SENATE BILL 1195

8lr3767 CF 8lr3768

By: **Senators Cassilly and Norman** Introduced and read first time: February 21, 2018 Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

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Maryland Uniform Real Property Electronic Recording Act

3 FOR the purpose of establishing that certain electronic documents and electronic signatures satisfy certain recording requirements and conditions; authorizing the 4 $\mathbf{5}$ clerk of a circuit court to take certain actions regarding electronic documents; 6 authorizing the clerk of a circuit court to provide for access to and search and 7 retrieval of certain documents and information by electronic means; authorizing the 8 clerk of a circuit court to convert certain documents and information into electronic 9 form; requiring a clerk of a circuit court to implement certain provisions of this Act in accordance with certain policies and procedures; requiring the clerk of a circuit 10 11 court to accept and index certain documents in a certain manner under certain 12circumstances; authorizing a county or the State Department of Assessments and 13 Taxation to accept certain fees and taxes electronically; authorizing the 14Administrative Office of the Courts to adopt certain policies and establish certain 15procedures; requiring this Act to be applied and construed in a certain manner; 16 specifying that this Act modifies, limits, and supersedes certain provisions of federal 17law but does not modify, limit, or supersede certain other provisions of federal law; 18 defining certain terms; providing for the application of this Act; and generally 19relating to electronic recording of real property documents.

- 20 BY adding to
- 21 Article Real Property
- Section 3–701 through 3–705 to be under the new subtitle "Subtitle 7. Maryland
 Uniform Real Property Electronic Recording Act"
- 24 Annotated Code of Maryland
- 25 (2015 Replacement Volume and 2017 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:
- 28

Article – Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1 SUBTITLE 7. MARYLAND UNIFORM REAL PROPERTY ELECTRONIC RECORDING 2 ACT.

3 **3–701.**

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS 5 INDICATED.

6 (B) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS 7 AND TAXATION.

8 (C) "DOCUMENT" MEANS INFORMATION THAT IS:

9 (1) INSCRIBED ON A TANGIBLE MEDIUM OR THAT IS STORED IN AN 10 ELECTRONIC OR OTHER MEDIUM AND IS RETRIEVABLE IN PERCEIVABLE FORM; AND

11(2)ELIGIBLE TO BE RECORDED IN THE LAND RECORDS MAINTAINED12BY THE CLERK OF A CIRCUIT COURT.

13 (D) "ELECTRONIC" MEANS RELATING TO TECHNOLOGY HAVING 14 ELECTRICAL, DIGITAL, MAGNETIC, OPTICAL, ELECTROMAGNETIC, OR SIMILAR 15 CAPACITIES.

16 **(E) "ELECTRONIC DOCUMENT" MEANS A DOCUMENT THAT IS RECEIVED BY** 17 THE CLERK OF A CIRCUIT COURT IN ELECTRONIC FORM.

(F) "ELECTRONIC SIGNATURE" MEANS AN ELECTRONIC SOUND, SYMBOL,
 OR PROCESS ATTACHED TO OR LOGICALLY ASSOCIATED WITH A DOCUMENT AND
 EXECUTED OR ADOPTED BY A PERSON WITH THE INTENT TO SIGN THE DOCUMENT.

21 (G) "PAPER DOCUMENT" MEANS A DOCUMENT THAT IS RECEIVED BY THE 22 CLERK OF A CIRCUIT COURT IN A FORM THAT IS NOT ELECTRONIC.

23 (H) "PERSON" INCLUDES A GOVERNMENTAL ENTITY OR UNIT OR 24 INSTRUMENTALITY OF A GOVERNMENTAL ENTITY.

25 **3–702.**

26 (A) IF A LAW REQUIRES, AS A CONDITION FOR RECORDING, THAT:

27 (1) A DOCUMENT BE AN ORIGINAL, BE ON PAPER OR ANOTHER 28 TANGIBLE MEDIUM, OR BE IN WRITING, THE REQUIREMENT IS SATISFIED BY AN

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1 ELECTRONIC DOCUMENT THAT MEETS THE REQUIREMENTS OF THIS SUBTITLE; $\mathbf{2}$ (2) A DOCUMENT BE SIGNED, THE REQUIREMENT IS SATISFIED BY AN 3 **ELECTRONIC SIGNATURE; AND** A DOCUMENT OR A SIGNATURE ASSOCIATED WITH A DOCUMENT 4 (3) $\mathbf{5}$ BE NOTARIZED, ACKNOWLEDGED, VERIFIED, WITNESSED, OR MADE UNDER OATH, 6 THE REQUIREMENT IS SATISFIED IF THE ELECTRONIC SIGNATURE OF THE PERSON 7 AUTHORIZED TO PERFORM THAT ACT AND ALL OTHER INFORMATION REQUIRED TO 8 BE INCLUDED ARE ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE DOCUMENT 9 OR SIGNATURE. 10 **(B)** THE CLERK OF A CIRCUIT COURT MAY: 11 (1) **RECEIVE, INDEX, STORE, ARCHIVE, AND TRANSMIT ELECTRONIC** 12**DOCUMENTS;** PROVIDE FOR ACCESS TO AND SEARCH AND RETRIEVAL OF 13 (2) 14 **DOCUMENTS AND INFORMATION BY ELECTRONIC MEANS;** 15(3) **CONVERT PAPER DOCUMENTS ACCEPTED FOR RECORDING INTO** 16 **ELECTRONIC FORM; AND** 17(4) **CONVERT INFORMATION RECORDED BEFORE THE CLERK OF THE** CIRCUIT COURT BEGAN TO RECORD ELECTRONIC DOCUMENTS INTO ELECTRONIC 18 FORM. 19 20**(C)** THE CLERK OF A CIRCUIT COURT SHALL: 21(1) **IMPLEMENT THE PROVISIONS OF THIS SUBTITLE IN ACCORDANCE** 22WITH ANY POLICIES AND PROCEDURES ADOPTED BY THE ADMINISTRATIVE OFFICE 23OF THE COURTS; AND 24IF THE CLERK OF A CIRCUIT COURT ACCEPTS ELECTRONIC (2) 25**DOCUMENTS FOR RECORDING:** 26**(I) CONTINUE TO ACCEPT PAPER DOCUMENTS AS AUTHORIZED** 27BY STATE LAW; AND 28PLACE ENTRIES FOR BOTH ELECTRONIC AND PAPER **(II)** 29DOCUMENTS IN THE SAME INDEX. A COUNTY OR THE DEPARTMENT MAY ACCEPT ELECTRONICALLY ANY 30 **(D)**

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1 2	FEE OR TAX THAT THE COUNTY OR THE DEPARTMENT IS AUTHORIZED TO COLLECT AS A PREREQUISITE TO RECORDING A DOCUMENT.
3	(E) THE ADMINISTRATIVE OFFICE OF THE COURTS MAY:
4	(1) ADOPT POLICIES TO IMPLEMENT THIS SUBTITLE; AND
5 6	(2) IN COOPERATION WITH THE DEPARTMENT AND THE COUNTY FINANCE DEPARTMENTS, ESTABLISH PROCEDURES TO FACILITATE:
7 8	(I) THE ELECTRONIC SATISFACTION OF PRIOR APPROVALS AND PREREQUISITES TO RECORDING; AND
9	(II) THE ELECTRONIC PAYMENT OF TAXES AND FEES.
10	3–703.
L1 L2 L3	IN APPLYING AND CONSTRUING THIS SUBTITLE, CONSIDERATION SHALL BE GIVEN TO THE NEED TO PROMOTE UNIFORMITY OF THE LAW WITH RESPECT TO ITS SUBJECT MATTER AMONG THE STATES THAT HAVE ENACTED IT.
14	3-704.
15 16 17 18	THIS SUBTITLE MODIFIES, LIMITS, AND SUPERSEDES THE FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT, 15 U.S.C. § 7001, BUT DOES NOT MODIFY, LIMIT, OR SUPERSEDE § 101(C) OF THAT ACT OR AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN § 103(B)

- 19 OF THAT ACT.
- 203-705.

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21THIS SUBTITLE MAY BE CITED AS THE MARYLAND UNIFORM REAL PROPERTY **ELECTRONIC RECORDING ACT.** 22

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to 2324apply retroactively and shall be applied to and interpreted to affect any instrument recorded before October 1, 2018. 25

26SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. 27