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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 3516

February 28, 2008

Authored by Davnie, Moe, Paymar, Hilstrom, Clark and others

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice

March 10, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Commerce and Labor

By motion, recalled and re-referred to the Committee on Governmental Operations, Reform, Technology and Elections

March 25, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to real property; providing specification of certain information about a
1.3 premises subject to foreclosure; providing for electronic recording; requiring
1.4 a report; amending Minnesota Statutes 2006, sections 14.03, subdivision 3;
1.5 58.02, by adding a subdivision; 287.08; 287.241; 287.25; 386.03; 386.19;
1.6 386.26, subdivision 1; 386.31; 386.409; 507.093; 507.40; 507.46, subdivision 1;
1.7 Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing
1.8 coding for new law in Minnesota Statutes, chapters 272; 507; 580.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10	ARTICLE 1
1.11	FORECLOSURE DATA

1.12 Section 1. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision
1.13 to read:

1.14 Subd. 30. **Transaction agent.** A "transaction agent" is the person identified in a
1.15 mortgage recorded with the county recorder or registrar of titles as the nominee or agent
1.16 for a third party also identified in the mortgage.

1.17 **Sec. 2. [580.025] FORECLOSURE DATA.**

1.18 The notice of pendency required by section 580.032, subdivision 3; the notice of
1.19 sale required by section 580.04; and the certificate of sale required by section 580.12 shall
1.20 include the following information to the best of the knowledge of the party foreclosing
1.21 the mortgage:

1.22 (1) the physical street address, city, and zip code of the mortgaged premises;

1.23 (2) the name of the transaction agent, residential mortgage servicer, and the lender
1.24 or broker, as defined in section 58.02, if the person holding the mortgage is a transaction

agent as defined in section 58.02, subdivision 30, or the name of the residential mortgage servicer and the lender or broker, as defined in section 58.02, if the person holding the mortgage is not a transaction agent as defined in section 58.02, subdivision 30;

(3) the tax parcel identification number of the mortgaged premises;

(4) if stated on the mortgage, the transaction agent's mortgage identification number;
and

(5) if stated on the mortgage, the name of the mortgage originator as defined in section 58.02.

No liability shall accrue to the party foreclosing the mortgage or the party's attorney for de minimis, good faith, or commercially reasonable errors in this information. The omission of all or some of the information required by this section from the notice shall not invalidate the foreclosure of the mortgage.

Sec. 3. STUDY TO DEVELOP STATEWIDE FORECLOSURE DATA COLLECTION AND REPORTING SYSTEM.

Subdivision 1. **Study.** The secretary of state shall convene, chair, and facilitate a Statewide Foreclosure Data Collection group to study the most efficient and cost-effective way to develop and implement an electronic system for the submission, collection, entry, retrieval, management, and assessment of statewide foreclosure data. The study shall consider the applicability to the collection of foreclosure data of the electronic certificate of real estate value and well certification programs.

Subd. 2. **Working group.** The study under subdivision 1 must be conducted in consultation with a statewide working group including, but not limited to, representatives from the Legislative Coordinating Commission's Geographic Information Services Office, the University of Minnesota's housing studies program, the Association of Minnesota Counties, the League of Minnesota Cities, the Metropolitan Council, the Governor's Council on Geographic Information Services, the Department of Revenue, the Department of Commerce, the Electronic Real Estate Recording task force, the Minnesota Association of County Officers, the Minnesota Sheriffs' Association, and a nonprofit housing advocacy organization.

Subd. 3. **Report.** The secretary shall submit a report to the legislature by February 15, 2009, containing the results of the study and any recommendations regarding the development and implementation of a statewide foreclosure data collection and reporting system.

Subd. 4. **Expiration.** This section expires after the submission of the report as required in subdivision 3.

3.1 Sec. 4. **EFFECTIVE DATE.**

3.2 Sections 1 and 2 are effective for notices of pendency dated on or after August
3.3 1, 2008.

3.4 **ARTICLE 2**
3.5 **ELECTRONIC RECORDING; COMMISSION**

3.6 Section 1. **[507.0941] DEFINITIONS.**

3.7 For purposes of sections 507.0941 to 507.0948:

3.8 (a) "Document" means information that is:

3.9 (1) inscribed on a tangible medium or that is stored in an electronic or other medium
3.10 and is retrievable in perceivable form; and

3.11 (2) eligible to be recorded in the land records maintained by the recorder or registrar.

3.12 (b) "Electronic" means relating to technology having electrical, digital, magnetic,
3.13 wireless, optical, electromagnetic, or similar capabilities.

3.14 (c) "Electronic document" means a document that is received by the recorder or
3.15 registrar in an electronic form.

3.16 (d) "Electronic real estate recording commission" and "commission" mean the
3.17 commission established by sections 507.0941 to 507.0948.

3.18 (e) "Electronic signature" means an electronic sound, symbol, or process attached
3.19 to or logically associated with a document and executed or adopted by a person with
3.20 the intent to sign the document.

3.21 (f) "Legislative Coordinating Commission" means the commission established by
3.22 section 3.303.

3.23 (g) "Paper document" means a document that a recorder or registrar receives in a
3.24 form that is not an electronic document.

3.25 (h) "Person" means an individual, corporation, business trust, estate, trust,
3.26 partnership, limited liability company, association, joint venture, public corporation,
3.27 government or governmental subdivision, agency, or instrumentality, or any other legal or
3.28 commercial entity.

3.29 (i) "Recorder" means the county recorder for the county in which a document is
3.30 received.

3.31 (j) "Registrar" means the registrar of titles for the county in which a document is
3.32 received.

3.33 Sec. 2. **[507.0942] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

Persons applying or construing this act must consider the need to promote uniformity of the law with respect to the subject matter of this act among states that enact a law substantially similar to this act.

Sec. 3. [507.0943] VALIDITY AND TIME OF RECORDING OF ELECTRONIC DOCUMENTS.

(a) If a law requires, as a condition for recording, that a document be an original, on paper or another tangible medium, or in writing, the requirement is satisfied by an electronic document satisfying this act. If a law requires or refers to something related to tangible media including, without limitation, book, certificate, floor plan, page, volume, or words derived from them, the requirement or reference is satisfied by an electronic document satisfying this act.

(b) If a law requires, as a condition for recording, that a document be signed, the requirement is satisfied by an electronic signature.

(c) A requirement that a document or a signature associated with a document be attested, acknowledged, verified, witnessed, or made under oath is satisfied if the electronic signature of the person authorized to perform that act, and all other information required to be included, is attached to or logically associated with the document or signature. A physical or electronic image of a stamp, impression, or seal need not accompany an electronic signature.

(d) Notwithstanding the time of its delivery, an electronic document is recorded for purposes of this chapter at the earlier of (i) the time the electronic document is accepted for recording or (ii) the next close of the recorder's office hours following the time of delivery.

(e) Notwithstanding the time of its delivery, an electronic document is registered as to a parcel of registered land for purposes of chapters 508 and 508A when the electronic document is memorialized or otherwise noted on the certificate of title for the parcel.

(f) A law that authorizes or requires any act to be performed with respect to any document affecting real property that is to be filed in the office of the recorder or registrar shall be deemed satisfied if the act is performed electronically in accordance with the standards established by the electronic real estate recording commission. By way of illustration, the acts referred to in this section include, without limitation, the following words as well as words derived from them: affix, apply, attest, bind, certify, conform, contain, copy, deliver, draw, duplicate, endorse, enter, file, form, hold, issue, leave, make, mark, mount, note, open, present, print, proffer, receive, recite, record, refer, register, seal, send, sign, stamp, state, store, subscribe, witness, and write.

5.1 Sec. 4. **[507.0944] RECORDING OF DOCUMENTS.**

5.2 (a) A recorder or registrar may:

5.3 (1) receive, index, store, archive, and transmit electronic documents;

5.4 (2) provide for access to documents and other information by electronic means;

5.5 (3) provide for search and retrieval of documents and other information by electronic
5.6 means;

5.7 (4) index, store, and archive, in electronic form, paper documents accepted for
5.8 recording;

5.9 (5) convert into electronic form the record of documents recorded or registered
5.10 before the recorder or registrar began to record electronic documents;

5.11 (6) accept electronically any fee or tax that the recorder or registrar is authorized
5.12 to collect; and

5.13 (7) agree with other officials of this state or a political subdivision of this state on
5.14 procedures or processes to facilitate the electronic satisfaction of conditions to recording
5.15 and the electronic payment of fees and taxes.

5.16 (b) A recorder who accepts electronic documents for recording shall:

5.17 (1) continue to accept paper documents; and

5.18 (2) place entries for paper documents and electronic documents in the same index.

5.19 (c) A registrar who accepts electronic documents for registration shall:

5.20 (1) continue to accept paper documents; and

5.21 (2) place entries for paper documents and electronic documents in the same index.

5.22 Sec. 5. **[507.0945] ADMINISTRATION.**

5.23 (a) An Electronic Real Estate Recording Commission administered by the Legislative
5.24 Coordinating Commission is created to and must adopt standards to implement this act.

5.25 (b) The Electronic Real Estate Recording Commission shall consist of the following:

5.26 (1) three members appointed by the Minnesota Association of County Officials who
5.27 are county employees, including one from within the seven-county metropolitan area, one
5.28 from outside the seven-county metropolitan area, and at least one of whom is a county
5.29 recorder and at least one of whom is a registrar of titles;

5.30 (2) one member appointed by the Minnesota Land Title Association;

5.31 (3) one member who represents the Minnesota Bankers Association;

5.32 (4) one member who represents the Section of Real Property Law of the Minnesota
5.33 State Bar Association;

5.34 (5) one nonvoting member who is appointed by the other members of the commission
5.35 and an expert in the technological aspects of electronic real estate recording; and

(6) one member who is the state archivist appointed pursuant to section 138.17.

(c) Members of the Electronic Real Estate Recording Commission shall serve four-year terms, except that (1) the initial appointments of county employees shall be for two years and (2) the expert in the technological aspects of electronic real estate recording shall serve at the pleasure of a majority of the other members of the commission. All initial terms shall commence on July 1, 2008. Members shall serve until their successors are appointed. Any member may be reappointed for successive terms.

(d) The state archivist shall call the first meeting of the Electronic Real Estate Recording Commission. At the first meeting and biennially thereafter, the commission shall elect from its membership a chair and vice-chair to serve two-year terms. Meetings may be called by the chair or the vice-chair or the director of the Legislative Coordinating Commission. Meetings shall be held as often as necessary, but at least once a year.

(e) A majority of the voting members of the Electronic Real Estate Recording Commission constitutes a quorum to do business, and a majority of a quorum may act in any matter within the jurisdiction of the commission.

(f) As soon as practicable and as needed thereafter, the Electronic Real Estate Recording Commission shall identify the information technology expertise it requires and report its needs to the Legislative Coordinating Commission. The Electronic Real Estate Recording Commission also shall report any other expertise it needs to fulfill its responsibilities. The Legislative Coordinating Commission shall provide support services, including meeting space, as needed for the Electronic Real Estate Recording Commission to carry out its duties in an effective manner.

Sec. 6. [507.0946] STANDARDS.

To keep the standards and practices of recorders and registrars in this state in harmony with the standards and practices of recorders' and registrars' offices in other jurisdictions that enact a law that is substantially similar to this act, and to keep the technology used by recorders and registrars in this state compatible with technology used by recorders' and registrars' offices in other jurisdictions that enact a law that is substantially similar to this act, the Electronic Real Estate Recording Commission, so far as is consistent with the purposes, policies, and provisions of this act, in adopting, amending, and repealing standards, shall consider:

(1) standards and practices of other jurisdictions;

(2) the most recent standards promulgated by national standard-setting bodies;

(3) the views of interested persons and governmental officials and entities;

(4) the needs of counties of varying size, population, and resources; and

(5) standards requiring adequate information-security protection to ensure that electronic documents are accurate, authentic, adequately preserved, and resistant to tampering.

Sec. 7. **[507.0947] RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.**

This act modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, United States Code, title 15, section 7001, et seq., but does not modify, limit, or supersede section 101(c) of that act, United States Code, title 15, section 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, United States Code, title 15, section 7003(b).

Sec. 8. **[507.0948] TITLE.**

This act may be cited as the Minnesota Real Property Electronic Recording Act.

Sec. 9. **EFFECTIVE DATE.**

This act is effective July 1, 2008.

**ARTICLE 3
CONFORMING CHANGES**

Section 1. Minnesota Statutes 2006, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09; ~~or~~

(8) standards adopted by the electronic real estate recording commission established under section 507.0945; or

~~(8)~~ (9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A.

Sec. 2. **[272.122] ELECTRONIC FACSIMILE.**

All notations or certifications that are required under this chapter may be performed by electronic means.

Sec. 3. Minnesota Statutes 2006, section 287.08, is amended to read:

287.08 TAX, HOW PAYABLE; RECEIPTS.

(a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of any county in this state in which the real property or some part is located at or before the time of filing the mortgage for record. The treasurer shall endorse receipt on the mortgage and the receipt is conclusive proof that the tax has been paid in the amount stated and authorizes any county recorder or registrar of titles to record the mortgage. Its form, in substance, shall be "registration tax hereon of dollars paid." If the mortgage is exempt from taxation the endorsement shall, in substance, be "exempt from registration tax." In either case the receipt must be signed by the treasurer. In case the treasurer is unable to determine whether a claim of exemption should be allowed, the tax must be paid as in the case of a taxable mortgage. For documents submitted electronically, the endorsements and tax amount shall be affixed electronically and no signature by the

9.1 treasurer will be required. The actual payment method must be arranged in advance
9.2 between the submitter and the receiving county.

9.3 (b) The county treasurer may refund in whole or in part any mortgage registry tax
9.4 overpayment if a written application by the taxpayer is submitted to the county treasurer
9.5 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial
9.6 of the application, the taxpayer may bring an action in Tax Court in the county in which
9.7 the tax was paid at any time after the expiration of six months from the time that the
9.8 application was submitted. A denial of refund may be appealed within 60 days from
9.9 the date of the denial by bringing an action in Tax Court in the county in which the tax
9.10 was paid. The action is commenced by the serving of a petition for relief on the county
9.11 treasurer, and by filing a copy with the court. The county attorney shall defend the action.
9.12 The county treasurer shall notify the treasurer of each county that has or would receive a
9.13 portion of the tax as paid.

9.14 (c) If the county treasurer determines a refund should be paid, or if a refund is
9.15 ordered by the court, the county treasurer of each county that actually received a portion
9.16 of the tax shall immediately pay a proportionate share of three percent of the refund
9.17 using any available county funds. The county treasurer of each county that received, or
9.18 would have received, a portion of the tax shall also pay their county's proportionate share
9.19 of the remaining 97 percent of the court-ordered refund on or before the 20th day of the
9.20 following month using solely the mortgage registry tax funds that would be paid to the
9.21 commissioner of revenue on that date under section 287.12. If the funds on hand under
9.22 this procedure are insufficient to fully fund 97 percent of the court-ordered refund, the
9.23 county treasurer of the county in which the action was brought shall file a claim with the
9.24 commissioner of revenue under section 16A.48 for the remaining portion of 97 percent of
9.25 the refund, and shall pay over the remaining portion upon receipt of a warrant from the
9.26 state issued pursuant to the claim.

9.27 (d) When any mortgage covers real property located in more than one county in this
9.28 state the total tax must be paid to the treasurer of the county where the mortgage is first
9.29 presented for recording, and the payment must be receipted as provided in paragraph (a).
9.30 If the principal debt or obligation secured by such a multiple county mortgage exceeds
9.31 \$1,000,000, the nonstate portion of the tax must be divided and paid over by the county
9.32 treasurer receiving it, on or before the 20th day of each month after receipt, to the county
9.33 or counties entitled in the ratio that the market value of the real property covered by the
9.34 mortgage in each county bears to the market value of all the real property in this state
9.35 described in the mortgage. In making the division and payment the county treasurer shall
9.36 send a statement giving the description of the real property described in the mortgage and

10.1 the market value of the part located in each county. For this purpose, the treasurer of any
10.2 county may require the treasurer of any other county to certify to the former the market
10.3 valuation of any tract of real property in any mortgage.

10.4 (e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The
10.5 mortgagee may undertake to collect and remit the tax on behalf of the mortgagor. If the
10.6 mortgagee collects money from the mortgagor to remit the tax on behalf of the mortgagor,
10.7 the mortgagee has a fiduciary duty to remit the tax on behalf of the mortgagor as to the
10.8 amount of the tax collected for that purpose and the mortgagor is relieved of any further
10.9 obligation to pay the tax as to the amount collected by the mortgagee for this purpose.

10.10 Sec. 4. Minnesota Statutes 2006, section 287.241, is amended to read:

10.11 **287.241 STATEMENT OF TAX DUE OR EXEMPTION; RECORDING OR**
10.12 **REGISTERING OF DOCUMENTS.**

10.13 Subdivision 1. **Statement of tax due or exemption.** No deed or instrument, taxable
10.14 under the provisions of section 287.21, shall be recorded unless it contains the statement
10.15 of the grantor or grantee, or any successor in interest, setting forth the amount of tax due
10.16 under this chapter or that it is exempt from tax. The county recorder or registrar of titles
10.17 shall record any deed or instrument when the statement sets forth that the transfer is tax
10.18 exempt, or when documentary stamps or the treasurer's receipt appear for the amount of
10.19 deed tax recited in the statement. Deeds or other instruments taxable under section 287.21
10.20 recorded electronically shall have the deed tax data affixed electronically. The validity or
10.21 effectiveness of a deed or instrument as between the parties, and as to any person who
10.22 would otherwise be bound, is not affected by the failure to comply with this section. If a
10.23 deed or instrument is accepted for recording contrary to this section, the failure to comply
10.24 does not destroy or impair the record of the deed or instrument as notice.

10.25 Subd. 2. **Notice of certificate of value.** No deed or instrument providing for the
10.26 transfer of title to real property that is subject to the tax as provided in section 287.21, and
10.27 no executory contract for the sale of land, shall be recorded unless such deed or instrument
10.28 is accompanied by a notice from the county auditor that a certificate of value was filed in
10.29 the auditor's office as provided in section 272.115. Documents subject to this provision
10.30 that are filed electronically must include the certificate of value number assigned by the
10.31 electronic certificate of value system established by the Department of Revenue.

10.32 Sec. 5. Minnesota Statutes 2006, section 287.25, is amended to read:

10.33 **287.25 PAYMENT OF TAX; STAMPS.**

11.1 Except for documents filed electronically, the county board shall determine the
11.2 method for collection of the tax imposed by section 287.21:

11.3 (1) The tax imposed by section 287.21 may be paid by the affixing of a documentary
11.4 stamp or stamps in the amount of the tax to the document or instrument with respect to
11.5 which the tax is paid, provided that the county board may permit the payment of the
11.6 tax without the affixing of the documentary stamps and in such cases shall direct the
11.7 treasurer to endorse a receipt for such tax upon the face of the document or instrument.

11.8 Documents submitted electronically must have the deed tax data affixed electronically and
11.9 the tax paid as provided in section 287.08.

11.10 (2) The tax imposed by section 287.21 may be paid in the manner prescribed by
11.11 section 287.08 relating to payment of mortgage registration tax.

11.12 Sec. 6. Minnesota Statutes 2006, section 386.03, is amended to read:

11.13 **386.03 RECEPTION INDEX.**

11.14 Every county recorder shall keep an index, to be denominated as a grantor's and
11.15 grantee's reception index, which shall contain the following information: date of reception,
11.16 year, month, day, hour and minute, grantor and grantee, where situated, to whom delivered
11.17 after recording, fees received, instrument number, and kind of instrument.

11.18 The recorder shall enter in the index, in the order and manner aforesaid, as soon as
11.19 the same are received, all deeds and other instruments ~~left, and all copies left, as cautions or~~
11.20 ~~notices of liens,~~ authorized by law to be recorded. The reception index shall be maintained
11.21 in alphabetical order, and every entry made therein shall be made in the reception index
11.22 under the grantor's surname, and under the grantee's surname, and all such entries shall
11.23 appear therein consecutively and in the order as to time in which the instruments were
11.24 received. The recorder shall make an entry in the record immediately for each instrument
11.25 recorded specifying the time of the day, month, and year when the same was recorded.

11.26 Sec. 7. Minnesota Statutes 2006, section 386.19, is amended to read:

11.27 **386.19 RECORD BOOKS, INDEXES.**

11.28 The county recorder shall keep suitable word for word records by either manual or
11.29 electronic means of all instruments ~~left with~~ delivered to the recorder for record keeping.

11.30 The recorder shall keep an alphabetical index either by manual or electronic means, to
11.31 record, under the proper letter of the alphabet, the name of each grantor and grantee of any
11.32 instrument ~~left~~ delivered for ~~record~~ recording.

11.33 Sec. 8. Minnesota Statutes 2006, section 386.26, subdivision 1, is amended to read:

12.1 Subdivision 1. **Counties over 100,000.** The county recorder in each county
12.2 having a population of over 100,000 is hereby authorized and directed to transcribe in
12.3 appropriate records in writing or by electronic media to be provided by the county for
12.4 such purpose and to appropriately index all instruments affecting: lists of lands selected
12.5 by railroad companies under grants from the United States or the state of Minnesota; and
12.6 all instruments affecting: condemnation proceedings; awards of damages in condemnation
12.7 proceedings; building line easements; easements for slopes; easements for electric light
12.8 and telephone poles; now on file in the recorder's office and which have not heretofore
12.9 been recorded.

12.10 Sec. 9. Minnesota Statutes 2006, section 386.31, is amended to read:

12.11 **386.31 CONSECUTIVE NUMBERING.**

12.12 Each county recorder shall endorse plainly upon each instrument received for record
12.13 as soon as received a number consecutive, to the extent practicable, to the number affixed
12.14 to the instrument next previously received and enter such number as a part of the entry
12.15 relating to such instrument in all the indexes kept in the office and on the margin of the
12.16 record of the instrument, and such number shall be prima facie evidence of priority of
12.17 registration. If more than one instrument shall be received at the same time, by mail or
12.18 other like enclosure, the recorder shall affix such number in the order directed by the
12.19 sender; if no direction be given, then in the order in which the instruments actually come
12.20 to the ~~recorder's hand in opening the enclosures~~ recorder.

12.21 Sec. 10. Minnesota Statutes 2006, section 386.409, is amended to read:

12.22 **386.409 COUNTY RECORDER'S OFFICIAL SIGNATURE.**

12.23 When the county recorder's official signature, or that of a deputy is required under
12.24 section 386.41, an electronically generated ~~facsimile~~ signature or name may be used.

12.25 Sec. 11. Minnesota Statutes 2006, section 507.093, is amended to read:

12.26 **507.093 STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.**

12.27 The following standards are imposed on documents to be recorded with the county
12.28 recorder or the registrar of titles other than by electronic means as provided in section
12.29 507.24:

12.30 (1) The document shall consist of one or more individual sheets measuring no larger
12.31 than 8.5 inches by 14 inches.

13.1 (2) The form of the document shall be printed, typewritten, or computer generated in
13.2 black ink and the form of the document shall not be smaller than 8-point type.

13.3 (3) The document shall be on white paper of not less than 20-pound weight with no
13.4 background color or images and, except for the first page, shall have a border of at least
13.5 one-half inch on the top, bottom, and each side.

13.6 (4) The first page of the document shall contain a blank space at the top measuring
13.7 three inches, as measured from the top of the page, and a border of one-half inch on each
13.8 side and the bottom. The right half of the blank space shall be reserved for recording
13.9 information and the left half shall be reserved for tax certification. Any person may attach
13.10 an administrative page before the first page of the document to accommodate this standard.
13.11 The administrative page may contain the document title, document date, and, if applicable,
13.12 the grantor and grantee, and shall be deemed part of the document when recorded.

13.13 (5) The title of the document shall be prominently displayed at the top of the first
13.14 page below the blank space referred to in clause (4), or on the administrative page.

13.15 (6) No additional sheet shall be attached or affixed to a page that covers up any
13.16 information or printed part of the form.

13.17 (7) A document presented for recording must be sufficiently legible to reproduce
13.18 a readable copy using the county recorder's or registrar of title's current method of
13.19 reproduction.

13.20 Sec. 12. Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2, is
13.21 amended to read:

13.22 Subd. 2. **Original signatures required.** (a) Unless otherwise provided by law, an
13.23 instrument affecting real estate that is to be recorded as provided in this section or other
13.24 applicable law must contain the original signatures of the parties who execute it and of the
13.25 notary public or other officer taking an acknowledgment. However, a financing statement
13.26 that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the
13.27 signatures of the debtor or the secured party; or (2) an acknowledgment.

13.28 (b)~~(1)~~ Any electronic instruments, including signatures and seals, affecting real
13.29 estate may only be recorded ~~as part of a pilot project for the electronic filing of real~~
13.30 ~~estate documents implemented by the task force created in Laws 2000, chapter 391, or~~
13.31 ~~by the Electronic Real Estate Recording Task Force created under section 507.094. The~~
13.32 ~~Electronic Real Estate Recording Task Force created under section 507.094 may amend~~
13.33 ~~standards set by the task force created in Laws 2000, chapter 391, in conformance with~~
13.34 standards implemented by the Electronic Real Estate Recording Commission created
13.35 under the Minnesota Real Property Electronic Recording Act, sections 507.0941 to

507.0948. The Electronic Real Estate Recording Commission created under the Minnesota Real Property Electronic Recording Act may adopt or amend standards set by the task force created in Laws 2000, chapter 391, and the Electronic Real Estate Recording Task Force created under section 507.094 and may set new or additional standards and establish pilot projects to the full extent permitted in section 507.094, subdivision 2, paragraph (b) 507.0945. Documents recorded in conformity with those standards and in those pilot projects the standards created as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or by the Electronic Real Estate Recording Task Force created under section 507.094 are deemed to meet the requirements of this section.

~~(2)(i) A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:~~

~~(A) the county complies with standards adopted by the task force; and~~

~~(B) the county uses software that was validated by the task force.~~

~~(ii) A county that did not participate in the pilot project may record or file a real estate document electronically, if:~~

~~(A) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;~~

~~(B) the county complies with the standards adopted by the task force;~~

~~(C) the county uses software that was validated by the task force; and~~

~~(D) the task force created under section 507.094, votes to accept a written certification of compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.~~

(c) Notices filed pursuant to section 168A.141, subdivisions 1 and 3, need not contain an acknowledgment.

Sec. 13. Minnesota Statutes 2006, section 507.40, is amended to read:

507.40 MORTGAGES, HOW DISCHARGED.

A mortgage may be discharged by filing for record a certificate of its satisfaction executed and acknowledged by the mortgagee, the mortgagee's personal representative, or assignee, as in the case of a conveyance. ~~The county recorder shall enter the number of such certificate and the book and page of its record upon the record of the mortgage or on a microfilm card whenever possible.~~ In all cases the discharge shall be entered in the reception book and indexes as conveyances are entered. If a mortgage be recorded in

15.1 more than one county and discharged of record in one of them, a certified copy of such
 15.2 discharge may be recorded in another county with the same effect as the original. If the
 15.3 discharge be by marginal entry, heretofore made, such copy shall include the record of the
 15.4 mortgage. ~~In all cases the discharge shall be entered in the reception book and indexes as~~
 15.5 ~~conveyances are entered.~~

15.6 Sec. 14. Minnesota Statutes 2006, section 507.46, subdivision 1, is amended to read:

15.7 Subdivision 1. **Form of certificate.** A county recorder or registrar of titles shall
 15.8 accept for recording a document that is not ~~written~~ prepared in the English language, but is
 15.9 otherwise in recordable form, if there is appended to the non-English language document
 15.10 a translation of the document into the English language and a certificate of translation in
 15.11 substantially the following form:

CERTIFICATE OF TRANSLATION

15.13 State of Minnesota

15.14 County of

15.15 I certify that the attached English language document is a complete and accurate
 15.16 translation of the attached document from the language.

15.17

15.18 Signature of translator

15.19

15.20 Typed or printed name

15.21

15.22 Street Address

15.23

15.24 City, State, and Zip Code

15.25

15.26 Telephone number

15.27

15.28 Subscribed and sworn to before me this

15.29 day of, 20.....

15.30

15.31 Notary public