

# Legislative Analysis

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## UNIFORM REAL PROPERTY ELECTRONIC RECORDING ACT

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**House Bill 5812 as enrolled**  
**Public Act 569 of 2014**  
**Sponsor: Rep. Ken Yonker**  
**House Committee: Local Government**  
**Senate Committee: Local Government and Elections**

**Complete to (2-18-15)**

**BRIEF SUMMARY:** The bill would modify the meeting requirements of the Electronic Recording Commission so that it could meet annually, instead of quarterly.

**FISCAL IMPACT:** The bill would have no fiscal impact on the state or local units of government. Because commission members may be reimbursed for expenses, reducing the frequency of commission meetings could generate minimal savings for the Department of Technology, Management, and Budget; however, the department reports that no commission members sought reimbursement for meetings held in 2013.

### **THE APPARENT PROBLEM:**

Following the enactment of the Uniform Real Property Electronic Recording Act in 2010—Public Act 123 of 2010—the governor appointed an eight-member electronic recording commission to draft standards that could be used by registers of deeds statewide as they implemented the act. See **Background Information**, below.

The commission is located within the Department of Technology, Management, and Budget, and consists of the department director (a non-voting member), four registers of deeds, a land title professional, a banker, and a licensed real estate attorney.

To issue its official standards in August 2013 (now in effect since January 1, 2014), the commission met quarterly from January 2011, until November 2013. Its work done, the commission members have requested the state statute be modified to allow them to meet annually, instead of quarterly.

### **THE CONTENT OF THE BILL:**

House Bill 5812 would amend the Uniform Real Property Electronic Recording Act to modify the meeting requirements of the governor-appointed, 8-member Electronic Recording Commission, which operates within the Department of Technology, Management, and Budget. The commission adopts standards and practices to guide the work of county Registers of Deeds, as they ensure their electronic documents are accurate, authentic, adequately preserved, and resistant to tampering.

Now under the law, the commission must "meet at least *quarterly*, or more frequently at the call of the chairperson, or if requested by five or more members." House Bill 5812 would modify this provision to require instead that the commission "meet at least *annually*, or more frequently at the call of the chairperson, or if requested by five or more members."

MCL 565.845

**BACKGROUND INFORMATION:**

The Kent County Register of Deeds provided historical information to the committee members, as follows.

*In 2000, the Electronic Signatures in Global and National Commerce (E-Sign) Act was passed at the federal level. It basically stated that electronic signatures, contracts, and other records may not be denied legal effect or enforceability solely because they are electronic. Later that year, the Uniform Electronic Transaction Act passed in Michigan which authorized and provided that information and signatures can be transmitted, received, and stored by electronic means. These laws, however, did not specifically mention real estate transactions. Therefore, Michigan passed Public Act 123 of 2010, the 'Uniform Real Property Electronic Recording Act,' to provide for the recording of electronic documents by a county register of deeds.*

The act requires the governor to appoint an Electronic Recording Commission to adopt standards to implement the act.

**ARGUMENTS:**

**For:**

The bill would amend the Uniform Real Property Electronic Recording Act to allow the Electronic Recording Commission to meet annually, rather than quarterly. The commission was appointed by the governor in January 2011, met quarterly to complete its work until November 2013, and following a May public hearing, officially issued its standards on August 27, 2013 (with an effective date of January 1, 2014). Since the standards are now complete and in use, there is no longer a reason for the commission to meet quarterly. Instead, the bill would allow the commission members to meet annually to review and, if necessary, modify the standards.

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