

Understanding CA SB-2 Building Homes & Jobs Act

In September, California passed a new legislation establishing permanent, ongoing sources of funding dedicated to affordable housing development. The new law imposes a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property; not to exceed \$225. The new law requires the county recorder to send revenues from this fee quarterly, after deduction of any actual and necessary administrative costs incurred by the county recorder, to the Controller for deposit in the newly formed Building Homes and Jobs Fund.

Commencing **January 1, 2018**, in addition to any other recording fees, a \$75 assessment shall be paid at the time of recording of every real estate instrument; which is described in the law as including but not limited to: deed, grant deed, trustee's deed, deed of trust, reconveyance, quit claim deed, fictitious deed of trust, assignment of deed of trust, request for notice of default, abstract of judgment, subordination agreement, declaration of homestead, abandonment of homestead, notice of default, release or discharge, easement, notice of trustee sale, notice of completion, UCC financing statement, mechanic's lien, maps, and covenants, conditions and restrictions.

Exceptions

The fee will not be imposed on any real estate instrument, paper or notice recorded in connection with a transfer subject to documentary transfer tax or in connection with a transfer of real property intended to be occupied by the owner. In other words, the documents recorded in connection with a sale transaction subject to documentary transfer tax are not subject to the \$75 assessment. In addition, a transfer NOT subject to transfer tax where in the transferee/buyer will occupy the property as their residence is also not subject to the \$75 assessment.

For more information, please visit:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB2

