide a new copy. This bill would require that a count of all pages to be submitted be on the front page of recorded documents to ensure that no documents are lost.

- 4) **Arguments in Support.** None on file.
- 5) **Arguments in Opposition.** The California Land Title Association (CLTA), which has taken an "oppose, unless amended" position, writes:

"AB 679 could render some documents unrecordable or invalid simply because a new pagination requirement is not fully met: AB 679 would require documents presented to county recorders for recordation to state the number of pages to be recorded sticker affixed to the cover page of the document. While CLTA applauds the intent of the legislation, AB 679 as drafted stands to unnecessarily complicate the recordation process and could unintentionally call into question the recordability or validity of documents that do not meet the statute's requirements as currently drafted.

"Furthermore, AB 679 provides no safeguards against instances of missing or inaccurate page counts, which could call into question the recordability or validity of documents that have not met the statute's requirements simply because the new pagination count requirement created by this bill is not met or is slightly inaccurate. Amendments need to be added that make clear that failing to comply with this new requirement do NOT render the document unrecordable or invalid.

"AB 679 could result in delays in real property transactions: The new requirement, if it is interpreted to make a document unrecordable or invalid could substantially slow down real estate transactions if documents are rejected at the time of presentation, or complicate consummated transactions if the validity of documents is challenged after recordation due to missing or inaccurate page counts. It is vital that AB 679 expressly states that if the page counts are missing or inaccurate that the recordability or validity of the documents not be affected.

"AB 679 should be optional for county recorders: Given that there has not been a howl and cry throughout California to require pagination up to this point, CLTA asserts that such a requirement is an isolated matter and county recorders, subject to retooling of operations and procedures every time a new recording requirement is created, should be free to adopt or reject this new requirement. In short, counties should be allowed to "opt in" to such a program. CLTA believes amendments should be taken to make this opt in provision clear."

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

California Land Title Association

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