

New Law Clarifies Local Governments Are Not Subject to SB 2 Recording Fee

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Effective immediately, local governments are exempt from paying a \$75 recording fee. The exemption is retroactive to January 1, 2018. Last year, the Legislature approved SB 2, requiring payment of a \$75 fee to record most documents with the county recorder, beginning January 1, 2018. SB 2 establishes a source of funding dedicated to affordable housing development. Although local governments have long been exempt from paying most recording fees, county recorder offices throughout the state determined that neither cities nor their own county offices were exempt from paying the \$75 fee imposed by SB 2.

The Legislature just approved and the Governor signed AB 110 to clarify that the \$75 fee does not apply to “any real estate instrument, paper, or notice executed or recorded by the state or any county, municipality, or other political subdivision of the state.” Moreover, the Legislature clarified that SB 2 was never intended to require public agencies to pay the fee. For this reason, the exemption is retroactive and local governments that paid the \$75 fee to record various instruments since January 1, 2018, may seek reimbursement from their respective county recorder offices.

For further information about AB 110 or SB 2, please contact **Elena Pacheco**.