



For Immediate Release

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***** PRESS RELEASE*****

**Assessor-Recorder Ting Seeks Tax Loophole Closed
for Change in Ownership Statements**

*Outdated Law Unchanged Since 1981,
Bill Creates Tougher Penalties for Tax Evaders*

San Francisco, CA – Testifying today before the Senate Governance and Finance Committee in Sacramento, Assessor-Recorder Phil Ting is calling for an increase in the cap on penalties for property owners that fail to file a Change in Ownership Statement - a measure that will bring greater efficiency to tax collection and close tax loopholes.

California law requires a Change in Ownership Statement to be filed with the Assessor-Recorder's office when there is a sale or transfer of real estate.

Ting wants to update the current law to stop property owners that evade the law and do not pay their taxes. Penalties for failure to file a Change of Ownership Statement have not been updated since 1981. The sanctions being sought by Ting are consistent with current market rates.

Under the proposed legislation – Senate Bill 507 authored by State Senator Mark DeSaulnier (D – Concord) – the penalty cap for residential property owners who fail to file a Change of Ownership Statement will increase from \$2,500 to \$5,000. The cap on penalties for commercial property owners will go from \$10,000 to \$20,000.

“The law has not been updated for nearly 30 years. By today's standards, the penalties for not filing a Change in Ownership Statement barely amount to a slap on the wrist,” says Ting. “This legislation is necessary to maintain fair and equitable standards for all taxpayers in California. Taxpayers who follow the law should not have to shoulder the burden for those who take advantage of this loophole.”

SB 507 also specifies to whom and where notices of failure to file will be sent, as well as extends the notice period from 45 days to 90 – giving taxpayers more time and opportunity to comply.

For the past year, the San Francisco Assessor-Recorder's office has been working on this measure to strengthen penalties and procedures for property owners failing to file a Change of Ownership Statement. Senate Bill 507 not only has the unanimous support of the California Assessor's Association, but also the endorsement of the California Tax Reform Association and the California State Association of Counties.

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