



How Does California Senate Bill 2 Affect Real Estate Closings?

The California Legislature recently passed the Building Homes and Jobs Act (also known as “SB 2”), instituting an additional recording fee surcharge on some real estate documents recorded after January 1, 2018, subject to some important exemptions. Here are a few facts you should know before the Bill goes into effect.

The Fees

Except as to exempt documents, county recording fees will increase by \$75 per real estate instrument recorded, per each single transaction, per parcel of real property, not to exceed \$225. This is in addition to other recording fees that may apply to a document.

Documents Recorded in Connection with Sale Transactions Are Exempt

The SB 2 fee will *not* be charged on common sale transactions subject to documentary transfer tax, nor on transfers of residential properties that will be owner-occupied. Documents believed to be exempt from paying the \$75 fee must be accompanied by a declaration of valid exemption specifying the reason for exemption from the fee, when submitted for recording.

Documents Recorded in Connection with Refinance Transactions Are Not Exempt

The SB 2 fee will be charged on documents recorded in connection with refinance transactions.

To read the bill in its entirety please visit:

http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB2

Contact your Terra Coastal Escrow representative for questions specific to your transaction and to learn more about our tools and resources that can simplify your title and escrow experience.

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