

**ORDINANCE NO. 516
(AS AMENDED THRU 516.4)
AN ORDINANCE OF THE COUNTY OF RIVERSIDE REGULATING
THE IMPOSITION OF DOCUMENTARY TRANSFER TAX**

Section 1. SHORT TITLE AND AUTHORITY. This Ordinance is known and may be cited as the Documentary Transfer Tax Ordinance of the County of Riverside. It is adopted pursuant to Part 6.7 of Division 2 of the Revenue and Taxation Code and Part 0.5 of the Revenue and Taxation Code, commencing with section 60 of Division 1, with special reference to sections 64(c) and 64(d).

Section 2. IMPOSITION OF TAX. There is hereby imposed a documentary transfer tax ("Documentary Transfer Tax" or "Tax"), as hereinafter defined, on each deed, instrument, or writing by which any lands, tenements, or other realty sold within the County of Riverside ("County") shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale) exceeds one hundred dollars (\$100).

Section 3. DEFINITION AND RATE OF TAX. The Documentary Transfer Tax shall be computed at the rate of fifty-five cents (\$0.55) for each five hundred dollars (\$500) or fractional part thereof of the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale).

Section 4. PERSONS REQUIRED TO PAY THE TAX, PAYMENT OF THE TAX, AND PROOF OF EXEMPTION FROM THE TAX.

a. Persons Required to Pay Tax. The Documentary Transfer Tax shall be paid by any person who makes, signs, or issues any document or instrument subject to the Tax, or for whose use or benefit the same is made, signed, or issued.

b. Payment of the Tax When a Document is Recorded. The Tax is due and payable when the deed, instrument, or writing subject to the Tax pursuant to Section 2 is submitted for recordation to the County Recorder ("Recorder"). The Recorder shall not record any document subject to the Tax unless the Tax due is paid in full at the time of its submission for recordation. However, any failure to collect the Tax due shall not affect the constructive notice otherwise imparted by recording a deed, instrument or writing. A declaration of the amount of Tax due, signed by the party determining the Tax or his agent, shall appear on the face of the deed, instrument, or writing subject to the Tax pursuant to Section 2 or (as set forth below) on a separate paper. Said declaration shall include a statement that the consideration or value on which the Tax due was computed was, or that it was not, exclusive of the value of a lien or encumbrance remaining on the interest or property conveyed at the time of sale. If the Recorder has no reason to believe that the full amount of the Tax due has not been paid, he or she may rely

on said declaration. If the party submitting the document for recordation so requests, the amount of Tax due shall be shown on a separate paper which shall be affixed to the document by the Recorder after the permanent record is made and before the original is returned as specified in Section 27321 of the California Government Code.

c. Payment of the Tax When a Document is Not Recorded. When the deed, instrument, or writing subject to the Tax pursuant to Section 2 is not submitted for recordation or is otherwise not recorded (including but not limited to the changes of ownership and changes in ownership described in Part 0.5 of the California Revenue and Taxation Code, commencing with section 60 of Division 1, with special reference to sections 64(c) and 64(d).), the Tax is due and payable (without demand) at the time of consummation of the grant, assignment, transfer, or other conveyance of the lands, tenements, or other realty sold.

d. Proof of the Amount of Tax or Any Exemption. When an amount of Tax is paid or it is claimed that the deed, instrument, or writing to be recorded is not subject to any amount of Tax or is exempt from the Tax, the Recorder shall request the person submitting the document to furnish reasonable proof (in a written form prepared and provided by the Recorder) to substantiate such payment or claim.

Section 5. **ENFORCEMENT OF THE TAX.** Whenever the Recorder has reason to believe that all or part of the Tax due is not being paid (or has not been paid), he or she may require any person liable for the Tax to furnish reasonable documentation that is relevant to determining the correct amount of the Tax due from that person.

Whenever the Recorder determines that the full amount of Tax has not been paid, the Recorder may serve a written notice (upon the person or persons liable for the Tax) demanding payment of the unpaid amount of Tax within fifteen (15) days from the date of said service. If written notice is served and the full amount of the Tax is still unpaid at the end of that fifteen (15) day time period, the claim may be referred by the Recorder to County Counsel for collection in any manner authorized by law.

The amount of any Tax imposed by this Ordinance shall be deemed a debt owed to the County. Any person owing the Tax shall be liable in an action brought in the name of the County for the recovery of the debt. In such action, the prevailing party shall recover his/her/it's reasonable attorney's fees. The provisions of this section shall not be deemed a limitation upon the right of the County to bring any other action, whether criminal, legal, or equitable, based upon the failure to pay the Tax imposed by this Ordinance or the failure to comply with any of the provisions hereof.

Any person who makes, signs, issues, or accepts or causes to be made, signed, issued, or accepted (and who submits or causes to be submitted for recordation) any deed, instrument, or writing subject to the Tax imposed by this Ordinance (and who makes any material misrepresentation of fact for the purpose of avoiding payment of all or any part of the Tax) shall be guilty of a misdemeanor punishable by imprisonment in a County jail not exceeding six months, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine.

Section 6. CONTENT OF DOCUMENTS SUBMITTED FOR RECORDATION. Every document subject to the Tax imposed by this Ordinance and which is submitted for recordation shall show on the face of the document the incorporated or unincorporated location of the lands, tenements, or other realty described in the document. If said lands, tenements, or other realty are located within a city in the County, the name of the city shall be set forth. If said lands, tenements, or other realty are located in the unincorporated area of the County, that fact shall be set forth.

Pursuant to the authority set forth in California Revenue and Taxation Code section 11911.1, each deed, instrument, or writing by which lands, tenements, or other realty is sold, granted, assigned, transferred, or otherwise conveyed, regardless of whether or not any Tax imposed by this Ordinance is due, shall have noted upon it, or on an attachment to the document, the Assessor's Parcel Number(s) and Tax Rate Area Number(s). These numbers will be used only for administrative and procedural purposes (and will not be proof of title) and, in the event of any conflicts, the stated legal description noted upon the document shall govern.

The validity of any such deed, instrument, or writing shall not be affected by the fact that its Assessor's Parcel Number(s) or Tax Rate Area Number(s) are erroneous or omitted, and there shall be no liability attaching to any person for an error in such number(s) or for omission of such number(s). The Recorder, however, shall not accept any such document for recording unless and until the Assessor's Parcel Number(s) and Tax Rate Area Number(s) have been noted thereon.

If the interest or property described in a conveyance document is a parcel which has been created by a land division which divides an existing Assessor's Parcel Number (and which at the time of recording has no new and separate Assessor's Parcel Number), the document shall have noted upon it the words "portion of" followed by the then existing Assessor's Parcel Number(s).

Section 7. MOBILEHOME INSTALLED ON A FOUNDATION SYSTEM. The transfer of any mobile home installed on a foundation system, pursuant to section 18551 of the California Health and Safety Code, and subject to local property taxation shall be subject to the Tax imposed by this Ordinance.

Section 8. EASEMENTS. The transfer of any easement shall be subject to the Tax imposed by this Ordinance if the easement potentially may endure for a substantial period of time, such as a perpetual easement, easement for life, or an easement for a fixed period of years that can be renewed by the easement holder or is of sufficient length so as to approximate a perpetual easement or an easement for life.

Section 9. LEASES. The creation of a leasehold interest in taxable real property for a term of 35 years or more (including renewal options), the termination of a leasehold interest in taxable real property which had an original term of 35 years or more (including renewal options), any transfer of a leasehold interest having a remaining term of 35 years or more (including renewal options), or any transfer of a lessor's interest in taxable real property subject to a lease with a remaining term (including renewal options) of less than 35 years shall be subject to the Tax imposed by this Ordinance.

Section 10. EXEMPTIONS. Exemptions from the Documentary Transfer Tax are set out below in subsections A through J. Except for any exemption claimed under subsection G below (when the deed, instrument or other writing includes the written recital described in subsection G) and except for any exemption claimed under subsection F below (when the deed, instrument, or other writing notes the consideration, unpaid debt amount and identification of grantee as beneficiary or mortgagee within the meaning of subsection F),

each person who claims an exemption from the Tax shall declare in writing (under penalty of perjury) the essential facts that support the claim for exemption (in the manner and form prescribed by the Recorder). The Recorder may require any person claiming an exemption from the Tax to furnish reasonable documentation that is relevant to determining the person's eligibility for the claimed exemption.

- a. Conveyances to secure a debt under California Revenue and Taxation Code Section 11921. The Tax imposed by this Ordinance shall not apply to any instrument in writing given to secure a debt.
- b. Conveyances to governmental entities under California Revenue and Taxation Code Section 11922. Any deed, instrument, or writing to which the United States or any agency or instrumentality thereof, any state or territory, or political subdivision thereof, is a party shall be exempt from any tax imposed pursuant to this part when the exempt agency is acquiring title.
- c. Conveyances under reorganization or adjustment plans under California Revenue and Taxation Code Section 11923.
 - (1) The Tax imposed pursuant to this Ordinance shall not apply to the making, delivering, or filing of conveyances to make effective any plan of reorganization or adjustment:
 - (A) Confirmed under the Federal Bankruptcy Code, as amended;
 - (B) Approved in an equity receivership proceeding in a court involving a railroad corporation, as defined in Section 101 of Title 11 of the United States Code, as amended;
 - (C) Approved in an equity receivership proceeding in a court involving a corporation, as defined in Section 101 of Title 11 of the United States Code, as amended; or
 - (D) Whereby a mere change in identity, form, or place of organization is effected.
 - (2) Section 11.D.(a) shall only apply if the making, delivery, or filing of instruments of transfer or conveyances occurs within five years from the date of such confirmation, approval, or change.
- d. Conveyances under order of the Securities and Exchange Commission under California Revenue and Taxation Code Section 11924. The Tax imposed by this Ordinance shall not apply to the making or delivery of conveyances to make effective any order of the Securities and Exchange Commission, as defined in subdivision (a) of Section 1083 of the Internal Revenue Code of 1954; but only if:
 - (1) The order of the Securities and Exchange Commission in obedience to which such conveyance is made recites that such conveyance is necessary or appropriate to effectuate the provisions of Section 79k of Title 15 of the United States

Code, relating to the Public Utility Holding Company Act of 1935;

- (2) Such order specifies the property which is ordered to be conveyed;
 - (3) Such conveyance is made in obedience to such order.
- e. Transfer of Certain Partnership Property under California Revenue and Taxation Code Section 11925.
- (1) In the case of any realty held by a partnership or other entity treated as a partnership for federal income tax purposes, no Tax shall be imposed pursuant to this Ordinance by reason of any transfer of an interest in a partnership or other entity or otherwise, if both of the following occur:
 - (A) Such partnership or other entity treated as a partnership is considered a continuing partnership within the meaning of Section 708 of the Internal Revenue Code of 1986.
 - (B) The continuing partnership or other entity treated as a partnership continues to hold the realty concerned.
 - (2) If there is a termination of any partnership or other entity treated as a partnership for federal income tax purposes, within the meaning of Section 708 of the Internal Revenue Code of 1986, for purposes of this Ordinance, the partnership or other entity shall be treated as having executed an instrument whereby there was conveyed, for fair market value (exclusive of the value of any lien or encumbrance remaining thereon), all realty held by the partnership or other entity at the time of the termination.
 - (3) Not more than one Tax shall be imposed pursuant to this Ordinance by a county, city and county or city by reason of a termination described in the subdivision (b), and any transfer pursuant thereto, with respect to the realty held by a partnership or other entity treated as a partnership at the time of such termination.
 - (4) No levy shall be imposed pursuant to this part by reason of any transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title to the realty and in which proportional ownership interests in the realty, whether represented by stock, membership interest, partnership interest, co-tenancy interest, or otherwise, directly or indirectly, remain the same immediately after the transfer.
- f. Conveyances taken in lieu of foreclosure and exception to exemption under California Revenue and Taxation Code Section 11926. Any Tax imposed by this Ordinance shall not apply with respect to any deed, instrument, or writing to a beneficiary or mortgagee, which is taken from the mortgagor or trustor as a result of or in lieu of foreclosure; provided, that such Tax shall apply to the extent that the consideration exceeds the unpaid debt, including accrued interest and cost of foreclosure. Consideration, unpaid debt amount and identification of grantee as beneficiary or

mortgagee shall be noted on said deed, instrument, or writing or stated in an affidavit or declaration under penalty of perjury for Tax purposes.

- g. Conveyances in dissolution of marriage under California Revenue and Taxation Code Section 11927.
 - (1) Any Tax imposed by this Ordinance shall not apply with respect to any deed, instrument, or other writing which purports to transfer, divide, or allocate community, quasi-community, or quasi-marital property assets between spouses for the purpose of effecting a division of community, quasi-community, or quasi-marital property which is required by a judgment decreeing a dissolution of the marriage or legal separation, by a judgment of nullity, or by any other judgment or order rendered pursuant to the Family Code or by a written agreement between the spouses, executed in contemplation of any such judgment or order, whether or not the written agreement is incorporated as part of any of those judgments or orders.
 - (2) In order to qualify for the exemption provided in preceding paragraph, the deed, instrument, or other writing shall include a written recital, signed by either spouse, stating that the deed, instrument, or other writing is entitled to the exemption.
- h. Conveyances by governmental entities with agreements by purchasers to reconvey under California Revenue and Taxation Code Section 11928. Any Tax imposed by this Ordinance shall not apply with respect to any deed, instrument, or other writing by which realty is conveyed by the State of California, any political subdivision thereof, or any agency or instrumentality of either thereof, pursuant to an agreement whereby the purchaser agrees to immediately reconvey the realty to the exempt agency.
- i. Conveyances by governmental entities to certain nonprofit corporations under California Revenue and Taxation Code Section 11929. Any Tax imposed by this Ordinance shall not apply with respect to any deed, instrument, or other writing by which the State of California, any political subdivision thereof, or any agency or instrumentality of either thereof, conveys to a nonprofit corporation realty the acquisition, construction, or improvement of which was financed or refinanced by obligations issued by the nonprofit corporation on behalf of a government unit, within the meaning of Section 1.103-1(b) of Title 26 of the Code of Federal Regulations.
- j. Conveyances by inter vivos gifts or death under California Revenue and Taxation Code Section 11930. Any Tax imposed by this Ordinance shall not apply to any deed, instrument, or other writing which purports to grant, assign, transfer, convey, divide, allocate, or vest lands, tenements, or realty, or any interest therein, if by reason of such inter vivos gift or by reason of the death of any

person, such lands, tenements, realty or interests therein are transferred outright to, or in trust for the benefit of, any person or entity.

Section 11. CREDIT AGAINST COUNTY TAX. If the legislative body of any city (within the County) imposes a city documentary transfer tax pursuant to Part 6.7 equal to one-half the amount specified in Section 3 of this Ordinance, the County shall grant a credit against the County Documentary Transfer Tax in the amount of the city tax if the city's tax conforms to Part 6.7. The County shall collect all taxes imposed pursuant to Part 6.7.

On or before the fifteenth day of each month, the Recorder shall report to the County Auditor-Controller the amount of taxes collected during the preceding month pursuant to this Ordinance and each city documentary transfer tax ordinance. The County Auditor-Controller shall allocate and distribute monthly the taxes collected as follows:

- a. All money which relates to transfers of real property located in unincorporated areas of the County shall be allocated to the County.
- b. All money which relates to transfers of real property located in a city which imposes a tax on transfers of real property pursuant to Part 6.7 shall be allocated one-half to the city and one-half to the County.
- c. All money which relates to transfers of real property located in a city which imposes a tax on transfers of real property not in conformity with Part 6.7 shall not be credited against the County Tax and the entire amount collected by the County shall be allocated entirely to the County.
- d. All money which relates to transfers of real property in a city which does not impose a tax on transfers of real property shall be allocated entirely to the County.

Section 12. REFUNDS. Claims for refund of the Documentary Transfer Tax shall be governed by the provisions of chapter 5 (commencing with section 5096) of part 9 of Division 1 of the California Revenue and Taxation Code. All written claims for refund shall be verified under penalty of perjury.

Section 13. MANNER OF GIVING NOTICE. Any notice required to be given under this Ordinance to any person shall be sufficiently given or served if it is personally served upon such person or if it is deposited, postage prepaid, in a post office, mailbox, subpost office, substation, or mail chute (or other like facility regularly maintained by the United States Postal Service) addressed to the person at the address for such person given on the relevant deed, instrument, or writing (within the meaning of Section 2 of this Ordinance) or at the address for such person given on the relevant claim for refund (within the meaning of Section 13 of this Ordinance) or, if no such address is available, to the person at the official address maintained by the Treasurer-Tax Collector for mailing of tax bills levied against the real property that was transferred without full payment of Tax or, if no such address is available, to the person at the address of said real property.

Section 14. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.”

Section 2. EFFECTIVE DATE. This Ordinance shall take effect thirty (30) days after adoption.

Adopted: 516 11/13/1967 (Eff: 12/13/1967) (Oper.: 11/01/1968)

Amended: 516.1 05/20/1968 (Eff: 06/18/1968) (Oper.: 07/01/1968)

516.2 12/02/1980 (Eff: 12/31/1980) (Oper.: 01/05/1981)

516.3 Item 12.2 of 03/01/1994 (Eff: 03/31/1994)

516.4 Item 3-2 of 02/04/2014 (Eff: 03/06/2014)