HOUSE BILL 2316

State of Washington 65th Legislature 2018 Regular Session

By Representatives McDonald, Dolan, Stokesbary, Gregerson, and Haler Prefiled 12/22/17. Read first time 01/08/18. Referred to Committee on State Govt, Elections & IT.

- 1 AN ACT Relating to the recording standards commission; amending
- 2 RCW 65.24.010 and 65.24.040; adding a new section to chapter 65.24
- 3 RCW; creating a new section; and repealing RCW 65.24.900.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature recognizes the necessity
- 6 to clarify existing law regarding the recording of documents with
- 7 county recording departments and county auditors. Recording standards
- 8 and practices vary from county to county, which creates confusion and
- 9 liability. County recorders, real estate firms, title and escrow
- 10 companies, and consumer groups need simplified and standardized
- 11 recording standards and fees. It is the intent of the legislature
- 12 that the secretary of state have the authority to create regulations
- 13 for consistent recording of documents by county auditors.
- 14 Sec. 2. RCW 65.24.010 and 2008 c 57 s 2 are each amended to read
- 15 as follows:
- 16 The definitions in this section apply throughout this chapter
- 17 unless the context clearly requires otherwise.
- 18 (1) "Document" means information that is:

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- 1 (a) Inscribed on a tangible medium or that is stored in an 2 electronic or other medium, and is retrievable in perceivable form; 3 and
- 4 (b) Eligible to be recorded in the land records maintained by the recording officer.
- 6 (2) "Electronic" means relating to technology having electrical, 7 digital, magnetic, wireless, optical, electromagnetic, or similar 8 capabilities.
- 9 (3) "Electronic document" means a document that is received by 10 the recording officer in an electronic form.
- 11 (4) "Electronic signature" means an electronic sound, symbol, or 12 process attached to or logically associated with a document and 13 executed or adopted by a person with the intent to sign the document.

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- (5) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.
- 19 (6) "State" means a state of the United States, the District of 20 Columbia, Puerto Rico, the United States Virgin Islands, or any 21 territory or insular possession subject to the jurisdiction of the 22 United States.
 - (7) "((E-recording)) Recording standards commission" means the body of stakeholders appointed by the secretary of state to review recording standards, including but not limited to electronic recording standards, and make recommendations to the secretary under RCW 65.24.040.
- 28 **Sec. 3.** RCW 65.24.040 and 2008 c 57 s 5 are each amended to read 29 as follows:
 - (1) The office of the secretary of state shall create and appoint ((an e-recording)) a recording standards commission. The ((e-recording)) recording standards commission shall review recording standards, including electronic recording standards, and make recommendations to the secretary of state for rules necessary to implement this chapter. A majority of the commission must be county recorders or county auditors. The commission may include assessors, treasurers, land title company representatives, escrow agents, and mortgage brokers, the state archivist, county surveyors, and any

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other party the secretary of state deems appropriate. The term of the commissioners will be set by the secretary of state.

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- (2) To keep the standards and practices of recording officers in this state in harmony, and to promote harmony with the standards and practices of recording offices in other jurisdictions that enact ((this chapter)) similar legislation or policy and to keep the technology used by recording officers in this state compatible with technology used by recording offices in other jurisdictions that enact ((this chapter)) similar legislation or policy, the office of the secretary of state, under RCW 40.14.020, so far as is consistent with the purposes, policies, and provisions of this chapter, in adopting, amending, and repealing rules supporting recording standards shall consider:
- $((\frac{1}{1}))$ (a) The standards and practices of other jurisdictions;
- 15 $((\frac{2}{2}))$ (b) The most recent standards adopted by national standard-setting bodies, such as the property records industry association;
- 18 $((\frac{3}{3}))$ <u>(c)</u> The views of interested persons and governmental officials and entities;
- 20 $((\frac{4}{}))$ (d) The needs of counties of varying size, population, 21 and resources; ((and
- (5)) (e) Standards requiring adequate information security protection to ensure that ((electronic)) documents are accurate, authentic, adequately preserved, and resistant to tampering:
- 25 <u>(f) Standards requiring adequate information security protection</u>
 26 <u>to ensure that electronic documents are accurate, authentic,</u>
 27 <u>adequately preserved, and resistant to tampering;</u>
- 28 <u>(g) Standards for the certification of recorded documents</u>
 29 <u>including imaged paper documents and documents that are received by</u>
 30 <u>the recording officer in an electronic form; and</u>
- 31 (h) Standards on the documentation and recording of boundary line 32 adjustments for real property.
- NEW SECTION. Sec. 4. A new section is added to chapter 65.24 RCW to read as follows:
- 35 (1) The secretary of state, as chief archivist, shall make 36 reasonable rules in accordance with federal and state laws, to 37 provide for the uniform recording of documents in cooperation with 38 the commission established in this chapter.

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- 1 (2) In addition to the rule-making authority granted otherwise by 2 this section, the secretary of state may make rules governing the 3 following:
 - (a) Recording duties of county recorders and county auditors;
- 5 (b) Recording standards for the creation of certified copies for 6 use as evidence;

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- (c) Recording standards for documents related to eminent domain;
- 8 (d) Recording standards for documents related to community 9 property;
- (e) Recording standards for documents related to unfit dwellings,buildings, and structures;
- 12 (f) Recording standards for court summons served and court 13 judgments;
- 14 (g) Recording standards for documents related to military 15 discharge;
- 16 (h) Recording standards for documents related to boundaries and 17 plats not otherwise under the rule-making authority of another state 18 agency;
 - (i) Recording standards for documents related to liens;
- 20 (j) Recording standards for documents related to mortgages, deeds 21 of trust, and real estate contracts;
- 22 (k) Recording standards for documents related to the uniform 23 commercial code;
- 24 (1) Recording standards for documents related to real property 25 and conveyances;
- 26 (m) Standards to be used in recording, registration, and legal 27 publication under this chapter;
- 28 (n) Recording standards for documents related to cemetery 29 property;
- 30 (o) Standards for fee waivers including but not limited to documents for veterans, and support of dependent children;
- (p) Recording standards for documents related to mines, minerals, and petroleum;
- 34 (q) Recording standards for documents related to public lands, 35 including tidelands, and shorelines;
- 36 (r) Recording standards for documents related to excise tax on 37 real estate;
- (s) Recording standards for documents related to property tax;
- 39 (t) Recording standards for documents prepared in foreign 40 countries; and

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- 1 (u) Recording standards for documents not identified in (a)
- 2 through (t) of this subsection.
- 3 <u>NEW SECTION.</u> **Sec. 5.** RCW 65.24.900 (Short title) and 2008 c 57
- 4 s 1 are each repealed.

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