

**Electronic Real Estate Recording Task Force  
Minutes: 11 September 2003**

Present: (Members) Joel Beckman, Julie Bergh, Jeff Carlson, Mike Cunniff, Susan Dioury (via telephone), Bob Horton, Rep. Al Juhnke, Secretary Mary Kiffmeyer, Cindy Koosman, Denny Kron, Carol Leonard, Chuck Parsons, Leonard Peterson. (Guests) Bert Black, Luci Botzek, Greg Hubinger, Erin Hultgren, Scott Loomer, Beth McNerny, Bill Mori, Pramod Taneja, Molly Terry.

**1. Call to Order**

Secretary Kiffmeyer called the meeting to order at 9.35.

**2. Approval of 14 August 2003 minutes**

The minutes of the meeting were approved as distributed, except that Julie Bergh noted that it was not her, but Beth McNerny who sent the ERERTF's memo to NCCUSL.

**3. Project Coordinator Update**

Bert Black discussed the issues related to the Arcanus patents. The LCC's attorney and Greg Huwe of the Attorney General's Office reviewed the patents (copies of the two applications were distributed to the task force). Huwe felt that since the ERERTF standards do not specify any technology, they do not constitute an infringement on the patents. But he is not a patent attorney and suggested that the task force might want to consult one if it wanted to be more certain.

Chuck Parsons said that the legal subcommittee had reviewed these patents before and had come to the same conclusion as Huwe. Jeff Carlson said that his software developers felt that their work did not infringe on the patent, but that it would be worth the investment to have an attorney confirm these opinions.

Questions to ask would be: 1) whether the standards infringed on the patents; 2) how to implement the standards without infringing on the patents; and 3) what effect additional legislation could have on the situation. Bob Horton moved and Denny Kron seconded spending up to \$5000 to hire a patent attorney to review the authentication issues. This would occur before moving ahead with Phase 2. The motion passed unanimously.

John Jones and Mark Ladd, from PRIA, submitted a written report on the American Bar Association meeting in August that discussed e-notary issues. A number of workgroups were formed and further reports will follow.

Beth McNerny reported that Roseau and Hennepin still have to submit final signed documents; when they do that, all pilot county contracts will be complete.

She also reported that after the adoption of the revised schema at the last meeting, the task force forgot to update it with a new version number. Mike Cunniff moved to update this version to 3.0. Carol Leonard added a friendly amendment that allows future revisions to be automatically updated as they occur, without formal approval from the task force. Cindy Kossman seconded. The motion passed unanimously.

The LCC sent a report on the current task force budget, which indicates total funding from the surcharge received so far is \$1,769,436.75. Of that \$544,436.75 remains uncommitted. The

FY03 has been closed by the LCC accounting office and they will begin to report expenses for FY04.

#### **4. NECCC annual conference**

Secretary Kiffmeyer announced that the NECCC annual conference will be in Raleigh, NC in November, on the topic of cross boundary integration (XBI). The ERERTF has been invited to present a report on its efforts as a case study of XBI at a panel discussion. She recommended that the task force should participate and send representatives to make the presentation. Jeff Carlson volunteered to attend at his own expense. Dakota County agreed to send a representative, with the financial support of the ERERTF. Chuck Parsons moved to send a representative of Dakota County at the expense of the task force to participate in the panel. Denny Kron seconded the motion, with authorization for spending up to \$600. The motion passed unanimously. Carol Leonard moved and Leonard Peterson seconded that the task force submit the request to spend the funds for out of state travel to the Speaker of the House for approval.

#### **5. Reports from pilot counties**

Gail Miller reported that the Renville board has approved the purchase of a server for the e-recording system; that should be in place soon. The project team continues to analyze how to format and structure submissions. She expects the project to go live in November.

Mike Cunniff reported continuing progress. Hennepin is implementing automatic numbering of documents to improve and facilitate automated work processes. There is one issue left to settle with the LCC, which should soon be resolved and the final contract signed. Wells Fargo, US Recordings and Old Republic are looking to be the trusted submitters.

Joel Beckman reported that Dakota County continues to accept electronically submitted satisfactions. It is going into compliance testing with Navis and should complete that soon. E-Filings has contacted Dakota about becoming a submitter; that conversation is continuing. McInerny added that E-Filings had contacted her about being a Trusted Submitter. She explained to them how agreements are established and that the entity they represent should contact the county directly. She also provided them with links to the ERER web site to become more familiar with the project. At present, US Recordings is the only active trusted submitter.

Molly Terry said that InGeo was working with its clients and the counties to add other submitters and platforms to the mix. One function that might increase the number is the ability to implement electronic fund transfers. The options are under exploration.

Chuck Parsons moved a resolution that the counties and counties' vendors should make it a priority to develop open platforms and encourage the addition of other submitters for the purpose of validating the task force standards. Leonard Peterson seconded. The motion passed unanimously.

#### **6. Pilot testing activity**

Erin Hultgren said that Navis Group was working on analyzing Phase 1 results. It is testing Dakota for compliance to standards. It is analyzing the risks identified by Hennepin's project

team. These will be useful for the implementation guide. Lyon County went live in August and has now three electronic submissions.

Jeff Carlson said that Lyon asked about the relative importance of the document number and the time stamp in setting priorities. Chuck Parsons said that the numbers should be consecutive, but the time stamp established priorities. Joel Beckman agreed that the date and time of submission were critical. The number is useful for research and retrieval, but it may also distinguish between documents received at the same time. Secretary Kiffmeyer noted that UCC filings are time-stamped to the second and portions of seconds. The task force might consider legislation to clarify this relation, particularly in regards to e-recording. Implementation guides should also describe county practices.

WCI will be in Roseau in October to set up the e-recording server and has sent a signed contract to the LCC. Some meetings ago, the task force discussed a situation where Renville and Hennepin would opt for the creation of a mutually acceptable standard for style sheets accepted by their technologies. Dakota and Lyon would allow for variety. The task force would compare the results as part of its evaluation of the project. In practice, it appears that counties and vendors are establishing standards for style sheets and are working with Trusted Submitters. This will be the test scenario for all pilot counties.

Navis is working with Fidlar to devise compliance testing procedures, using dummy documents and filing prior to going live. Satisfactions will be the first example of this.

## **7. Reports from Subcommittees**

The Phase II planning subcommittee met on 8 September and submitted a report to the task force. It identified all stakeholders involved in Phase II and began analyzing the additional complexities that this new phase would present. To address these complexities, the subcommittee agreed to analyze:

- 1) the definitions of Level 2 and 3 implementations and specifically the extent to which image files can be embedded in XML files under the current schema and the extent to which larger and more general XML text fields can replace the more precisely defined data elements in the current schema;
- 2) developments on the national scene and particularly in the standards and models sponsored by MISMO and PRIA;
- 3) a data model of the workflow from submitter through stakeholders at the county and state levels, to understand which data elements are used when and by whom; and
- 4) an acceptably minimal level of XML formatted data that would support a mutually acceptable tradeoff in costs and benefits among stakeholders and that would facilitate the adoption of more sophisticated standards and technologies as they become feasible.

## **8. Adjournment**

The meeting adjourned at 11.50.