



Bill Analysis

Author: Hadwick and Bennett Sponsor:

Bill Number: AB 2224

Related Bills: See Legislative
History

Introduced: February 19, 2026

SUBJECT

County Recorders Fee

SUMMARY

Effective January 1, 2027, this bill would amend provisions of the Government Code (GOV) relating to fees for recording and indexing certain documents by a county recorder.

This analysis only addresses the provisions of the bill that would impact the Franchise Tax Board's (FTB) programs or operations.

RECOMMENDATION

No position—The three-member Franchise Tax Board has not formally voted or taken a position on this bill.

SUMMARY OF AMENDMENTS

Not applicable.

REASON FOR THE BILL

The reason for the bill is to improve transparency and efficiency in the recording process by standardizing recording fees, eliminating outdated charges, and requiring statewide electronic recording to ensure timely and accessible public records.

ANALYSIS

Under current state law, the fee to release a state lien pursuant to GOV section 6103.8, and the fee, under GOV section 27361.3, for the release of liens recorded by the state when the original notice was recorded without payment fee pursuant to GOV section 27383, is equal to two times the fee charged to record the first page of a lien, encumbrance, or notice as prescribed in GOV section 27361(a).

This bill would increase the amount charged under GOV section 27361(a) for recording the first page of a lien from up to \$10 to a flat \$15, which makes the maximum amount that may be charged to the state to release a lien \$30.

Effective/Operative Date

This bill would be effective and operative January 1, 2027.

Federal/State Law

Federal Law

No provision comparable in federal law.

State Law

A state tax lien for unpaid state income taxes arises automatically and by operation of law when taxes become due and payable pursuant to Revenue and Taxation Code (RTC) section 19221.

The GOV includes two general provisions that exempt the FTB and other entities from payment of recording fees. First, Section 6103 provides a general exemption for the state from fees for the filing of any paper or document. Second, Section 27383(a) states that no fee shall be charged by the recorder for services rendered to the State, except for making a copy of a paper or record. These provisions allow the FTB to record liens without payment of fees.

Under current state law, the fee to release a state lien (pursuant to GOV section 6103.8), and the fee to release the liens recorded by the state, is equal to two times the fee charged to record the first page of the lien [encumbrance or notice prescribed in GOV section 27361(a)], but only when the original notice was recorded without the payment fee (pursuant to Gov section 27383). The amount charged for recording the first page of a lien [under Gov section 27361(a)] cannot be more than \$10, which makes the maximum amount that may be charged to the state to release a lien \$20.

The exemptions from fees or recording fees under GOV sections 6103 and 27383 provide that no fees shall be charged to a state, municipality, county, city, district or other political subdivision. Both GOV sections 6103.8 and 27361.3 operate as exceptions to those general exemptions. Unless a fee specifically applies to the state, the fee is not applicable under GOV sections 6103 and 27383.

Implementation Considerations

The FTB has identified the following considerations and is available to work with the author's office to resolve these and other considerations that may be identified.

FTB records state tax liens with county recorders under GOV section 7171 and collects from the taxpayer the applicable recording fee, currently up to \$10, at the time the lien is filed. If a recording fee is not collected from the taxpayer at the time the lien is filed, the FTB collects two times the recording fee for the first page of a lien, currently up to \$20, when the FTB records the release of the lien. If FTB records a lien before January 1, 2027, the recording fee of up to \$10 is not collected from the taxpayer, and then FTB releases the lien after January 1, 2027, it is unclear whether FTB's fee to release the lien should be an amount up to \$20, which is twice the amount of the recording fee (\$10) at the time the lien was recorded, or an amount up to \$30, which is twice the recording fee imposed by this bill (\$15). Without clarity, for purposes of a lien filed before January 1, 2027, and released after January 1, 2027, state agencies and counties may implement the fee increase under this bill differently when collecting a fee to record a lien release, resulting in inconsistent fees for taxpayers. To ensure consistency, the author may wish to amend the bill.

Technical Considerations

GOV sections 6103.8, 7171, and 7174 contain cross-references to GOV sections 27361.2 and 27361.8, which would be repealed by this bill. For clarity, the author may consider removing the cross-references in GOV sections 6103.8, 7171, and 7174.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

AB 1430 (Bennett, 2025/2026), similar to this bill, under the GOV, would have revised the statutory fee structure for recording and indexing documents by increasing the maximum fee to \$15 for the first page and \$4 for each additional page. AB 1430 was vetoed by the governor whose veto message stated:

Californians realizing the dream of property ownership rely on recorder offices to handle important documents with care, making these offices critical points of interaction between residents and their government. I appreciate the author's intent to improve the efficiency of California's land title system, for both the public and county recorders, to ensure expeditious processing of real property records. However, raising these fees on Californians will disincentivize efforts to think innovatively about how to deliver recording services at a lower cost, faster, and with better customer service. I encourage the author and counties to consider ways to achieve that goal without solely relying on fee increases.

AB 137 (Assembly Committee on Budget and Fiscal Review, Chapter 77, Statutes of 2021), effective July 16, 2021, aligned the fee for full lien releases issued under GOV sections 6103.8 and 27361.3 to an amount equal to two times the fee charged to record the first page of a lien, resulting in a maximum release fee of \$20, and applied this same fee standard to full releases related to county public aid reimbursement agreements and judgments recorded without payment of a recording fee.

SB 780 (Senate Committee on Governance and Finance, Chapter 329, Statutes of 2019), effective January 1, 2020, under the GOV, increased the fee to release a state tax lien, cumbrance, or notice executed by the state, or any municipality, county, city, district, or other political subdivision from \$8 to a maximum of \$20 (i.e, two times the amount charged to record the first page of a lien).

SB 2 (Atkins, et al., Chapter 364, Statutes of 2017), effective January 1, 2018, under the GOV, established the Building Homes and Jobs Trust Fund (the Trust Fund) and added a required \$75 real estate document transaction fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, to be transferred quarterly to the Department of Housing and Community Development and deposited into the Trust Fund.

PROGRAM BACKGROUND

The FTB records in-state state tax liens against taxpayers pursuant to GOV section 7171. For out-of-state tax liens, the FTB currently pays recording fees for both recording the original lien and to record the lien release pursuant to Section 7171(d). In general, the FTB may release a lien when, 1) there is another lien that will secure the state tax liability, 2) the liability is legally unenforceable, or 3) the liability has been satisfied in whole. When the FTB records the release of the lien, the FTB may be subject to a fee by the recording county.

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

FTB's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be determined.

ECONOMIC IMPACT

Revenue Estimate

This bill, as introduced on February 19, 2026, does not impact the way income or franchise tax is calculated under the RTC.

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill or for the net final payment method of accrual.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

To be determined.

ARGUMENTS

To be determined.

LEGISLATIVE CONTACT

FTBLegislativeServices@ftb.ca.gov