

SENATE BILL No. 999

May 15, 2018, Introduced by Senators HERTEL, MACGREGOR, MARLEAU, BOOHER, GREGORY and SCHMIDT and referred to the Committee on Banking and Financial Institutions.

A bill to amend 2010 PA 123, entitled "Uniform real property electronic recording act," by amending sections 4 and 5 (MCL 565.844 and 565.845), section 5 as amended by 2014 PA 569.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) A county register of deeds who implements any of
2 the functions listed in subsection (2) shall do so in compliance
3 with any standards established by the electronic recording
4 commission.

5 (2) A county register of deeds may do any of the following:

6 (a) Receive, index, store, archive, and transmit electronic
7 documents.

8 (b) Provide for access to, and for search and retrieval of,
9 documents and information by electronic means.

10 (c) Convert paper documents accepted for recording into

1 electronic form.

2 (d) Convert into electronic form information recorded before
3 the county register of deeds began to record electronic documents.

4 (e) Accept electronically any fee or tax that the county
5 register of deeds is authorized to collect.

6 (f) Agree with other officials of a state or a political
7 subdivision of a state, or of the United States, on procedures or
8 processes to facilitate the electronic satisfaction of prior
9 approvals and conditions precedent to recording and the electronic
10 payment of fees or taxes.

11 (3) A county register of deeds who accepts electronic
12 documents for recording shall continue to accept paper documents
13 for recording as authorized by state law. The county register of
14 deeds shall place entries for both types of documents in the same
15 index.

16 **(4) A COUNTY REGISTER OF DEEDS SHALL ONLY ACCEPT ELECTRONIC**
17 **DOCUMENTS FOR RECORDING FROM A PERSON WITH WHICH THE COUNTY**
18 **REGISTER OF DEEDS HAS ENTERED INTO AN AGREEMENT ESTABLISHING A**
19 **VERIFIED TRANSACTIONAL RELATIONSHIP.**

20 (5) ~~(4)~~—This act does not invalidate electronic documents
21 recorded under this act, the uniform electronic transactions act,
22 2000 PA 305, MCL 450.831 to 450.849, or the federal electronic
23 signatures in global and national commerce act, 15 USC 7001 to
24 7031, before the establishment of standards under this act by the
25 electronic recording commission.

26 Sec. 5. (1) The electronic recording commission is created
27 within the department of technology, management, and budget. The

1 commission consists of 8 members, as follows:

2 (a) The director of the department of technology, management,
3 and budget or his or her designee, who is a nonvoting member.

4 (b) Seven members appointed by the governor, as follows:

5 (i) Four individuals who are county registers of deeds.

6 (ii) One individual who is engaged in the land title
7 profession.

8 (iii) One individual who is engaged in the business of
9 banking.

10 (iv) One individual who is an attorney licensed to practice
11 law in this state and whose practice emphasizes real property
12 matters.

13 (2) The appointed members of the commission shall serve for
14 terms of 2 years or until a successor is appointed, whichever is
15 later, except that of the members first appointed 3 shall serve for
16 1 year, 2 shall serve for 2 years, and 2 shall serve for 3 years.

17 (3) If a vacancy occurs on the commission, the governor shall
18 make an appointment for the unexpired term in the same manner as
19 the original appointment.

20 (4) The governor may remove an appointed member of the
21 commission for incompetency, dereliction of duty, malfeasance,
22 misfeasance, or nonfeasance in office, or any other good cause.

23 (5) The first meeting of the commission shall be called by the
24 director of the department of technology, management, and budget.
25 At the first meeting, the commission shall elect from among its
26 members a chairperson and other officers as it considers necessary
27 or appropriate. After the first meeting, the commission shall meet

1 at least annually, or more frequently at the call of the
2 chairperson or if requested by 5 or more members.

3 (6) A majority of the members of the commission constitute a
4 quorum for the transaction of business at a meeting of the
5 commission. A majority of the members present and serving are
6 required for official action of the commission.

7 (7) The business that the commission may perform shall be
8 conducted at a public meeting of the commission held in compliance
9 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

10 (8) A writing prepared, owned, used, in the possession of, or
11 retained by the commission in the performance of an official
12 function is subject to the freedom of information act, 1976 PA 442,
13 MCL 15.231 to 15.246.

14 (9) Members of the commission shall serve without
15 compensation. However, members of the commission may be reimbursed
16 for their actual and necessary expenses incurred in the performance
17 of their official duties as members of the commission.

18 (10) The commission shall adopt standards to implement this
19 act **AND STANDARDS THAT ADDRESS THE ACCEPTANCE AND USE OF ELECTRONIC**
20 **NOTARIZATION OF DOCUMENTS SUBMITTED TO A COUNTY REGISTER OF DEEDS**
21 **FOR RECORDING.** To keep the standards and practices of county
22 registers of deeds in this state in harmony with the standards and
23 practices of offices of county registers of deeds in other
24 jurisdictions that enact substantially this act, and to keep the
25 technology used by county registers of deeds in this state
26 compatible with technology used by offices of county registers of
27 deeds in other jurisdictions that enact substantially this act, the

1 commission, so far as is consistent with the purposes, policies,
2 and provisions of this act, in adopting, amending, and repealing
3 standards, shall consider all of the following:

4 (a) Standards and practices of other jurisdictions.

5 (b) The most recent standards promulgated by national
6 standard-setting bodies, such as the ~~property records industry~~
7 ~~association~~. **PROPERTY RECORDS INDUSTRY ASSOCIATION.**

8 (c) The views of interested persons and governmental officials
9 and entities.

10 (d) The needs of counties of varying size, population, and
11 resources.

12 (e) Standards requiring adequate information security
13 protection to ensure that electronic documents are accurate,
14 authentic, adequately preserved, and resistant to tampering.

15 Enacting section 1. This amendatory act takes effect 90 days
16 after the date it is enacted into law.

17 Enacting section 2. This amendatory act does not take effect
18 unless all of the following bills of the 99th Legislature are
19 enacted into law:

20 (a) Senate Bill No. 664.

21 (b) Senate Bill No. 996.

22

23 (c) Senate Bill No. 997.

24

25 (d) Senate Bill No. 998.

26