

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 970

PRINTER'S NO. 3493

AMOUNT

Minimal Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 8, 2011

PRIME SPONSOR

Representative Longietti

HISTORY OF BILL

Referred to COMMERCE, March 8, 2011

Reported as amended, June 8, 2011

First consideration, June 8, 2011

Re-committed to RULES, June 8, 2011

Re-reported as committed, June 26, 2011

Second consideration, June 26, 2011

Re-committed to APPROPRIATIONS, June 26, 2011

Re-reported as committed, June 27, 2011

Laid on the table, Oct. 25, 2011

Removed from table, Oct. 25, 2011

Amended on third consideration, Dec. 13, 2011

Laid on the table, Dec. 13, 2011

Removed from table, Dec. 13, 2011

(Remarks see House Journal Page 2543-2544), Dec. 13, 2011

Third consideration and final passage, Dec. 20, 2011 (197-0)

In the Senate

Referred to STATE GOVERNMENT, Jan. 9, 2012

Reported as amended, May 8, 2012

First consideration, May 8, 2012

Re-referred to APPROPRIATIONS, June 5, 2012

Re-reported as committed, June 18, 2012

DESCRIPTION AND PURPOSE OF BILL

House Bill 970 creates the Uniform Real Property Electronic Recording Act (URPERA). The bill relates to land record documents filed with county recorders of deeds, such as deeds, mortgages, mortgage assignments and mortgage satisfactions.

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The bill provides that any land record that was required to be an original document and/or in writing and signed before it may be recorded, can be recorded as an electronic document and/or by electronic signature. If a notarization is required, it is satisfied by the electronic signature of the person authorized to perform the act, and if all other required information is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression or seal does not need to accompany an electronic signature.

The bill does not require a recorder of deeds to receive, store, or transmit documents electronically but requires adherence to standards established by the Electronics Recording Commission if one chooses to do so. The bill establishes the Electronics Recording Commission as an administrative board in the Department of State. The Commission is charged with setting statewide standards for electronic recording of land records. The bill requires the Commission to set uniform standards that must be implemented in every recording office which is recording land record documents electronically. The Commission may promulgate temporary regulations to implement the legislation but they shall not be effective for more than two years. The Commission must promulgate permanent regulations in accordance with law.

The Commission is comprised of 13 members appointed by the leaders of the House and Senate, specified appointments by the Governor, a sitting recorder serving in a county of the 1st through 4th class, and a sitting recorder serving in a county of the 5th through 8th class. Members will serve 3-year terms and may be reimbursed for reasonable expenses. The Department may enter into cooperative agreements with outside organizations to provide administrative support to the Commission. The Commission sunsets in four years after the effective date of the act, unless reestablished by the General Assembly.

The bill allows recorders to convert information received prior to when he or she began to receive electronic documents, into an electronic format. A recorder may electronically receive any fee or tax which he or she is authorized to collect by any reasonable method of payment, including electronic payment. The recorder may work with other officials of the state, or a political subdivision of the state, or of the United States, concerning procedures which facilitate electronic satisfaction of prior approvals and conditions precedent to recording and the electronic payment of fees and taxes.

The Pennsylvania Historical and Museum Commission retains its ability to specify certain requirements for recordkeeping, including retention in nonelectronic form.

The act takes effect immediately.

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FISCAL IMPACT:

The Secretary of the Commonwealth has received a letter from the President of the Pennsylvania Recorder of Deeds Association (PRODA) which commits their organization to providing administrative support services to the Electronics Recording Commission. Therefore, no cost to the Department of State will be incurred for the provision of administrative support to the new commission. The bill allows Commission members to be reimbursed for reasonable expenses. In this letter, PRODA has offered to assist in offsetting such expenses of the Board members by hosting a meeting at their annual convention, providing scheduling for meetings, and distributing agendas and minutes via email to all members. The President of PRODA also states that with the approval of the body, the organization will cover its members' travel costs who are Commission members. The letter also states that to further reduce Commission member expenses, the use of telephone conferencing and electronic meeting services provided by the Department are expected to be utilized for many or most of the meetings.