



950 Maidu Avenue, Suite 210
Nevada City, CA 95959

NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: May 23, 2023

TO: Board of Supervisors

FROM: Nevada County Clerk-Recorder

SUBJECT: Resolution authorizing the Nevada County recorder to establish a restrictive covenant program and collect the \$2.00 fee imposed by Government Code Section 27388.2(a) to recover the reasonable regulatory cost of performing inspections and audits to redact unlawfully restrictive and discriminatory covenants

RECOMMENDATION: Approve the Resolution.

FUNDING: The fees collected pursuant to Assembly Bill 1466 (2021) will go toward the establishment of a program to redact and modify restrictive covenants found to violate subdivision (l) of the California Fair Employment and Housing Act (“CFEHA”). Fee revenue will be deposited into a new account established for this purpose. The new law imposes a state mandated local program eligible for reimbursement.

Based on historical revenue levels the added revenue fund would be between \$20,000 and \$30,000. No impact to County general fund.

Nevada County Clerk-Recorder imposition of a fee in an amount of two dollars (\$2.00) would take effect July 1, 2023.

BACKGROUND:

Assembly Bill 1466 adds and modifies certain sections of the California Government Code in order to strengthen state prohibitions on restrictive covenants. The legislation requires the Nevada County Clerk-Recorder to administer a restrictive covenant modification and redact the offending sections on request, index the modification, and identify unlawfully restrictive covenants in violation of the CFEHA in the records of the Nevada County Clerk-Recorder Office. The law requires County Counsel to analyze whether an identified restrictive covenant violates CFEHA and to draft an opinion advising the Clerk-Recorder of its determination. The law further requires the Nevada County Clerk-Recorder to publish an implementation plan for the program, which must begin on July 1, 2022.

In order to pay for the cost of a new program, the State Legislature, by a supermajority vote of both houses, authorized counties, including the Nevada County Clerk-Recorder to impose a \$2.00 fee for every real estate instrument, paper, or notice required or permitted by law to be recorded by the county unless document(s) are exempt from SB2 fee, up until December 31, 2027, unless the fee is reauthorized by law.

Staff time and contract impacts are not yet known to manage the program.

Item Initiated by: Natalie Adona

Approved by: Natalie Adona

Submittal Date: May 15, 2023

Revision Date: