



Synopsis: Enacts the Uniform Electronic Recording Act in Illinois. The Act permits a county recorder to establish an electronic recording system for the filing of electronic real property documents executed and notarized with electronic signatures. An electronic notarization performed under the Act is legal without the imprint of the Notary's official physical seal.

Law Text:

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AN ACT concerning civil law.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Uniform Real Property Electronic Recording Act.

Section 2. Definitions. In this Act:

(1) "Document" means information that is:

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

(B) eligible to be recorded in the land records maintained by the county recorder.

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

(3) "Electronic document" means a document that is received by the recorder in an electronic form.

(4) "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.

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

(6) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(7) “Secretary” means the Secretary of State.

(8) “Commission” means the Illinois Electronic Recording Commission.

Any notifications required by this Act must be made in writing and may be communicated by certified mail, return receipt requested or electronic mail so long as receipt is verified.

Section 3. Validity of electronic documents.

(a) If a law requires, as a condition for recording, that a document be an original, be on paper or another tangible medium, or be in writing, the requirement 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 notarized, 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.

Section 4. Recording of documents.

(a) In this Section, “paper document” means a document that is received by the county recorder in a form that is not electronic.

(b) A county recorder:

(1) who implements any of the functions listed in this Section shall do so in compliance with standards established by the Illinois Electronic Recording Commission and must follow the procedures of the Local Records Act before destroying any original paper records as part of a conversion process into an electronic or other format.

(2) may receive, index, store, archive, and transmit electronic documents.

(3) may provide for access to, and for search and retrieval of, documents and information by electronic means, including the Internet, and on approval by the county recorder of the form and amount, the county board may adopt a fee for document detail or image retrieval on the Internet.

(4) who accepts electronic documents for recording shall continue to accept paper documents as authorized by State law and shall place entries for both types of documents in the same index.

(5) may convert paper documents accepted for recording into electronic form.

(6) may convert into electronic form information recorded before the county recorder began to record electronic documents.

(7) may accept electronically any fee or tax that the county recorder is authorized to collect.

(8) may agree with other officials of a state or a political subdivision thereof, or of the United States, on procedures or processes to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording and the electronic payment of fees and taxes.

Section 5. Administration and standards.

(a) To adopt standards to implement this Act, there is established, within the Office of the Secretary of State, the Illinois Electronic Recording Commission consisting of 15 commissioners as follows:

(1) The Secretary of State or the Secretary's designee shall be a permanent commissioner.

(2) The Secretary of State shall appoint the following additional 14 commissioners:

(A) Three who are from the land title profession.

(B) Three who are from lending institutions.

(C) One who is an attorney.

(D) Seven who are county recorders, no more than 4 of whom are from one political party, representative of counties of varying size, geography, population, and resources.

(3) On the effective date of this Act, the Secretary of State or the Secretary's designee shall become the Acting Chairperson of the Commission. The Secretary shall appoint the initial commissioners within 60 days and hold the first meeting of the Commission within 120 days, notifying commissioners of the time and place of the first meeting with at least 14 days' notice. At its first meeting the Commission shall adopt, by a majority vote, such rules and structure that it deems necessary to govern its operations, including the title, responsibilities, and election of officers. Once adopted, the rules and structure may be altered or amended by the Commission by majority vote. Upon the election of officers and adoption of rules or bylaws, the duties of the Acting Chairperson shall cease.

(4) The Commission shall meet at least once every year within the State of Illinois. The time and place of meetings to be determined by the Chairperson and approved by a majority of the Commission.

(5) Eight commissioners shall constitute a quorum.

(6) Commissioners shall receive no compensation for their services but may be reimbursed for reasonable expenses at current rates in effect at the Office of the Secretary of State, directly related to their duties as commissioners and participation at Commission meetings or while on business or at meetings which have been authorized by the Commission.

(7) Appointed commissioners shall serve terms of 3 years, which shall expire on December 1st. Five of the initially appointed commissioners, including at least 2 county recorders, shall serve terms of one year, 5 of the initially appointed commissioners, including at least 2 county recorders, shall serve terms of 2 years, and 4 of the initially appointed commissioners shall serve terms of 3 years, to be determined by lot. The calculation of the terms in office of the initially appointed commissioners shall begin on the first December 1st after the commissioners have served at least 6 months in office.

(8) The Chairperson shall declare a commissioner's office vacant immediately after receipt of a written resignation, death, a recorder commissioner no longer holding the public office, or under other circumstances specified within the rules adopted by the Commission, which shall also by rule specify how and by what deadlines a replacement is to be appointed.

(c) The Commission shall adopt and transmit to the Secretary of State standards to implement this

Act and shall be the exclusive entity to set standards for counties to engage in electronic recording in the State of Illinois.

(d) To keep the standards and practices of county recorders in this State in harmony with the standards and practices of recording offices in other jurisdictions that enact substantially this Act and to keep the technology used by county recorders in this State compatible with technology used by recording offices in other jurisdictions that enact substantially this Act, the 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, such as the Property Records Industry Association;

(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.

(e) The Commission shall review the statutes related to real property and the statutes related to recording real property documents and shall recommend to the General Assembly any changes in the statutes that the Commission deems necessary or advisable.

(f) Funding. The Secretary of State may accept for the Commission, for any of its purposes and functions, donations, gifts, grants, and appropriations of money, equipment, supplies, materials, and services from the federal government, the State or any of its departments or agencies, a county or municipality, or from any institution, person, firm, or corporation. The Commission may authorize a fee payable by counties engaged in electronic recording to fund its expenses. Any fee shall be proportional based on county population or number of documents recorded annually. On approval by a county recorder of the form and amount, a county board may authorize payment of any fee out of the special fund it has created to fund document storage and electronic retrieval, as authorized in Section 3-5018 of the Counties Code. Any funds received by the Office of the Secretary of State for the Commission shall be used entirely for expenses approved by and for the use of the Commission.

(g) The Secretary of State shall provide administrative support to the Commission, including the preparation of the agenda and minutes for Commission meetings, distribution of notices and proposed rules to commissioners, payment of bills and reimbursement for expenses of commissioners.

(h) Standards and rules adopted by the Commission shall be delivered to the Secretary of State. Within 60 days, the Secretary shall either promulgate by rule the standards adopted, amended, or repealed or return them to the Commission, with findings, for changes. The Commission may override the Secretary by a three-fifths vote, in which case the Secretary shall publish the Commission's standards.

Section 6. (Blank).

Section 7. 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 (15 U.S.C. Section 7001, et seq.) but does not modify, limit, or supersede Section 101(c) of that Act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that Act (15 U.S.C. Section 7003(b)).

Section 99. Effective date. This Act takes effect upon becoming law.

Changes:

1. Enacts the Uniform Real Property Electronic Recording Act (URPERA), which permits county recorders to establish an electronic recording system to record electronic real property documents.
2. Tasks a 15-member electronic recording commission within the office of the Illinois Secretary of State with the responsibility of creating technical standards for implementing the Act, 7 of which must be recorders.
3. Stipulates that an electronic notarization is legal without the imprint of a Notary's official physical seal.

Analysis:

2007 has been an eventful year for enactments of the Uniform Real Property Electronic Recording Act. Illinois becomes the sixth state to enact the URPERA this year, and the fourteenth overall. Even prior to SB 319 becoming law, the NNA was aware that the counties of Champaign, Cook, DuPage, McHenry, McLean and Rock Island were accepting electronic documents for recording in the official land records. Since URPERA is typically enacted in order to provide a statutory basis for electronic recording, it is unclear whether these counties "jumped the gun" or had prior permission to implement electronic recording. All named counties except McHenry and McLean were performing "Level 3" e-recording; with Level 3 e-recording documents are created, signed, notarized, transmitted and recorded as entirely electronic documents; no paper is ever used. These counties (including McHenry and McLean) also were performing "Level 2" e-recording, where documents are created on paper, signed and notarized using pen-and-ink signatures and physical Notary seals, and then electronically scanned and transmitted to the recorder's office as electronic documents. Importantly, Illinois' URPERA contains the security provision requiring the electronic recording commission to adopt "standards requiring adequate information security protection to ensure that electronic documents are accurate, authentic, adequately preserved, and resistant to tampering."