SECOND REGULAR SESSION

[PERFECTED]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 924

93RD GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, April 3, 2006, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 924, adopted April 18, 2006.

Taken up for Perfection April 18, 2006. Bill declared Perfected and Ordered Printed.

TERRY L. SPIELER, Secretary.

4742S.05P

AN ACT

To amend chapter 59, RSMo, by adding thereto eight new sections relating to the uniform real property electronic recording act, with an effective date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 59, RSMo, is amended by adding thereto eight new

- 2 sections, to be known as sections 59.900, 59.903, 59.906, 59.909, 59.912, 59.915,
- 3 59.918, and 59.921, to read as follows:

59.900. Sections 59.900 to 59.921 may be cited as the "Uniform

2 Real Property Electronic Recording Act".

59.903. As used in sections 59.900 to 59.921, the following terms

- 2 mean:
- 3 (1) "Document", information that is:
- 4 (a) Inscribed on a tangible medium or that is stored in an
- 5 electronic or other medium and is retrievable in perceivable form; and
- 6 (b) Eligible to be recorded in the land records maintained by the 7 recorder;
- 8 (2) "Electronic", relating to technology having electrical, digital,
- 9 magnetic, wireless, optical, electromagnetic, or similar properties;
- 10 (3) "Electronic document", a document that is received by the 11 recorder in an electronic format;
- 12 (4) "Electronic signature", an electronic sound, symbol, or process
- 13 attached to or logically associated with a document and executed or
- 14 adopted by a person with the intent to sign the document;
- 15 (5) "Person", an individual, corporation, business trust, estate,
- 16 trust, partnership, limited liability company, association, joint venture,
- 17 public corporation, government, or governmental subdivision, agency,

SCS SB 924 2

18 or instrumentality, or any other legal or commercial entity;

- 19 (6) "Recorder", the separate recorder of deeds in those counties 20 where separate from the circuit clerk and the circuit clerk and ex 21 officio recorder of deeds in those counties where the offices are 22 combined:
- 23 (7) "State", a state of the United States, the District of Columbia, 24 Puerto Rico, the United States Virgin Islands, or any territory or 25 insular possession subject to the jurisdiction of the United States.
 - 59.906. 1. If a law requires, as a condition for recording, that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is satisfied by an electronic document satisfying sections 59.900 to 59.921.
- 5 2. If a law requires, as a condition for recording, that a document 6 be signed, the requirement is satisfied by an electronic signature.
- 3. A requirement that a document or a signature associated with a document be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal need not accompany an electronic signature.
- 59.909. 1. As used in this section, the term "paper document"
 2 means a document that is received by the recorder in a form that is not
 3 electronic.
- 4 2. A recorder:
- 5 (1) Who implements any of the functions listed in this section 6 shall do so in compliance with standards established by the electronic 7 recording commission created under section 59.912;
- 8 (2) May receive, index, store, archive, and transmit electronic 9 documents;
- 10 (3) May provide for access to, and for search and retrieval of, 11 documents and information by electronic means;
- 12 (4) Who accepts electronic documents for recording shall 13 continue to accept paper documents as authorized by state law and 14 shall place entries for both types of documents in the same index;
- 15 (5) May convert paper documents accepted for recording into 16 electronic form;
- 17 (6) May convert into electronic form information recorded before

SCS SB 924 3

18 the recorder began to record electronic documents;

- 19 (7) May accept electronically any fee or tax that the recorder is 20 authorized to collect;
- 21 (8) May agree with other officials of a state or a political 22 subdivision thereof, or of the United States, on procedures or processes 23 to facilitate the electronic satisfaction of prior approvals and 24 conditions precedent to recording and the electronic payment of fees 25 and taxes.
- 59.912. 1. An "Electronic Recording Commission", consisting of nine members appointed by the governor with the advice and consent of the senate, is hereby created to adopt standards to implement the provisions of sections 59.900 to 59.921. However, the commission shall not impose standards that would compel counties currently using secure electronic recording practices from abandoning any substantive investment in technology used in such electronic recording. A majority of the members of the commission shall be recorders. The commission shall consist of the following:
- 10 (1) A recorder elected to serve a county of the first classification 11 selected from a list of two nominees submitted by the Recorders' 12 Association of Missouri;
- 13 (2) A recorder elected to serve a county of the second 14 classification selected from a list of two nominees submitted by the 15 Recorders' Association of Missouri;
- 16 (3) A recorder elected to serve a county of the third classification 17 selected from a list of two nominees submitted by the Recorders' 18 Association of Missouri;
- 19 (4) Two recorders elected to serve counties regardless of 20 classification selected from a list of four nominees submitted by the 21 Recorders' Association of Missouri;
- 22 (5) A member of the Missouri Bar selected from a list of two 23 nominees submitted by the Missouri Bar;
- 24 (6) A representative of a company authorized to issue title 25 insurance in the state of Missouri selected from a list of two nominees 26 submitted by the Missouri Land Title Association;
- 27 (7) A person representing the interests of the banking industry 28 selected from a list of two nominees submitted by the Missouri Bankers 29 Association; and

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(8) A realtor selected from a list of two nominees submitted by

- 31 the Missouri Association of Realtors.
- 32 The nominees submitted by the Recorders' Association of Missouri shall
- 33 be chosen based upon their experience as a recorder of deeds and
- 34 knowledge of technology and procedures related to sections 59.900 to
- 35 **59.921.**
- 36 2. To keep the standards and practices of recorders in this state
- 37 in harmony with the standards and practices of recording offices in
- 38 other jurisdictions that enact substantially the provisions of sections
- 39 59.900 to 59.921, the commission, so far as it is consistent with the
- 40 purposes, policies, and provisions of sections 59.900 to 59.921, in
- 41 adopting, amending, and repealing standards shall consider the
- 42 following:

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- (1) Standards and practices of other jurisdictions;
- 44 (2) The most recent standards promulgated by national standard-
- 45 setting bodies, including the Property Records Industry Association;
- 46 (3) The views of interested persons and governmental officials
- 47 and entities;
- 48 (4) Standards requiring adequate information security protection
- 49 to ensure that electronic documents are accurate, authentic, adequately
- 50 preserved, and resistant to tampering;
- 51 (5) Current electronic recording practices of Missouri recorders
- 52 of deeds that adhere to standards promulgated by national standard-
- 53 setting bodies.
 - 59.915. In applying and construing the provisions of sections
 - 2 59.900 to 59.921, consideration shall be given to the need to promote
 - 3 uniformity of the law with respect to its subject matter among states
 - 4 that enact such provisions.
 - 59.918. The provisions of sections 59.900 to 59.921 modify, limit,
 - 2 and supersede the federal Electronic Signatures in Global and National
 - 3 Commerce Act, 15 U.S.C. Section 7001, et seq., but do not modify, limit,
 - 4 or supersede Section 101(c) of that act, 15 U.S.C. 7001(c), or authorize
 - 5 electronic delivery of any of the notices described in section 103(b) of
 - 6 that act, 15 U.S.C. Section 7003(b).
 - 59.921. The provisions of sections 59.900 to 59.921 shall become

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2 effective January 1, 2007.