

House Research Act Summary

CHAPTER: 365

SESSION: 2002 Regular Session

TOPIC: Electronic Real Estate Recording Task Force (ERERTF)

Date: June 18, 2002

Analyst: Thomas R. Pender (651-296-1885)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This act involves funding for the Electronic Real Estate Recording Task Force (ERERTF), created by the legislature in 2000. In 2001, the legislature provided funding for this group by temporarily increasing the surcharge by 50 cents on the recording of deeds and similar documents with the county recorders. This act extends that surcharge to include similar documents filed with the county registrars of title. There are two ways of keeping track of real estate titles in Minnesota: abstract and Torrens. If a property is abstract, documents are recorded with the county recorder. If a property is under the Torrens system, documents are filed with the county registrar of titles. This act applies the surcharge equally to documents regardless of the system (abstract or Torrens) under which they are filed. Prior to the 2001 legislation, the surcharge was \$4.50, of which 50 cents was retained by the county and \$4 went into the state general fund. Funding for the ERERTF temporarily increases the surcharge to \$5, with the extra 50 cents going to the legislative coordinating commission (LCC) to be used for the ERERTF. This act also extends the life of the ERERTF from June 30, 2003, to June 30, 2004, and extends the 50 cents surcharge to that date.

Section

- 1 **Standards for documents to be recorded or filed.** Amends a current law on standards for title documents to be recorded with the county recorder or filed with the registrar of titles, by exempting from it documents recorded or filed as part of a pilot project for the electronic filing of real estate documents implemented by the ERERTF.
- 2 **Original signatures required.** Amends a current law on signatures in instruments affecting real property that are being recorded, by providing that electronic instruments, including signatures and seals, are recordable as part of the pilot project under the ERERTF.
- 3 **Standard documents.** Raises the surcharge on Torrens deeds and other Torrens documents by 50 cents to fund the ERERTF.

- 4 **Standard documents.** Same as section 3, but applies to Torrens documents under a different
Torrens procedure.
- 5 **Study and recommendations.** Amends the 2000 session law that created the ERERTF, by
extending the task force life to June 30, 2004. Currently it is scheduled to expire on June 30,
2003.
- 6 **Work plan appropriations.** Provides that money previously appropriated for the ERERTF is
available until June 30, 2004, instead of June 30, 2003.
- 7 **Extension of effective date.** Under current law, the 50 cent surcharge on documents recorded
with county recorders is in effect until June 30, 2003. This section extends the surcharge to June
30, 2004.
- 8 **Additional fund source for 2001 appropriation.** Provides that the funds raised under sections
3 and 4 are to be added to the funding available to ERERTF under 2001 legislation.
- 9 **Effective dates and applications.** Provides that the 50 cent surcharge in sections 3 and 4 is
effective until June 30, 2004 and applies to documents last acknowledged ten or more days after
final enactment of this act or filed 45 or more days after final enactment. Provides that sections
6 to 8 are effective immediately.