

The EREER Task Force is currently involved in an initiative to study, develop and pilot test standards for electronic real estate recording. The Task Force is asking associations with a vested interest in the successful completion of this initiative to send letters to Representative Al Juhnke and Senator Steve Kelley, asking them to support a bill to correct an inadvertent error in the funding of this study. The following is a synopsis of our initiative and time frame associated for your review.

### **Brief Summary of Initiative and Time Frame**

In April 1999, Senator Steve Kelley asked Secretary of State Mary Kiffmeyer to convene a group of persons interested in Minnesota's land record system, to study the possibility of electronic real estate transactions. The Legislature enacted Minnesota Law 2000, Chapter 391 (effective August 1, 2000) which established the Electronic Real Estate Task Force. The Legislature enacted Minnesota Law 2001, Chapter 357 which appropriated funding for the Task Force's initiative.

The time line for the EREER Task Force defines the critical path that the project must follow to be successful. It has four primary phases.

**1. Analysis of the current environment:** The Task Force will survey current practices and technologies in Minnesota county recorders' offices; evaluate electronic real estate recording systems in other jurisdictions; and develop a high-level model of public and private real estate recording processes in Minnesota. This phase is targeted for completion in June of 2002.

**2. Determination of appropriate features and standards:** The Task Force will establish the business rules for an electronic real estate recording system, with a definition of the legal, technological, operational, and functional context for making a system work. This phase is targeted for completion in August of 2002.

**3. Testing the system:** The Task Force will translate the business rules into a working pilot project. This phase is targeted for completion in January 2003.

**4. Final evaluation:** The Task Force will review the pilot project and finalize its definition of the necessary features and standards for electronic real estate recording systems in Minnesota. At the end of phases 2 and 4, the Task Force will produce and submit a progress report to the Legislature. Those reports will describe the work done on the project and recommend whatever further actions the Task Force considers necessary.

The following is content for letters to be addressed to both Representative Al Juhnke and Senator Steve Kelley. Letters should include the following points, in your own words so that all the letters do not appear the same:

- Language was passed during the 2001 special session that allowed for a surcharge to be added to the recording fee for real estate documents. (Laws 2001, First Special Session, Chapter 10, Article 2, Section 77). Inadvertently, the approved language affected only abstract filings and was not applied to Torrens document filings.
- A new bill, House File 2753, has been introduced to correct this omission by adding the surcharge to Torrens filings, which make up about 22.5% of all filings.
- The surcharge is dedicated to fund the expenses of the Electronic Real Estate Recording (ERER) Task Force, which is studying real estate recording processes and the feasibility of electronic real estate recording.
- The ERER Task Force expenses include:
  - **Investigate:** both public and private real estate recording issues around: indexing, office workflow needs, applicable legislation, technology needs, real estate parcel parameters, payment structures and national standards,
  - **Document:** proposed new standards for these processes,
  - **Test:** electronic real estate recording, to verify these standards in pilot scenarios.
- The overriding goal of this project is to develop statewide standards that will benefit all counties. Standards will enable all counties to participate in electronic real estate recording at scalable rates but remain on a level playing field with other counties.
- An important note: The ERERTF is not proposing a new state-owned system. Counties will independently control how far they wish to work within these standards that the Task Force will be proposing. The goal is to identify standards that will be scalable and manageable at any level.

When completed please feel free to send them to my email address or mailing address and I will package them up for delivery.

Thanks for your time and attention to this important issue.

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