



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/21/2010
Agenda Placement: 71

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: John Tuteur - Recorder-County Clerk
Recorder - County Clerk

REPORT BY: STEVEN SCHELLHAMER, ASST ASSESSOR-REC-CC-REGIST - 253-4455

SUBJECT: Assessor-Recorder-County Clerk requests approval of Addendum to Electronic Recording MOU with CA Department of Justice

RECOMMENDATION

Assessor-Recorder-County Clerk requests approval of and authorization for the Chair to sign Addendum No. 5 to Memorandum of Understanding Agreement No. 6527 with the California Department of Justice increasing the amount by \$1,094.35 for a new maximum of \$16,416 extending the term through June 30, 2011 for a sixth year of participation and cost-sharing in a statewide Electronic Recording Delivery System (ERDS).

EXECUTIVE SUMMARY

Assessor-Recorder-County Clerk requests approval of an Addendum to the Memorandum of Understanding (MOU) with the California Department of Justice for continued participation and cost-sharing in a statewide Electronic Recording Delivery System (ERDS). Initial County contribution and annual support charges have come from the Recorder Modernization Trust Fund. Effective March 1, 2010 the Board of Supervisors approved a \$1 per document electronic recording fee which will cover these costs and eventually repay the Modernization fund when sufficient funds have accumulated in that Special Revenue Fund.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Budgeted in PSS:OTHER 52185000 and will be offset from Special Revenue Fund 3286, Electronic Recording

Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	California has authorized the creation of a statewide Electronic Recording Delivery System (ERDS) for recording of digitized and digital documents. While currently designed as voluntary, Napa County will at some point be asked to accept digitized and digital documents as authorized by law. Participation in the ERDS from the outset along with 20 other counties has been beneficial for Napa County in assuring our concerns and suggestions are addressed.
Is the general fund affected?	No
Future fiscal impact:	The Board has approved a \$1 fee for each document effective March 1, 2010. Memorandum of understanding costs will be covered from these fees.
Consequences if not approved:	Napa County will not participate in the ground floor construction of the ERDS. At some future date we will be required to join the system without having had a say in its design or implementation.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Government Code section 27393 establishes an electronic recording delivery system. The section authorized the California Attorney General to oversee the process and for counties to participate in the program via Resolution. GC 27393 requires any county establishing an e-recording system to pay the Attorney General for costs related to the development and adoption of corresponding regulations and oversight. The Code additionally allows county recorders to establish a new fee up to one dollar (\$1.00) per recorded document to cover startup costs of the Attorney General, development of the e-recording system, the review and approval of vendors and authorized submitters, and security testing. 21 counties, including Napa County, have participated in the task force setting up the new program.

The statewide budget for setting up the Electronic Recording Delivery System (ERDS) by the CA Attorney General was estimated at \$1,000,000. Pro-rata cost to Napa County for these startup costs, which was determined by the total number of Real Property instruments recorded during the 2004 calendar year, was \$5,120.23. Napa's cost was paid from the Recorder Modernization Trust Fund monies. The County participated in Fiscal Years 2005 through 2010 with additional contributions of \$3,760.99 (for 05-06), \$2,882.36 (for 06-07), \$1,812.40 (08-09) and \$1,745.44 (for 09-10). The 2010-2011 costs are estimated to be \$1094.35. These funds will be reimbursed from Recorder Electronic Recording Special Revenue Fund. A summary of the 20010-2011 Final Proportional Cost for each participating county is shown in Attachment A to the Addendum which is available from the Clerk of the Board.

Eventually electronic recording will be mandated in all counties in California. It is recommended that the Board approve the Assessor-Recorder-County Clerk's continued participation in this program at no cost to the County general fund.

SUPPORTING DOCUMENTS

A . 2010-2011 Final Proportionate Cost -

CEO Recommendation: Approve

Reviewed By: Britt Ferguson