1	COMMITTEE SUBSTITUTE
2	for
3	H. B. 4010
4 5 6	(By Delegates P. Smith, R. Phillips, Ellington, Ferro, Reynolds, Skinner and Storch)
7	(Originating in Committee on the Judiciary)
8	[February 4, 2014]
9	
10 A	BILL to amend the Code of West Virginia, 1931, as amended, by
11	adding thereto a new article, designated §39A-4-1, §39A-4-2,
12	§39A-4-3, §39A-4-4, §39A-4-5, §39A-4-6 and §39A-4-7, all
13	relating to creating the Uniform Real Property Electronic
14	Recording Act; providing short title; defining terms;
15	clarifying validity of electronic documents and electronic
16	signatures; providing for recording of electronic documents;
17	requiring any county clerk implementing the provisions of the
18	act to comply with established standards; authorizing county
19	clerks to receive, index, store, archive and transmit
20	electronic documents; authorizing county clerks to allow
21	public access, search and retrieval of electronic documents;
22	allowing county clerks to convert paper documents accepted for
23	recording into electronic documents; authorizing county clerks
24	to collect electronically any tax or fee relating to

electronic recording of real property documents they are 1 2 authorized by law to collect; authorizing county clerks to 3 agree with other jurisdictions on procedures or processes necessary for electronic recording of documents; creating the 4 5 Real Property Electronic Recording Standards Committee to 6 develop the standards necessary to electronically record real 7 property documents; authorizing the Commissioner of Highways 8 to promulgate a legislative rule; providing for a report and 9 recommendations to the Legislature; providing that members of 10 the Real Property Electronic Recording Standards Committee pay 11 their own expenses; setting forth areas for consideration when 12 adopting or changing standards; providing for uniformity of 13 application and construction of the act; and providing that 14 this act modifies, limits and supersedes certain parts of the 15 federal Electronic Signatures in Global and National Commerce 16 Act.

17 Be it enacted by the Legislature of West Virginia:

18 That the Code of West Virginia, 1931, as amended, be amended 19 by adding thereto a new article, designated §39A-4-1, §39A-4-2, 20 §39A-4-3, §39A-4-4, §39A-4-5, §39A-4-6 and §39A-4-7, all to read as 21 follows:

### 22 ARTICLE 4. UNIFORM REAL PROPERTY ELECTRONIC RECORDING ACT.

23 §39A-4-1. Short title.

<u>This article may be cited as the Uniform Real Property</u>
 <u>Electronic Recording Act.</u>

## 3 §39A-4-2. Definitions.

4 In this article:

5 <u>(1)"Commissioner" means the Commissioner of the Division of</u> 6 Highways.

7 (2) "Document" means information that is:

8 (A) Inscribed on a tangible medium or that is stored in an 9 electronic or other medium and is retrievable in perceivable form; 10 and

11 (B) Eligible to be recorded in the land records maintained by 12 the clerk of the county commission, herein after called "county 13 clerk" or "clerk".

14 <u>(3) "Electronic" means relating to technology having</u> 15 <u>electrical, digital, magnetic, wireless, optical, electromagnetic</u> 16 <u>or similar capabilities.</u>

17 <u>(4) "Electronic document" means a document that is received by</u> 18 <u>the county clerk in an electronic form.</u>

19 (5) "Electronic signature" means an electronic sound, symbol 20 or process attached to or logically associated with a document and 21 executed or adopted by a person with the intent to sign the 22 document.

23 (6) "Person" means an individual, corporation, business trust,

1 estate, trust, partnership, limited liability company, association, 2 joint venture, public corporation, government or governmental 3 subdivision, agency, instrumentality or any other legal or 4 commercial entity.

5 <u>(7) "State" means a state of the United States, the District</u> 6 <u>of Columbia, Puerto Rico, the United States Virgin Islands or any</u> 7 <u>territory or insular possession subject to the jurisdiction of the</u> 8 United States.

## 9 §39A-4-3. Validity of electronic documents.

10 <u>(a) If a law requires, as a condition for recording, that a</u> 11 <u>document be an original, be on paper or another tangible medium or</u> 12 <u>be in writing, the requirement is satisfied by an electronic</u> 13 <u>document satisfying the requirements of this article.</u>

14 (b) If a law requires, as a condition for recording, that a 15 document be signed, the requirement is satisfied by an electronic 16 signature.

17 (c) A requirement that a document or a signature associated 18 with a document be notarized, acknowledged, verified, witnessed or 19 made under oath is satisfied if the electronic signature of the 20 person authorized to perform that act, and all other information 21 required to be included, is attached to or logically associated 22 with the document or signature. A physical or electronic image of 23 a stamp, impression or seal need not accompany an electronic 1 signature.

## 2 §39A-4-4. Recording of documents.

(a) In this section, "paper document" means a document that is 3 4 received by the county clerk in a form that is not electronic. 5 (b) A county clerk: 6 (1) Who implements any of the functions listed in this section 7 shall do so in compliance with standards established by the Real 8 Property Electronic Recording Standards Council pursuant to section 9 five of this article; 10 (2) May receive, index, store, archive and transmit electronic 11 documents; (3) May provide for access to, and for search and retrieval 12 13 of, documents and information by electronic means; 14 (4) Who accepts electronic documents for recording shall 15 continue to accept paper documents as authorized by state law and 16 shall place entries for both types of documents in the same index; 17 (5) May convert paper documents accepted for recording into a 18 uniform searchable electronic form; 19 (6) May convert information recorded before the clerk began to 20 record electronic documents into electronic form; 21 (7) May accept electronically any fee or tax relating to 22 electronic recording of real property documents that the clerk is 23 authorized to collect;

1 <u>(8) May agree with other officials of a state or a political</u> 2 <u>subdivision thereof, or of the United States, on procedures or</u> 3 <u>processes to facilitate the electronic satisfaction of prior</u> 4 <u>approvals and conditions precedent to recording and the electronic</u> 5 payment of fees and taxes; and

6 (9) May not accept a document written in a language other than 7 English unless it is accompanied by a certified translation into 8 English. In such a case, the document to be recorded shall consist 9 of (1) a certification of the accuracy of the translation, signed 10 by the translator and acknowledged; and (2) the original foreign 11 language document.

### 12 §39A-4-5. Administration and standards.

(a) For the purpose of keeping the standards and practices of county clerks in this state in harmony with the standards and practices of recording offices in other jurisdictions that enact substantially the Uniform Real Property Electronic Recording Act and to keep the technology used by clerks in this state compatible with technology used by recording offices in other jurisdictions that enact substantially this act, the Commissioner of the Division of Highways shall establish the Real Property Electronic Recording Standards Advisory Committee to, so far as is consistent with the purposes, policies and provisions of this article, assist in the adoption, amendment and repeal of standards and practices. 1 (b) The commissioner shall appoint at least twenty-three 2 persons to serve on the committee. In selecting persons to serve on 3 the committee, the commissioner shall appoint:

4 <u>(1) At least three persons who are attorney's who specialize</u> 5 in title work;

6 (2) At least one person who is a specialist in geographic 7 information system (GIS) mapping;

8 (3) A representative of the Secretary of State;

9 (4) Three representatives of the County Clerks' Association;

10 (5) A representative of the County Commissioners' Association;

11 (6) A representative of the State Auditor;

12 (7) A representative of the Governor's Office of Technology;

13 (8) A representative of the Division of Culture and History;

14 (9) A representative of the Community Bankers of West

15 <u>Virginia;</u>

16 (10) A representative of the West Virginia Bankers
17 Association;

18 <u>(11) A representative of the West Virginia Housing Development</u> 19 Fund;

20 <u>(12) A representative of the Real Estate Division of the</u> 21 Department of Administration;

22 <u>(13) A representative of the Property Tax Division of the</u> 23 Department of Tax and Revenue;

1 (14) A representative of the West Virginia Board of 2 Professional Surveyors;

3 (15) A representative of the West Virginia Association of 4 Realtors;

5 (16) At least one representative from the mineral extraction 6 industry;

7 (17) An actively practicing real estate appraiser;

8 (18) A representative of the office of the West Virginia State

9 Treasurer; and

10 (19) A person representing land companies.

11 <u>(c) In establishing, amending and repealing standards and</u> 12 practices for the recording of documents in electronic form,

13 storing electronic records and setting up systems for searching for

14 and retrieving these land records, the committee shall consider:

15 (1) Standards and practices of other jurisdictions;

16 (2) The most recent standards promulgated by national 17 standard-setting bodies such as the Property Records Industry 18 Association;

19 <u>(3) The views of interested persons and governmental officials</u> 20 and entities;

21 <u>(4) The needs of counties of varying size, population and</u> 22 <u>resources; and</u>

23 (5) Standards requiring adequate information security

1 protection to ensure that electronic documents are accurate, 2 authentic, adequately preserved and resistant to tampering.

3 (d) The Commissioner of the Division of Highways, or his or
4 <u>her designee</u>, shall serve as Chair of the Real Property Electronic
5 Recording Standards Advisory Committee.

6 (e) The commissioner shall:

7 (1) Provide administrative support to the committee; and

8 (2) Propose rules for legislative approval in accordance with 9 the provisions of article three, chapter twenty-nine-a of this code 10 that contain the standards to implement this article.

11 (f) Each person, agency, board and organization on the 12 committee shall cover his or her own expenses necessitated by 13 participation on the committee.

14 (g) The commissioner shall submit a report to the Legislative 15 Manager on or before January 1 of each year until its tasks are 16 complete. The report shall include its efforts to adopt standards 17 in accordance with the requirements of this article and 18 recommendations for further legislative action necessary to 19 effectuate the purposes of this article.

#### 20 §39A-4-6. Uniformity of application and construction.

In applying and construing this Uniform Real Property Electronic Recording Act, the Advisory Committee shall consider the need to promote uniformity of the law with respect to its subject 1 matter among states that enact it.

# 2 §39A-4-7. Relation to electronic signatures in Global and National

3	Commerce Act.
4	This article modifies, limits and supersedes the federal
5	Electronic Signatures in Global and National Commerce Act (15
6	U.S.C. §7001, et seq.) but does not modify, limit or supersede
7	<pre>§101(c) of that act (15 U.S.C. §7001(c)) or authorize electronic</pre>
8	delivery of any of the notices described in §103(b) of that act (15
9	<u>U.S.C. §7003(b)).</u>