



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Clerk-Recorder-
Assessor
Department No.: 062
For Agenda Of: May 5, 2009
Placement: Departmental
Estimated Tme: 10 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Joseph E. Holland, Clerk-Recorder-Assessor
Director 805-568-2558
Staff: Jim McClure, Assistant County Clerk, Recorder, and Assessor
Contact Info: 805-568-2558
SUBJECT: Hearing to consider establishment of the Recorder’s Electronic Recording Delivery System and adoption of \$1.00 fee to finance the system.

County Counsel Concurrence

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Auditor-Controller Concurrence

As to form: Yes No N/A

Recommended Actions:

That the Board of Supervisors:

- a) Adopt the enclosed resolution establishing Santa Barbara County Recorder’s Electronic Recording Delivery System (ERDS) pursuant to Assembly Bill 578 known as the Electronic Recording Delivery Act of 2004 (AB578) and an additional \$1.00 for each real property document recording pursuant to Government Code Section 27397 (c) (1), effective May 11, 2009.
- b) Pursuant to California Environmental Quality Act (CEQA) guidelines, adopt the Notices of Exemption from the California Environmental Quality Act of 1970 (CEQA) for the fee resolution.

Summary Text:

The Clerk-Recorder requests authorization to implement the provisions of California Government Code sections 27390 through 27399 which establish an Electronic Recording Delivery System (ERDS) for Santa Barbara County and authorize an additional \$1.00 fee for each real property document recording to finance the implementation and on-going cost of the system.

Background:

Assembly Bill 578 (Government Code sections 27390 through 27399), authorizes county recorders in California to accept digitized electronic documents and certain digital electronic documents for recording pursuant to the provisions and regulations developed by the Department of Justice. Electronic recording will provide authorized submitters (title insurers, underwritten title companies, institutional lenders, and government entities) with the ability to submit digitized and certain digital documents electronically through a single port to participating counties. The program enables the counties to improve and modernize its systems of recording and handling real property documents by permitting the delivery, recording, and return of real property documents electronically. The ability to electronically record documents will reduce processing time, staff workload, and material costs associated with managing paper copies and manually maintaining databases. An ERDS compliant system (SECURE) jointly owned and acquired for \$2.52 million by a consortium of the State's largest counties; Los Angeles, Orange, Riverside, and San Diego counties is in the process of being developed for Attorney General approval and will be made available for testing and use by Santa Barbara County beginning in FY 2009-2010. The Orange County Clerk-Recorder is hosting the multi-county SECURE electronic recording delivery system and will make it available to counties as participants sharing in the annual maintenance cost of the system. Santa Barbara County will participate in the use of the SECURE system through establishment of a Memorandum of Understanding Agreement approved by the owner Counties. The initial buy-in fee of \$20,000 and annual maintenance fees of \$10,000 for Santa Barbara County was executed by the county purchasing agent. At this time the SECURE system development is expected to be completed by August of 2009, at which time the system will be submitted to the Attorney General for authorization. The County of Santa Barbara expects to deploy the system locally after observing and training on the Orange County and Los Angeles County deployment, most likely by March of 2010.

The purpose of the recommended action authorizing the additional fee of \$1.00 pursuant to AB 578 or GC 27397 (c)(1), for recording a real property document is to defray the costs incurred to implement and support the system and comply with the State Department of Justice (DOJ) regulations, including oversight by the State Attorney General (AG).

Performance Measures:

1. Increase users of E-recording by 2% annually.
2. Reduce hours spent processing manual recordings by 100 hours annually.

Additional performance measures about savings will be developed once the system is implemented.

Fiscal and Facilities Impacts:

The initial buy in fee and the first years' software maintenance costs of \$30,000 to join the SECURE multi-county consortium as well as the Department of Justice fee to regulate the program (\$1,977) was covered by shifting projects from the existing appropriations in Fiscal Year 2008-09. Current year project expenses exceeding revenue from the additional \$1.00 fee will be funded with a bridge loan from the Recorder Automation Designation.

In Fiscal Year 2009-10, the Recorder estimates to spend an additional \$28,000 in contract costs to build the interface with the existing recorder system, \$10,000 in software maintenance costs, \$2,000 in project participation costs with the DOJ, and up to \$109,000 in staff time to oversee the implementation of the project. These costs, as well as the \$75,000 anticipated revenue, have been incorporated in the FY 2009-2010 Budget. Costs exceeding revenue will be funded by a bridge loan from the Recorder Automation Designation.

The ongoing system expenditures include staff support time, licensing fees and vendor system maintenance fees and may average approximately \$60,000 per year. The designated fund balance (account 9794) will be used as needed to provide for system upgrades and increases in operating costs of the system. The Electronic Recording Delivery System is also expected to reduce costs to the County by reducing the number of staff hours spent processing manual recordings.

Fiscal Analysis:

The additional \$1.00 recording fee is estimated to generate roughly \$75,000 in the next fiscal year with annual fluctuations based on document recording levels. The on-going revenue source is expected to be sufficient to cover system expenses and will be used solely to finance implementation and on-going system costs.

Staffing Impacts:

The Clerk-Recorder will handle the reduction in staff hours spent on recording due to implementation of the Electronic Recording Delivery System by reassigning existing staff.

<u>Legal Positions:</u>	<u>FTEs:</u>
<u>0</u>	<u>0</u>

Special Instructions:

1. Return a fully executed copy of the resolution along with a copy of the minute order to the Rose Rodarte in the Clerk-Recorder-Assessor Department, County Administration Building, 2nd floor.

Attachments:

1. Resolution establishing ERDS and Fee

Authored by:

Rose Rodarte, Clerk-Recorder-Assessor Fiscal Manager