

AMENDED IN SENATE JUNE 13, 2007

AMENDED IN ASSEMBLY MAY 16, 2007

AMENDED IN ASSEMBLY APRIL 24, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 980**

---

---

**Introduced by Assembly Member Charles Calderon**

February 22, 2007

---

---

An act to add Section 711.2 to the Civil Code, relating to real estate transfer fees.

LEGISLATIVE COUNSEL'S DIGEST

AB 980, as amended, Charles Calderon. Real estate transfer fees: residential property.

Existing law permits various fees to be included in the price of a residential real estate transfer. Existing law requires specified disclosures to be made upon a transfer of residential real property and provides a form for this purpose.

This bill would require that when any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of real property contains a requirement that any transferor or transferee pay a real estate transfer fee ~~and the requirement was in effect on or before December 31, 2007,~~ a separate document be recorded in 14-point or larger type that contains specified notices related to that transfer fee. The bill would except from that requirement taxes and fees imposed by governmental entities,

mechanics’ liens, fees imposed by lenders, and homeowner association fees, among others.

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

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

1 SECTION 1. Section 711.2 is added to the Civil Code, to read:  
 2 711.2. (a) Except as provided in subdivision ~~(e)~~ (d), when any  
 3 covenant, restriction, or condition contained in any deed, contract,  
 4 security instrument, or other instrument affecting the transfer or  
 5 sale of, or any interest in, real property contains a requirement that  
 6 any transferor or transferee pay a fee upon transfer of the real  
 7 property ~~and the requirement was in effect on or before December~~  
 8 ~~31, 2007~~, the person or entity that originally created the fee  
 9 requirement, as a condition of payment of the fee, shall record  
 10 against the property a separate document entitled “Payment of  
 11 Transfer Fee Required,” in 14-point or larger type, that contains  
 12 all of the following:  
 13 (1) Notice that payment of a transfer fee is required.  
 14 (2) The percentage of the home price constituting the cost of  
 15 the fee and actual dollar-cost examples for a home priced at two  
 16 hundred fifty thousand dollars (\$250,000), five hundred thousand  
 17 dollars (\$500,000), or seven hundred fifty thousand dollars  
 18 (\$750,000).  
 19 (3) The date the covenant, restriction, or condition expires, if  
 20 any.  
 21 (4) The name of the recipient of the fee funds.  
 22 (5) The purpose for which the fee funds will be expended.  
 23 (6) A statement that a prospective purchaser is advised to  
 24 consider the fee and the purposes and benefits for which it is used  
 25 in deciding whether to purchase the property.  
 26 (7) *The names of all current owners of the property subject to*  
 27 *the transfer fee.*  
 28 (8) *The name of the person or entity that imposed the fee.*  
 29 (9) *The signature of the party or entity that imposed the fee.*  
 30 (10) *A signature acknowledgment.*  
 31 (b) *The recorder shall only be responsible for examining that*  
 32 *the document required by subdivision (a) contains the information*  
 33 *required by paragraphs (7) to (10), inclusive, of subdivision (a).*

1 *The recorder shall not examine or validate any other information*  
2 *contained in the document required by subdivision (a).*

3 ~~(b)~~

4 (c) The document required by subdivision (a) shall be recorded  
5 on or before December 31, 2008, or within 30 days after  
6 establishment of the obligation, whichever is later.

7 ~~(e)~~

8 (d) Subdivision (a) does not apply to any of the following:

9 (1) Fees or taxes imposed by a governmental entity.

10 (2) Mechanics' liens.

11 (3) Court-ordered transfers, payments, or judgments.

12 (4) Property agreements in connection with a legal separation  
13 or dissolution of marriage.

14 (5) Fees, charges, or payments in connection with the  
15 administration of estates or trusts pursuant to Division 7  
16 (commencing with Section 7000), Division 8 (commencing with  
17 Section 13000), or Division 9 (commencing with Section 15000)  
18 of the Probate Code.

19 (6) Fees, charges, or payments imposed by lenders or purchasers  
20 of loans, as those entities are described in subdivision (c) of Section  
21 10232 of the Business and Professions Code.

22 (7) Any assessment, charge, penalty, or fee authorized by the  
23 Davis-Stirling Common Interest Development Act (Title 6  
24 (commencing with Section 1350) of Part 4).

25 (8) Any fee reflected in a document or documents recorded  
26 against the property on or before December 31, 2007, if the  
27 document or documents substantially comply with subdivision (a)  
28 by putting a prospective transferee on notice, ~~by means of a~~  
29 ~~preliminary title report~~, of the following:

30 (A) That *payment of* a transfer fee is required.

31 (B) The amount or method of calculation of the fee.

32 (C) The date the obligation expires, if any.

33 (D) The entity or entities to which the fee will be paid.

34 (E) The general purposes for which the fee will be ~~paid~~ *used*.

O