



NEWS RELEASE
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Senate Bill 2 is a tax, not a fee, and should be rejected: Bob Dutton



As San Bernardino County's assessor-recorder-clerk, and a former state senator, I am committed to supporting legislation which encourages growth and streamlines government regulations. Senate Bill 2, titled "Building Homes and Jobs Act" and introduced by Sen. Toni Atkins, D-San Diego, will do the exact opposite, costing taxpayers more money to create more government bureaucracy.

Home affordability is an important issue facing California. I co-authored Proposition 1C, Housing and Emergency Shelter Trust Fund Act of 2006, which brought needed investments to help lower-income home purchasers and assisted development in urban areas near public transportation. SB 2, however, takes the wrong approach in addressing home affordability, as it will increase taxes on Californians. SB 2 adds an incorrectly classified \$75 tax as a fee on various county-recorded documents to create a permanent source of funding dedicated to state-run affordable housing development.

Under voter-approved Proposition 26, fees must be directly linked to the cost of providing a service and imposed on those who are likely to benefit from or use the service. Fees benefit the fee payer. The county does not provide a service as a result of this proposed \$75 "fee." Under SB 2, the county only acts as a tax collector to provide revenue for a state-managed program. There is no nexus between the county fee and the state service. When a nexus does not exist, the funds collected are a tax, not a fee.

Counties will be required to send all funds to the state of California with no local oversight as to where or how funding will be used. It is estimated that San Bernardino County alone would generate more than \$23 million in revenue. However, SB 2 has no provision to guarantee that any percentage of the funds collected would be distributed back to San Bernardino County.

SB 2 will punish struggling homeowners trying to refinance their homes. At a minimum, a Deed of Trust, Substitution of Trustee and Reconveyance must be filed with a county when refinancing a home. SB 2 would impose an additional \$75 on every document recorded, costing taxpayers an additional \$225 in recording fees for refinancing.

County recorder offices should not be used as a main revenue source to fund state activities unrelated to our purpose.

Instead, California lawmakers should be working on solutions to tackle housing affordability. Scarcity of land in California is a real issue affecting home prices. Heavy environmental regulations are hindering housing projects

from ever being built. We are losing good paying jobs as small businesses leave the state to do business elsewhere. Solving these issues will be critical in making housing more affordable. A new tax won't. I urge Sen. Atkins and supporters of this fee to call it what it actually is, a new tax, and to vote "no" on SB 2.

Bob Dutton is San Bernardino County's elected assessor-recorder-clerk.

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