



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/24/2013

Agenda Placement: 7N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

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

REPORT BY: John Tuteur, Assessor-Recorder-County Clerk - 253-4459

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 Chairman to sign Addendum No. 8 to Memorandum of Understanding Agreement No. 6527 with the California Department of Justice, increasing the amount by \$843 for a new maximum of \$18,851 extending the term through June 30, 2013 for the eighth 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 Special Revenue Fund. Effective March 1, 2010, the Board of Supervisors approved a \$1.00 per document electronic recording fee and costs of this MOU are now being charged to the Recorder Electronic Recording Special Revenue Fund.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Budgeted in the Recorder's Budget Unit under the Computer Software/Licensing Fees account line (52515) and will be offset from Special

	Revenue Fund (11400-59), Electronic Document 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 31 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 \$1.00 fee for each document effective March 1, 2010. MOU costs will be covered from these fees.
Consequences if not approved:	Napa County will not participate in the ongoing development and implementation of the ERDS. At some future date we could 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

The Electronic Recording Delivery Act of 2004 (Act), Government Code section 27393 - 27399, establishes an electronic recording delivery (e-recording) system and authorizes the California Attorney General to oversee the process and for counties to participate via Resolution. The Act also requires any county establishing an e-recording system to pay the Attorney General for the direct costs related to the development and adoption of corresponding regulations and oversight. Napa County was one of the original 21 counties to participate in the process. There are now 31 counties in the program.

The Act permits county recorders to establish a fee of 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. Napa County began collecting this fee in March 2010 which are deposited in the Recorder Electronic Recording Special Revenue Fund.

The statewide budget for setting up the Electronic Recording Delivery System (ERDS) by the California 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. The estimated cost of the program for 2013-2014 is \$215,288 of which Napa County's proportionate share is \$842.90 which is a slight increase over the 2012-2013 share. Napa County's total share since inception including the 2013-2014 amount will be \$18,850.79.

A summary of the 2013-14 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

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi