

SENATE THIRD READING
SB 255 (Seyarto)
As Amended August 27, 2025
Majority vote

SUMMARY

Requires every county, on or before January 1, 2027, to establish a recorder notification program to notify the parties to a deed, quitclaim deed, mortgage, or deed of trust within 30 days of recordation of such a document.

Major Provisions

- 1) Requires, on or before January 1, 2027, each county within the state to establish a recorder notification program, in accordance with this bill, and the board of supervisors of each county to adopt an authorizing resolution for these purposes.
- 2) Requires, following adoption of an authorizing resolution by the board of supervisors, the county recorder to, within 30 days of recordation of a deed, quitclaim deed, mortgage, or deed of trust, notify by mail the party or parties executing the document. The notification shall be sent to the address for mailing tax bills that was established prior to the recording of the document.
- 3) Allows the recorder to require, as a condition of recording, that a deed, quitclaim deed, mortgage, 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, as specified.
- 4) Allows, in addition to the mailed notice required by the provisions outlined above, the county recorder to establish an electronic notification program that notifies parties upon recording of a deed, quitclaim deed, mortgage, or deed of trust.
- 5) Provides that this bill shall not apply to the recordation of any document where the federal government, or state, county, city, or any subdivision of the state is the grantee.
- 6) Provides that the failure of the county recorder to provide the notice as permitted by this bill shall not result in any liability against the recorder or the county, as specified.
- 7) Requires, 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 bill, the contract to be awarded by competitive bid, as specified.
- 8) Allows, in addition to any other recording fee, the board of supervisors to authorize the county recorder to collect a fee from the party filing a deed, quitclaim deed, mortgage, or deed of trust for the cost of implementing the program pursuant to this bill, as specified.
- 9) Provides that this bill shall not apply to the recorder notification program that Los Angeles County operates.

COMMENTS

- 1) *Background.* County recorders are responsible for accepting, recording, storing, and retrieving a variety of documents. These include deeds, deeds of trust, court decrees, documents affecting title to real property, commercial code filings, subdivision maps, births, marriages, and other items. Existing law authorizes recorders to charge fees for each document recorded at \$10 for the first page and \$3 for each additional page, and allows additional fees for specified purposes.
- 2) *Real Estate Fraud.* Real estate fraud has affected property owners across the state for many years. Real estate fraud can take many forms but a form that has risen in prominence is known as title fraud or deed fraud. According to the credit bureau Experian: "Home title fraud is a serious type of real estate scam that happens when a criminal steals a home's title and puts it in their name. Then fraudsters may use the property title to commit further criminal acts, including selling the home or using it as collateral on new loans—all without the homeowner's knowledge. While this type of fraud is rare, it can result in serious financial consequences for homeowners.

"Home title fraud, also called home title theft, typically begins with identity theft. Fraudsters may steal your identity, your Social Security number or other private information in order to forge title transfer documents. Common methods include a forged quitclaim deed, warranty or grant. The scammers then file the new paperwork with the appropriate parties, like your town clerk, to record the transfer of ownership—all without your knowledge.

"Once your home's title is in the hands of scammers, you no longer technically own your home—even if you continue to make your mortgage payments. Scammers can use your home as collateral to refinance your home or take out new loans, like a second mortgage or a home equity line of credit (HELOC). They may also illegally sell the house or use it in a rental scam."

Real estate fraud remains rare, but significant. The Federal Bureau of Investigation's 2023 Internet Crime Report noted that in 2023, nationwide the Bureau received about 33,000 claims of real estate fraud totaling roughly \$900 million from 2021-2023. These numbers amount to about 1.3% of all claims and 3% of all fraud losses in that time period.

- 3) *Recorder Notification Programs.* In response to several scams taking place in the early 1990s, the Legislature authorized Los Angeles County to create the Los Angeles County Homeowner Notification Program (Homeowner Notification Program) as a three-year real estate fraud pilot to address foreclosures related to falsified real estate loan documents SB 1842, (Watson), 1992. Under the program, the County notifies homeowners by mail when someone records a deed, quitclaim deed, or deed of trust against their property. The notification instructs homeowners to contact the County's Department of Consumer and Business Affairs (DCBA) if they suspect forgery or fraud, or if they need additional assistance.

Initially, the program authorized the County recorder to charge an additional fee for filing these documents to cover the cost of the notifications, not to exceed \$10. When the Legislature reauthorized the program in 1996, it removed the sunset date and allowed the recorder to collect an additional fee of up to \$7 from the party filing these documents (SB 1631, Watson, 1996).

Due to concerns about fraud in Riverside County, SB 1287 (Hollingsworth), Chapter 117, Statutes of 2008 gave that county similar authority, but without the fee authority. When other counties expressed interest in operating a similar notification program, AB 2618 (Nestande), Chapter 44, Statutes of 2010 expanded the option to enact a notification program statewide. Currently, at least eight counties operate a notification program: Calaveras, Contra Costa, Los Angeles, Orange, Placer, Riverside, San Diego, and Ventura.

According to the Author

Property owners throughout California may have heard about new services offering to monitor the status of their property title with their respective county. Several counties already have programs which offer courtesy notifications of changes in real estate documents. SB-255 will give property owners peace of mind and protection from fraud by requiring counties to provide notification to parties involved in a transferring of ownership of a property or modifying a property title.

Arguments in Support

The California Land Title Association writes, "As an association whose members perform a crucial role in the safeguarding of property rights and the orderly transfer of real estate, CLTA has long been an advocate for policies that maintain the integrity and trustworthiness of California's real property records – records that are essential to facilitating hundreds of thousands of real estate transactions every year.

"We are therefore pleased to support SB 255, which will enhance visibility into land records by requiring county recorders to issue timely notices to property owners upon the recording of certain documents. This commonsense measure will alert homeowners to potential recording errors or fraud before those issues complicate or delay a future sale or refinance.

"By strengthening transparency and empowering property owners, SB 255 aligns closely with the goals of the title industry and the interests of consumers. It complements existing efforts by law enforcement, recorders, and private-sector stakeholders – including the title industry, lenders, realtors, and others – to deter fraud and protect the integrity of real estate transactions."

Arguments in Opposition

None on file.

FISCAL COMMENTS

No state costs. Local costs to each county recorder's office of an unknown amount to establish and administer a recorder notification program. This bill authorizes a county board of supervisors to authorize its county recorder to collect a fee from the filing party, in addition to other recording fees, to cover the costs of implementing the program.

Although Legislative Counsel did not include the state mandate local fee disclaimer language, this bill and existing law allow county recorders to recover local costs through fees. Therefore, it is unlikely the Commission on State Mandates would determine any local costs associated with this bill to be reimbursable by the state.

VOTES**SENATE FLOOR: 36-0-4**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Hurtado, Reyes, Rubio, Valladares

ASM LOCAL GOVERNMENT: 10-0-0

YES: Carrillo, Ta, Hoover, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Haney, Wilson

ASM JUDICIARY: 12-0-0

YES: Kalra, Dixon, Garcia, Bryan, Connolly, Harabedian, Tangipa, Pacheco, Papan, Sanchez, Lee, Zbur

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 75-0-4

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Alvarez, Bennett, Berman, Gallagher

UPDATED

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