
UNFINISHED BUSINESS

Bill No: SB 255
Author: Seyarto (R)
Amended: 8/27/25 in Assembly
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/2/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE JUDICIARY COMMITTEE: 13-0, 4/22/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 36-0, 5/8/25 (Consent)
AYES: 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
NO VOTE RECORDED: Hurtado, Reyes, Rubio, Valladares

ASSEMBLY FLOOR: 75-0, 7/17/25 (Consent) - See last page for vote

SUBJECT: County recorders: notification

SOURCE: Author

DIGEST: This bill requires every county, on or before January 1, 2027, to establish a program to notify the parties to a deed, quitclaim deed, mortgage, or deed of trust within 30 days of recordation of such a document.

Assembly Amendments of 8/27/25 require a county board of supervisors to adopt an authorizing resolution for the program and make clarifying and technical changes.

ANALYSIS:

Existing law:

- 1) Establishes, within each county, the county recorder, who shall, upon the payment of proper fees and taxes, accept for recordation any instrument, paper, or notice that is authorized or required by statute, or court order to be recorded, or authorized or required to be recorded by a local ordinance that relates to the recordation of any instrument, paper, or notice that relates to real property.
- 2) Authorizes a county recorder to establish a recorder notification program that notifies property-owners by mail when someone records a deed, quitclaim deed, or deed of trust against their property.
- 3) Grants the County of Los Angeles the authority to establish a similar recorder notification program.

This bill:

- 1) Requires, on or before January 1, 2027, every county to establish a recorder notification program, as follows:
 - a) The board of supervisors of the county must adopt an authorizing resolution for the program.
 - b) The county recorder must, 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.
 - c) The recorder must mail the notification to the address for mailing tax bills that was established prior to the recording of the document.
 - d) The recorder can require documents to contain the assessor's identification number for the parcel, and specifies the format for that information.
 - e) In addition to the mailed notice, the bill authorizes, but does not require, the county recorder to establish an electronic notification program that notifies parties upon recording of a deed, quitclaim deed, mortgage, or deed of trust.
- 2) Provides that it does not apply to the recordation of any document where a government entity receives ownership of the property.
- 3) Requires the recorder to award contracts by competitive bids, as specified, if the recorder contracts for services associated with the notification.

- 4) Provides that the failure of the county recorder to provide notice does 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.
- 5) 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.
- 6) Prohibits the fee from exceeding the reasonable regulatory costs to the county, or being charged until at least 120 days following the establishment of the fee and public notification of the fee and the effective date.
- 7) Provides that it does not apply to Los Angeles County's recorder notification program.

Background

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.

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 as a three-year real estate fraud pilot to address foreclosures related to falsified real estate loan documents SB 1842 (Watson, Chapter 815, Statutes of 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 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, Chapter 177, Statutes of 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.

The author wants to make these programs mandatory statewide.

Comments

Purpose of this bill. 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.”

Buyer beware. Real estate fraud has garnered attention in recent years, although it remains a small share of overall fraud complaints. SB 255 mandates a recorder notification program statewide to address this issue. In doing so, SB 255 imposes costs on all parties recording these documents in the form of fees. The magnitude of these costs is unclear: for example, the most populous county in the state operates a program, but so does Calaveras County, which has about 45,000 residents, so the cost may not be prohibitive. This bill also builds in a delayed implementation to allow county recorders time to ramp up fees more slowly than if it began on January 1, 2026. Nonetheless, SB 255 raises questions regarding whether the benefit of establishing the programs are worth the cost.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee:

- 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.

SUPPORT: (Verified 9/2/25)

California Land Title Association
Howard Jarvis Taxpayers Association

OPPOSITION: (Verified 9/2/25)

None received

ASSEMBLY FLOOR: 75-0, 7/17/25

AYES: 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

NO VOTE RECORDED: Alvarez, Bennett, Berman, Gallagher

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119
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