

# SENATE BILL REPORT

## SB 6057

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As Passed Senate, January 25, 2018

**Title:** An act relating to the recording standards commission.

**Brief Description:** Concerning the recording standards commission.

**Sponsors:** Senators Kuderer, Hunt, Zeiger and Takko.

**Brief History:**

**Committee Activity:** Local Government: 1/09/18, 1/11/18 [DP].

**Floor Activity:**

Passed Senate: 1/25/18, 48-1.

**Brief Summary of Bill**

- Establishes the Recording Standards Commission in place of the Electronic Recording Standards Commission (ERSC) to review recording standards, including electronic recording standards, and make recommendations to the Secretary of State for the purpose of creating regulations for the consistent recording of documents by county auditors.
- Grants rule-making authority to the Secretary of State to provide for the uniform recording of documents in cooperation with the Recording Standards Commission.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass.

Signed by Senators Takko, Chair; Short, Ranking Member; Angel and Liias.

**Staff:** Greg Vogel (786-7413)

**Background:** Secretary of State. The Secretary of State is the state's chief elections officer, chief corporations officer, and supervisor of the State Archives. Among the duties of the office, the secretary is responsible for collecting and preserving the historical records of the state and making those records available for research, and coordinating implementation of the state's records management laws.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

County auditors. County auditors are responsible for the recording of specified documents required by law to be part of the public record kept by a county. The documents that must be recorded by a county auditor include judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions. State law specifies requirements that must be met by an auditor when exercising an auditor's recording duties and specifically authorizes an auditor to record documents in electronic format.

ERSC. In 2008, the Legislature adopted the Uniform Real Property Electronic Recording Act (URPERA) and the ERSC to advise the state's recording officers—county auditors and other official county recorders—regarding the adoption of standards to implement URPERA. A majority of ERSC must be composed of county recorders or auditors but may also include assessors, treasurers, land title company representatives, escrow agents, mortgage brokers, the state archivist, and any other party the Secretary of State deems appropriate. URPERA is the product of the National Conference of Commissioners on Uniform State Laws and is designed to establish the legal authority of the recorder to receive and record documents and information in electronic form.

**Summary of Bill:** The ERSC is newly established as the Recording Standards Commission (Commission). The Commission is tasked with reviewing recording standards, including electronic recording standards, and making recommendations to the Secretary of State for the purpose of creating regulations for the consistent recording of documents by county auditors. A majority of the Commission must be composed of county recorders or county auditors, but may include assessors, treasurers, land title company representatives, escrow agents, mortgage brokers, the state archivist, county surveyors, and any other party the Secretary of State deems appropriate.

The Secretary of State is directed to make reasonable rules in accordance with federal and state laws, to provide for the uniform recording of documents in cooperation with the Commission. To promote jurisdictional harmony and compatibility in the use of standards, practices, and technology, the Office of the Secretary of State must, in adopting, amending, and repealing rules supporting recording standards, consider:

- the standards and practices of other jurisdictions;
- the most recent standards adopted by national standard-setting bodies, such as the Property Records Association;
- the views of interested persons and governmental officials and entities;
- the needs of counties of varying size, population, and resources;
- standards requiring adequate information security protection to ensure that documents and electronic documents are accurate, authentic, adequately preserved, and resistant to tampering;
- standards for the certification of recorded documents including imaged paper documents and documents that are received by the recording officer in an electronic form; and
- standards on the documentation and recording of boundary line adjustments for real property.

In addition to the general rule-making authority granted to the Secretary of State under the act, the secretary may make rules governing:

- recording duties of county recorders and county auditors;
- recording standards for the creation of certified copies for use as evidence;
- standards to be used in recording, registration, and legal publication;
- standards for fee waivers including but not limited to documents for veterans, and support of dependent children; and
- recording standards for various official documents.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill makes things more uniform and consistent for auditors, bringing stability and predictability at the county level—elements that are key for good governance. The counties, county auditors, and the Secretary of State are all in support of this bill. A significant amount of stakeholder outreach has been conducted and there has been nothing but positive feedback. All parties want clarity around procedures at the recording counter.

There are 39 counties and 39 different ways of recording documents, for example, non-standard fees and different definitions of what non-standard means. Uncertainty surrounding standards delays recording documents, closing on homes, and recording mortgages. Some counties accept photocopies, some do not. Consistency across all counties is very much needed.

**Persons Testifying:** PRO: Senator Patty Kuderer, Prime Sponsor; Julie Anderson, Washington State Association of County Auditors; Toni McKinley, Office of the Secretary of State; Casey Kaul, Pierce County Auditor's Office.

**Persons Signed In To Testify But Not Testifying:** No one.