

AMENDED IN SENATE APRIL 8, 2014

AMENDED IN SENATE MARCH 24, 2014

SENATE BILL

No. 827

Introduced by Senator Liu

January 6, 2014

An act to amend Sections 27297.6 and 27387.1 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 827, as amended, Liu. Local government: Los Angeles County: notice of recordation.

(1) Existing law authorizes, until January 1, 2015, the Los Angeles County Recorder, following the adoption of an authorizing resolution by the Los Angeles County Board of Supervisors, to mail a notice of recordation to a party executing a deed, quitclaim deed, or deed of trust within 30 days of the recording of one of those documents, and to mail a notice of default or notice of sale, as specified, to a party subject to a notice of default or notice of sale of property, including the occupants of that property, within 5 days, but in any event no more than 20 days, of recordation. Existing law requires the county, if the board adopts the authorizing resolution, to submit a report with prescribed information relating to the mailed notices to certain committees of the Legislature on or before January 1, 2014.

This bill would instead *authorize the recorder to mail a notice of default or notice of sale to a party subject to the notice no more than 14 days, rather than 20 days, after recordation. This bill would otherwise extend these authorizations until January 1, 2020. This bill would require additional information to be included in the report and*

would extend the deadline ~~of for submitting the reporting requirement report~~ to January 1, 2019.

(2) Existing law also authorizes, until January 1, 2015, the Los Angeles County Recorder to collect a fee from the party filing a deed, quitclaim deed, deed of trust, notice of default, or notice of sale, unless that party is a government entity. Existing law authorizes the recorder to use a portion of the collected fee to pay the actual cost of providing information, counseling, and assistance to a person who receives the notice. Existing law authorizes administrative costs incurred by the recorder to be included as a portion of the actual costs that comprise the fee, as specified. Existing law prohibits this fee from exceeding \$7.

This bill would extend these authorizations and the prohibition until January 1, 2020.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 27297.6 of the Government Code, as
 2 amended by Section 1 of Chapter 141 of the Statutes of 2011, is
 3 amended to read:

4 27297.6. (a) (1) Following adoption of an authorizing
 5 resolution by the Los Angeles County Board of Supervisors, the
 6 Los Angeles County Recorder, or a designee or designees
 7 authorized by the board of supervisors, may notify one or more of
 8 the following by mail:

9 (A) The party or parties executing a deed, quitclaim deed, or
 10 deed of trust, within 30 days of recordation.

11 (B) The party or parties subject to a notice of default or notice
 12 of sale, including the occupants of that property, within 5 days,
 13 but in any event no more than ~~20~~ 14 days, of recordation.

14 (2) The recorder may require, as a condition of recording, that
 15 a deed, quitclaim deed, deed of trust, notice of default, or notice
 16 of sale indicate the assessor's identification number or numbers
 17 that fully contain all, or a portion of, the real property described
 18 in the legal description. If the description contains more than one
 19 assessor's parcel, all assessor's parcels shall be indicated. The

1 form of the entry shall be substantially as follows: Assessor's
2 Identification Number ___-___-___.

3 (b) This section shall not apply to the recordation of any
4 document where the federal government, or state, county, city, or
5 any subdivision of the state acquires title.

6 (c) The failure of the county recorder to provide the notice as
7 permitted by this section shall not result in any liability against
8 the recorder or the county. In the event that the notice is returned
9 to the recorder by the postal service as undeliverable, the recorder
10 is not required to retain the returned notice.

11 (d) Where the county recorder contracts with any party or parties
12 for the performance of the processing or the mailing of the notice,
13 or both, as authorized by this section, the contract shall be awarded
14 by competitive bid. The county recorder shall solicit written bids
15 for the contract in a newspaper of general circulation in the county,
16 and all bids received shall be publicly opened and the contract
17 awarded to the lowest responsible bidder. If the county recorder
18 or his or her designee deems the acceptance of the lowest
19 responsible bid is not in the best interest of the county, all bids
20 may be rejected.

21 (e) If the board of supervisors adopts an authorizing resolution,
22 pursuant to subdivision (a), that includes notification of the parties
23 described in subparagraph (B) of paragraph (1) of subdivision (a),
24 the County of Los Angeles shall, on or before January 1, 2019,
25 submit a report to the Senate Committee on Judiciary and the
26 Assembly Committee on Local Government that shall include, but
27 not be limited to, the following information:

28 (1) A copy of each type of notice mailed pursuant to
29 subparagraph (B) of paragraph (1) of subdivision (a).

30 (2) The number of filed notices of default and notices of sale
31 for which a fee was collected pursuant to Section 27387.1.

32 (3) The amount of fees collected, pursuant to Section 27387.1,
33 for the filing of notices of default and notices of sale.

34 (4) The amount of fees spent to provide housing information,
35 counseling, and assistance, described in Section 27387.1.

36 (5) Documented examples showing how the county's
37 homeowner notification program led to successful investigations
38 of real estate fraud activity, referrals to prosecuting agencies,
39 avoided foreclosures, or helped property owners and residents
40 avoid falling victim to real estate fraud.

1 (6) An evaluation of whether the county’s homeowner
2 notification program, in comparison to other available policy tools
3 in the County of Los Angeles, is a cost-effective approach to
4 combating real estate fraud and reducing foreclosures.

5 (7) *An evaluation of whether the county’s homeowner*
6 *notification program is an effective way to inform tenants of an*
7 *impending foreclosure and to combat abusive post-foreclosure*
8 *practices by property owners.*

9 ~~(7)~~

10 (8) An assessment of how the county’s homeowner notification
11 program compares to real estate fraud and foreclosure prevention
12 programs being implemented in at least three other large, urban
13 California counties.

14 (f) This section shall remain in effect only until January 1, 2020,
15 and as of that date is repealed, unless a later enacted statute, that
16 is enacted before January 1, 2020, deletes or extends that date.

17 SEC. 2. Section 27297.6 of the Government Code, as added
18 by Section 2 of Chapter 141 of the Statutes of 2011, is amended
19 to read:

20 27297.6. (a) Following adoption of an authorizing resolution
21 by the Los Angeles County Board of Supervisors, the Los Angeles
22 County Recorder may, within 30 days of recordation of a deed,
23 quitclaim deed, or deed of trust, notify by mail the party or parties
24 executing the document. The recorder may require, as a condition
25 of recording, that a deed, quitclaim deed, or deed of trust indicate
26 the assessor’s identification number or numbers that fully contain
27 all, or a portion of, the real property described in the legal
28 description. If the description contains more than one assessor’s
29 parcel, all assessor’s parcels shall be indicated. The form of the
30 entry shall be substantially as follows: Assessor’s Identification
31 Number __-__-__.

32 (b) This section shall not apply to the recordation of any
33 document where the federal government, or state, county, city, or
34 any subdivision of the state acquires title.

35 (c) The failure of the county recorder to provide the notice as
36 permitted by this section shall not result in any liability against
37 the recorder or the county. In the event that the notice is returned
38 to the recorder by the postal service as undeliverable, the recorder
39 is not required to retain the returned notice.

1 (d) Where the county recorder contracts with any party or parties
2 for the performance of the processing or the mailing of the notice,
3 or both, as authorized by this section, the contract shall be awarded
4 by competitive bid. The county recorder shall solicit written bids
5 for the contract in a newspaper of general circulation in the county,
6 and all bids received shall be publicly opened and the contract
7 awarded to the lowest responsible bidder. If the county recorder
8 or his or her designee deems the acceptance of the lowest
9 responsible bid is not in the best interest of the county, all bids
10 may be rejected.

11 (e) This section shall become operative on January 1, 2020.

12 SEC. 3. Section 27387.1 of the Government Code, as amended
13 by Section 3 of Chapter 141 of the Statutes of 2011, is amended
14 to read:

15 27387.1. (a) In addition to any other recording fee, the
16 recorder, pursuant to Section 27297.6, may collect a fee from the
17 party filing a deed, quitclaim deed, deed of trust, notice of default,
18 or notice of sale, unless that party is a government entity. The fee
19 shall not exceed the mailing cost of the notice specified in Section
20 27297.6 and the actual cost to provide information, counseling, or
21 assistance to a person who receives the notice, not to exceed seven
22 dollars (\$7).

23 (b) The actual costs comprising the fee described in subdivision
24 (a) may include administrative costs incurred by the recorder in
25 performing the actions described in that subdivision. However,
26 the administrative costs shall not exceed 10 percent of the total
27 fee collected pursuant to subdivision (a).

28 (c) This section shall remain in effect only until January 1, 2020,
29 and as of that date is repealed, unless a later enacted statute, that
30 is enacted before January 1, 2020, deletes or extends that date.

31 SEC. 4. Section 27387.1 of the Government Code, as added
32 by Section 4 of Chapter 141 of the Statutes of 2011, is amended
33 to read:

34 27387.1. (a) In addition to any other recording fee, the recorder
35 may collect a fee from the party filing a deed, quitclaim deed, or
36 deed of trust, other than a government entity, pursuant to Section
37 27297.6. The fee shall not exceed the mailing cost of the notice
38 specified in Section 27297.6, not to exceed seven dollars (\$7).

39 (b) This section shall become operative on January 1, 2020.

1 SEC. 5. The Legislature finds and declares that a special law
2 is necessary and that a general law cannot be made applicable
3 within the meaning of Section 16 of Article IV of the California
4 Constitution because the County of Los Angeles is experiencing
5 a unique and prolonged recovery from the financial and real estate
6 fraud crisis.

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