

Senate Bill No. 878

Passed the Senate June 28, 2010

Secretary of the Senate

Passed the Assembly June 24, 2010

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

SB 878, Liu. Local government: Los Angeles County: notice of recordation.

(1) Existing law authorizes 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 the party or parties executing a deed, quitclaim deed, or deed of trust within 30 days of the recording of one of those documents.

This bill, until January 1, 2015, would modify that authorization to also include notice of recordation, provided by mail by the recorder or a designee of the board, to a party or parties executing a deed, quitclaim deed, or deed of trust, within 30 days of recordation, or to a party or parties subject to a notice of default or notice of sale of a property, including the occupants of that property, within 5 days, but in any event no more than 20 days, of recordation. If the board of supervisors adopts an authorizing resolution, as specified, the bill would require the County of Los Angeles to submit a report with prescribed information to certain committees of the Legislature on or before January 1, 2014.

(2) Existing law also authorizes the Los Angeles County Recorder to collect a fee for mailing notice of recordation from any party filing a deed, quitclaim deed, or deed of trust, unless that party is a government entity. Existing law prohibits this fee from exceeding the cost of mailing the notice of recordation or \$7.

This bill, until January 1, 2015, would additionally authorize the recorder to collect a fee for notice of recordation from any party other than a government entity that files a notice of default or notice of sale. The bill would also authorize the recorder to use a portion of the collected fee to pay the actual cost, if any, of providing information, counseling, and assistance to a person who receives the notice.

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

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

SECTION 1. Section 27297.6 of the Government Code is amended to read:

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

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

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

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

Assessor's Identification Number ____-____-____.

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

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

(d) Where the county recorder contracts with any party or parties for the performance of the processing or the mailing of the notice, or both, as authorized by this section, the contract shall be awarded by competitive bid. The county recorder shall solicit written bids for the contract in a newspaper of general circulation in the county, and all bids received shall be publicly opened and the contract

awarded to the lowest responsible bidder. If the county recorder or his or her designee deems the acceptance of the lowest responsible bid is not in the best interest of the county, all bids may be rejected.

(e) If the board of supervisors adopts an authorizing resolution, pursuant to subdivision (a), that includes notification of the parties described in subparagraph (B) of paragraph (1) of subdivision (a), the County of Los Angeles shall, on or before January 1, 2014, submit a report to the Senate Committee on Judiciary and the Assembly Committee on Local Government that shall include, but not be limited to, the following information:

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

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

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

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

(f) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 2. Section 27297.6 is added to the Government Code, to read:

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

Assessor's Identification Number ____-____-____.

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

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

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

(e) This section shall become operative on January 1, 2015.

SEC. 3. Section 27387.1 of the Government Code is amended to read:

27387.1. (a) In addition to any other recording fee, the recorder, pursuant to Section 27297.6, may 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. The fee shall not exceed the mailing cost of the notice specified in Section 27297.6 and the actual cost, if any, to provide information, counseling, or assistance to a person who receives the notice, not to exceed seven dollars (\$7).

(b) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 4. Section 27387.1 is added to the Government Code, to read:

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

(b) This section shall become operative on January 1, 2015.

SEC. 5. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California

Constitution because the County of Los Angeles is experiencing a foreclosure and real estate fraud crisis, as discussed in the county's "Report and Recommendations to Address Foreclosures and Real Estate Fraud" issued March 17, 2009, that necessitates additional authority for the county to provide notice of the recording of certain foreclosure-related real property transactions to interested parties.

Approved _____, 2010

Governor