COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 Imperial Highway – P.O. Box 1024, Norwalk, California 90651-1024 – www.lavote.net

DEAN C. LOGAN
Registrar-Recorder/County Clerk

July 27, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REGISTRAR-RECORDER/COUNTY CLERK
AMEND FEES FOR FICTITIOUS BUSINESS NAME STATEMENT FILING AND INDEXING, FICTITIOUS BUSINESS NAME STATEMENT OF ABANDONMENT OR WITHDRAWAL AND ESTABLISH FEES FOR INDEXING OF MORE THAN TEN NAMES AND FEDERAL LIEN SEARCH AND CERTIFICATE
(ALL DISTRICTS) (3 VOTES)

SUBJECT:

The Registrar-Recorder/County Clerk (RR/CC) re-examined the fees charged for services relating to fictitious business name statement filing and indexing, fictitious business name statement of abandonment or withdrawal, indexing of ten or more names, and federal lien search and certificate. It was determined that the current fees no longer reflect the actual costs needed to realize full Departmental cost recovery.

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

Approve the attached ordinances revising RR/CC fees related to: 1) Fictitious Business Name (FBN) statement filing and indexing, 2) FBN statement of abandonment or withdrawal, 3) indexing of ten or more names, and 4) federal lien search and certificate which will become effective thirty days from the date of Board passage, in accordance with Government Code (GC) 25123.

PURPOSE OF RECOMMENDED ACTION:

The RR/CC provides a variety of services related to elections, recorder and county clerk operations. It is common practice to periodically re-examine fees to ensure the Department receives full cost recovery for administering services as permitted by applicable law. During a review of the above-mentioned fees, it was concluded that the current fees no longer provide full cost recovery of the Department's cost for providing these services. Cost studies to determine the appropriate fees consisted of research, interviews and work observations of technical and support staff performing their duties to

provide these services. The studies included applicable costs such as salaries, employee benefits, supplies, equipment and overhead.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

Goal No. 1: Operational Effectiveness: Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services.

Goal No. 1/Strategy 1: Fiscal Sustainability: Promote sound, prudent and transparent short and long-range fiscal policies and practices that help ensure maintenance of critical, high priority County public services regardless of cyclical economic conditions.

Goal No. 1/Strategy 2a: Service Excellence and Organizational Effectiveness: Streamline and improve administrative operations and processes to increase effectiveness, enhance customer service and support responsive County operations.

JUSTIFICATION:

County Code 2.32.330 FBN Statement Filing and Indexing Fee

Business and Professions Code (B&P) section 17910 requires every person who regularly transacts business under a FBN for profit in the State of California to file a statement prior to opening a business. This FBN statement filing makes the identity of a registrant of a business entity doing business under any FBN within Los Angeles County available to the public. A FBN filing expires at the end of five years from the date on which it was filed with the County Clerk. Registrants who continue to do business under the same FBN can file a FBN renewal with the County Clerk which also expires five years after the date on which it was filed with the County Clerk. There is a separate fee assessed for each additional registrant added to the same business name.

Cost studies of current work processes concluded that the current fees to file and index fictitious business name statements and to process FBN renewals and additional registrants no longer represent current costs and need to be updated to reflect actual cost recovery in order to achieve strategic plan goals of operational effectiveness, fiscal sustainability and service excellence. Upon review of these services, it has been determined that the appropriate fees should increase as follows:

FBN Statement Filing and Indexing Fee from $23 to $26
FBN Statement Renewal Fee from $18 to $26
FBN Additional Registrant Fee from $4 to $5

County Code 2.32.340 FBN Statement of Abandonment or Withdrawal Fee

Business and Professions Code section 17923 allows any person who is a general partner in a partnership that is or has been regularly transacting business under a fictitious business name to withdraw as a general partner by filing a Statement of Withdrawal from Partnership in the county where the FBN Statement was originally filed. This fee is for persons or business entities that wish to abandon doing business under a

previously filed fictitious business name statement (including affidavit of publication) or preferring to withdraw as a general partner under a previously filed fictitious business name statement (including affidavit of publication).

Cost studies of current work processes concluded that the current fee for filing a fictitious business name abandonment or withdrawal is no longer an accurate representation of current costs and needs to be updated to reflect actual cost recovery in order to achieve strategic plan goals of operational effectiveness, fiscal sustainability and service excellence. Upon review of this service, it has been determined that the appropriate fee should increase as follows:

FBN Statement of Abandonment or Withdrawal Fee from $23 to $26

County Code 2.32.350 Indexing of More Than Ten Names Fee

When a document is recorded, the initial first ten names are included in the recording fee. A fee to index more than ten names is charged whenever any instrument, paper, or notice recorded requires indexing past the initial first set of ten names. Once recorded, the indexed names on the property document are filed with the county recorder, become public record and are available to be viewed at Norwalk Headquarters.

County recorders were previously allowed to charge a maximum fee of $1 for the additional indexing of more than ten names per Government Code (GC) 27361.8. Senate Bill (SB) 676 deleted GC 27361.8 from GC 54985 and allows recorders to charge for full cost recovery. Therefore, the fee charged for providing this service should reflect the Department's actual cost, including expenses for employee salaries, benefits, supplies and equipment usage.

Cost studies of current processes concluded that the current fee of $1 for indexing beyond the initial ten (10) names does not provide for full recovery of actual costs. As such the current fee needs to be updated to reflect actual cost recovery as permitted under SB 676. The proposed fee increase promotes strategic plan goals of operational effectiveness, fiscal sustainability and service excellence. Upon review of this service, it has been determined that the appropriate fee for indexing each additional group of one to ten names beyond the initial group of ten names should increase as follows:

Indexing of More Than Ten Names Fee from $1 to $4

County Code 2.32.360 Federal Lien Search and Certificate Fee

Senate Bill (SB) 676 amended Code of Civil Procedure (CCP) 2103 to allow cost recovery for conducting federal lien search and certification services. This type of lien is usually issued against an individual's entire assets when a loan can no longer be repaid. Once the lien is issued, it is then filed with the county recorder and becomes public record. Requestors can appear in person at RR/CC Headquarters to place an order for a ten year search of a federal lien. If any search entries are found according to the order, information such as the secured party name, secured party address, document number, page count and time/date of lien recording is written down on the request form that is provided to the requestor. Additionally, the county employee performing the search will

stamp and sign the form to officially certify the document. The Federal Lien Search and Certificate fee has been set in statute at $15 since January 1, 1983 and was never amended to allow for cost recovery. With the passage of SB 676 and amendments to CCP 2103, the fee for providing this service can now be increased to recover actual costs.

Studies of current processes concluded that the current fee charged for performing this service is not an accurate representation of actual costs and needs to be updated to reflect full cost recovery in order to achieve strategic plan goals of operational effectiveness, fiscal sustainability and service excellence. Upon review of this service, it has been determined that the appropriate fee should increase as follows:

Federal Lien Search and Certificate Fee from $15 to $30

FISCAL IMPACT/ FINANCING:

Approval of this recommendation will enable the RR/CC to fully recover costs for services provided. Based on anticipated volume, the projected Departmental revenue increases from September 1, 2010 through June 30, 2011 are as follows:

FEE	REVENUE INCREASE
FBN Statement Filing and Indexing	$205,000
FBN Statement Renewal	76,000
FBN Additional Registrant	18,000
FBN Statement of Abandonment or Withdrawal	9,000
Indexing of More than Ten Names	400
Federal Lien Search and Certificate	600
Total	$309,000

ENVIRONMENTAL DOCUMENTATION

These fee increases are to fund operating expenses (or to cover the costs of providing the service), and are therefore, exempt from the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the State of California Environmental Quality Act Guidelines.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Government Code (GC) 54985 authorizes the Board of Supervisors to increase the fee or charge that is otherwise authorized to be levied by another provision of law, in an amount reasonably necessary to cover the direct and indirect costs of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied. A local agency is required to hold a public hearing at which oral or written presentations can be made pursuant to GC 66018. The Executive Office of the Board of Supervisors, in

accordance with GC 6062(a), published an official notice of the time and place of said meeting, including a general explanation of the fees to be revised.

All fees have been reviewed and approved by the Department of Auditor-Controller while County Counsel has prepared the attached required ordinance that incorporates the proposed fees and revisions.

IMPACT ON CURRENT SERVICES:

The proposed fees will not impact current services provided by the Department.

CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return one (1) adopted copy of this letter to:

Brandy Corona, Fees and Studies Section Head
Department of Registrar-Recorder/County Clerk
Finance and Management Division
12400 Imperial Highway, Room 7211
Norwalk, CA 90650

Respectfully submitted,

DEAN C. LOGAN
Registrar-Recorder/County Clerk

NU:as:bj:jw

Attachments

c: William T. Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer, Board of Supervisors
Andrea S. Ordin, County Counsel
Wendy L. Watanabe, Auditor-Controller

ANALYSIS

This ordinance amends Title 2 – Administration, of the Los Angeles County Code by amending sections 2.32.330 Fictitious business name statement filing and indexing fee, 2.32.340 State of abandonment or withdrawal – Fictitious business name, and adds sections 2.32.350 Indexing of more than ten names fee and 2.32.360 Federal lien search and certificate fee.

The fees for fictitious business name statement filing, abandonment and withdrawal are authorized by Business and Professions Code section 17929. The fee for indexing more than ten names is authorized by Government Code section 27361.8. The fee for federal lien search and certification is authorized by Code of Civil Procedure section 2103(d). Finally, Government Code section 54985 authorizes the Board of Supervisors to increase the fee or charge, that is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the costs of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied.

ANDREA SHERIDAN ORDIN
County Counsel

By P. Salseda

PATRICE J. SALSEDA
Senior Deputy County Counsel
Government Services Division

PJS:er

Requested 04/09/10
Revised 05/12/10

HOA.700323.1

ORDINANCE NO. _____

An ordinance amending Title 2 - Administration of the Los Angeles County Code, relating to fees for the Registrar-Recorder/County Clerk.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 2.32.330 is hereby amended to read as follows:

2.32.330 Fictitious business name statement filing and indexing fee.

The Registrar-Recorder/County Clerk shall charge a fee of ~~$23.00~~$26.00 for filing and indexing a fictitious business name statement and/or fictitious business name statement renewal for the first ~~two~~ registrants~~,~~ and a fee of ~~$4.00~~$5.00 for each additional registrant thereafter.~~, and a fee of $18.00 for filing and indexing a fictitious business name statement renewal that is valid for five years.~~

SECTION 2. Section 2.32.340 is hereby amended to read as follows:

2.32.340 Statement of abandonment or withdrawal -- Fictitious business name.

The Registrar-Recorder/County Clerk shall charge a fee of ~~$23.00~~$26.00 for filing and indexing each statement of abandonment ~~of use of fictitious business name~~ or statement of withdrawal from a partnership operating under a fictitious business name.

SECTION 3. Section 2.32.350 is hereby added to read as follows:

2.32.350 Indexing of more than ten names fees

The Registrar-Recorder/County Clerk shall charge a fee of $4.00 for indexing of more than ten names whenever any instrument, paper, or notice is recorded which requires additional indexing for each group of ten names or fractional portion thereof after the initial group of ten names.

SECTION 4. Section 2.32.360 is hereby added to read as follows:

2.32.360 Federal lien search and certificate fee

The Registrar-Recorder/County Clerk shall charge a fee of $30.00 for each name searched and certified for federal liens.

[232330PSCC]