

MEETING MINUTES
PROPERTY RECORDS EDUCATION PARTNERS (PREP) MEETING
SOUTH CENTRAL MINNESOTA CHAPTER
Tuesday May 22nd, 2007

The second annual PREP meeting commenced at 10:00am on Tuesday May 22nd, 2007 at the Nichols Office Center, located at 410 Jackson Street, 3rd Floor, Mankato, MN 56001

The meeting was called to order by Linda Karst, the Waseca County Recorder who presided over the meeting.

Minutes from the first PREP meeting held on April 12, 2006 were submitted and approved by those present.

The first item on the agenda was the discussion of Old Business, namely information which appears on the Administrative Pages that are sent with recordable instruments. It was noted that if there is insufficient room for recording information, the county recording office has the authority to add an administrative page.

Where a document is filed from another county, most of the recorders would prefer that the administrative page be included. With respect to imaging documents, the administrative page can be imaged easily.

Any recordable instrument should include:

- Parcel Identification No.
- Document Type
- Date
- Grantor
- Grantee
- Returned to information
- Drafted By Information

Space for treasurer's stamp and auditor stamps should be on the document or an additional page.

It was noted that if there is sufficient space at the end of the document, not having a three inch margin at the top of the document will not result in the document being rejected by the recording office.

Minnesota standards are fairly uniform with other states. In some cases it is acceptable to stamp on the back of a document, however there is some risk because most individuals would not look for the doc stamp on the back of the document.

RECORDING SLIPS: The recording slip provides the recorder with invaluable information, including the order for recording and to whom the recorded instrument should be returned. If a recording slip is not used, a letter is acceptable. Recording slips and letters provide for efficiencies with respect to internal processing and help keep recordable instruments together.

In cases where documents are rejected, the majority of the practitioners and paralegals prefer not to have their whole package rejected. The recorders pointed out that whether an entire packet is rejected is largely dependent on how the fees and costs are paid. If everything is paid with one check, then some recorders might lean toward not accepting a partial packet. Waseca county would likely accept a partial packet.

There were differing positions among counties as to whether they would reject a whole packet if there is something missing from one or more document. (e.g. a missing notary stamp). If an entire packet is rejected, it might be due to the fact that there were concerns about the order of recording and payment of fees. It was noted that turn around time is usually the same day. If something is rejected, it is returned to the sender the date it is rejected.

Several counties, including Waseca county, will make a courtesy call to the practitioner's office. Examples of when calls are made include when the \$5 Ag preservation fee is not paid. The consensus of the practitioners and paralegals was that they prefer a phone call to discuss the missing information, rather than automatically sending it back. Many issues can either be resolved over the phone or a document can be delivered (e.g. if an exhibit is missing). To ensure this, the recorder would need to have the name and phone number for the specific contact person.

With respect to the Mortgage Registration Tax and the State Deed Tax, some counties allow all fees to be included in one check. LeSeuer county does not like to see the fees in one lump sum. It was the opinion that most treasurer's offices would like to see separate checks.

With respect to legal descriptions and the need for surveys, each county has a specific preference. Information as to whether a formal survey is needed may be found on the recorder's website or by calling the recording office directly.

PARCEL ID NUMBERS: Recorders would like to see this information either on the deed, a letter, or recording slip. Practitioners and paralegals are urged to search by cross reference using the legal on the deeds or other conveyance documents. The Search by PID number should be avoided because there is a potential for error especially in light of possible splits of parcels.

LEGISLATIVE UPDATES

A. Plats: One Mylar will be required and no hardshells. SF 2161. Standards may vary by county. Currently Waseca county requires 11x 17 document for imaging.

The bill is a recodification of the platting statute, modeled after similar platting statutes in other states, and seeks to:

- Clarify the permissible use of platting;
- Define certain terms used relative to platting;
- Update the statute to reflect changes in standards, technologies, and processes;
- Cross reference for preparation and recording requirements to reduce redundancies;
- Logically organize the plat preparation and recording requirements.

(Summary by Dan McGowan)

Relevant provisions of the Bill are as follows:

Plat format. A plat shall be prepared on four mil transparent reproducible film or the equivalent, and shall be prepared by a photographic process. Plat sheet size shall be 22 inches by 34 inches. A border line shall be placed one-half inch inside the outer edge of the plat on the top and bottom 34 inch sides; and the right 22 inch side; and two inches inside the outer edge of the plat on the left 22 inch side. If a plat consists of more than one sheet, the sheets shall be numbered consecutively.

Subd. 2. Plat name; legal description; dedication statement. The plat name shall appear across the top portion of the plat and in the dedication paragraph of the plat and shall not duplicate or be similar to the name of any plat that is in the office of the county recorder or registrar of titles in the county in which the land is located. The plat name shall be in capital letters in all locations that the name appears on the plat. The plat shall contain a complete and accurate description of the land being platted and a dedication statement describing what part of the land is dedicated, to whom, and for what purpose. In the event of a discrepancy between the plat name stated in the dedication statement and the plat name appearing in other portions of the plat, the name in the dedication statement shall control.

Subd. 3. Ownership interest; acknowledgment. At the time of recording, the names and signatures of all fee owners, contract for deed vendees, and mortgage holders of record of the land being platted shall appear on the plat, together with a statement as to their interest. Individual owners shall indicate their marital status. Entity owner shall identify the specific type of entity and the jurisdiction in which the entity is organized. Agents or officers for an entity shall state their position with such entity. A mortgage holder may consent to the plat by a written acknowledged statement in lieu of the mortgage holder's name and signature appearing on the plat. If a mortgage holder is included on the plat, the plat shall be signed by an authorized representative. If a certificate of notarial act on a plat includes the jurisdiction of the notarial act, the name of the notarial officer, the title of the notarial officer, and the date the notary commission expires, printed in pen and ink or typewritten on the plat, a plat shall be recorded regardless of whether a notary stamp was used or was illegible if used.

Minnesota Statutes 2006, section 505.04, is amended to read:

505.04 REAL ESTATE TAXES; RECORDING; COPIES.

Every plat, when duly certified, signed, and acknowledged, as provided in section 505.03 505.021, and upon presentation of a certificate from the county treasurer authorized county official that the current year's taxes have been paid, shall be filed and recorded in the office of the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property. An exact transparent reproducible copy shall, at the discretion of the county recorder or registrar of titles, be provided to the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property. The official plat shall be labeled "OFFICIAL PLAT" and any copy shall be labeled "copy." The official plat and any copy shall be placed under the direct supervision of the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property and be open to inspection by the public. In counties having a full-time county surveyor who operates an office on a full-time basis, the exact copy may be placed under the direct supervision of the county surveyor and be open to inspection by the public. Upon request of the county auditor of the county wherein the land is situated, the county recorder or registrar of titles shall cause a reproduction copy of the official plat, or of the exact copy, to be made and filed with such county auditor, at the expense of the county.

Effective August 1, 2007

b. Senate File 1557 Preservation of Government Records

All government records

shall be made on a physical medium of a quality to insure permanent records. Every public officer is empowered to reproduce records if the records are not deemed to be of permanent or archival value by the commissioner of administration and the records disposition panel under section 138.17. The public officer is empowered to reproduce these records by any photographic, photostatic, microphotographic, optical disk imaging system, microfilming, or other reproduction method that clearly and accurately reproduces the records. ~~If a record is deemed to be of permanent or archival value, any reproduction of the record must meet archival standards specified by the Minnesota Historical Society provided, however, that this section does not prohibit the use of nonerasable optical imaging systems for the preservation of archival records without the preservation of paper or microfilm copies.~~ Each public officer may order that those photographs, photostats, microphotographs, microfilms, optical images, or other reproductions, be substituted for the originals of them. The public officer may direct the destruction or sale for salvage or other disposition of the originals from which they were made, in accordance with the disposition requirements of section 138.17. Photographs, photostats, microphotographs, microfilms, optical images, or other reproductions are for all purposes deemed the original recording of the papers, books, documents, and records reproduced when so ordered by any public officer and are admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or certified copy of a photograph, photostat, microphotograph, microfilm, optical image, or other reproduction, or an enlargement or reduction of it, has the same effect and weight as evidence as would a certified or exemplified copy of the original.

EFFECTIVE AUGUST 1, 2007

c. Senate File 124 – Effective May 10, 2007 – Options for filling vacancies of county commissioner

OTHER PREP GROUPS

There are 11 other PREP groups throughout Minnesota (see attached Map). The organization benefits both the private and public sectors. The organization improves the working relationships and communication with practitioners and agencies regarding recording requirements and laws impacting real estate transactions throughout the region. No dues are paid or membership fees.

Minutes of meetings are posted on the Property Records Industry Association (PRIA) website at <http://www.pria.us/>. PRIA is essentially the PREP organization on a larger scale; though an individual does not have to be a member of PRIA to be part of the PREP organization. There are currently 20 states in the nation that have PREP groups. In Minnesota the concept of PREP groups began within the Metropolitan area. Minnesota currently has the most active PREP groups in the nation.

E-RECORDING:

Most counties now use software packages which permit viewing of electronically scanned documents. The Two primary packages are a). Landshark and b). Laredo.

Several counties are moving in the direction of electronic recording through implementation of Model III e-recording solutions. The newly elected secretary of state is looking at pilot counties of Dakota, Clay, Wabasha and Renville.

With e-recording, the document is prepared and expedited filing is done through the recording system from private offices. A fee is charged by the software vendor for every document that is e-recorded. Fees might range from \$3.99 to \$4.99 per document. E-filing provides an instantaneous process and counties recognize benefits in efficiency and customer service.

The Secretary of State wants to implement a task force and commission that will be appointed to establish rules for e-recording in the future. The efficiencies include less chance for rejection of documents where the practitioner is entering the information themselves. There are three primary models:

Model I: Fax a document (no original signature) – not currently available in Minnesota
Model II: Typed document is submitted through an expedited system with basic information included. Document is received and populates the system and paperwork can be generated. A visual is created with the recorder seeing the paper and the data next to it. This is available for Satisfactions, CRV; Certificates of Release, Assignments and Mortgages.

Model III: Everything is typed in from one point. The document is input directly to the system with the state law exemption for signatures (Only available for satisfactions of mortgage, certificates of release and assignments)

Trust Submitter: The Secretary of State is working on the process for how to obtain certification as a Trust Submitter. At this point, the process is not real clear.

Because conveyance documents such as deeds and mortgages are not currently an option using these systems, it is not very appealing. Private users do not see a great deal of value at this time.

ACH accounts need to be set up for payment of fees and costs. To that end, county Auditor/Treasurer offices also need to be in support of these systems. The value of model 3 is that there is an instant receipt generated and with Model 2, a paper document is returned.

Software is available on various websites and can be downloaded. Sample demonstrations can be accessed through the Fidlar website at www.Fidlar.com. It was suggested that perhaps one of the software vendors would conduct a demonstration at the next PREP meeting.

LANDSHARK: A web based application which customers in Waseca county like. It provides easier access to documents via the computer with imaging available. Counties continue to image documents. While some counties do not have the capability to tract documents back 40 years, if the document number, book and page is known, the document image can be accessed.

NATIONAL DEED SERVICE: The general consensus is that this is a marketing ploy.

FORECLOSURES: The county recorders are quite surprised by the number of foreclosure proceedings being filed.

SPLITS: There are no longer split fees although Olmstead county may still have some extra fees in cases involving the split of a parcel.

Certain counties require that a survey be approved through the planning and zoning commission. Easement issues and other concerns need to be reviewed. In the City of New Prague there must be approval of both the survey and the split.

Payment of taxes are also a consideration that needs to be addressed when dealing with split parcels.

E-CREV: Dakota county is piloting this and wants to be able to generate an electronic Certificate of Real Estate Value. Practitioners would need a larger screen monitor to put the Electronic Certificate of Real Estate Value on it.

AG CONSERVATION AND OTHER FEES: Nine counties have an Ag conservation fee. Waseca county and Crow Wing County along with 7 metro cities. Hennepin County and Ramsey County have higher Mortgage Registration Taxes than other counties.

THE MEETING ADJOURNED WITH THE NEXT MEETING SCHEDULED FOR SOMETIME IN SEPTEMBER.

Wadena Co

Standard Recording Slip

To: _____ County, MN

Abstract

Correns# _____

Date: _____

Please record in the following order:

Document Type	Description	MRT	SDT	Recording Fees
1				
2				
3				
4				
5				
6				

From:

(Company Name)

Address:

(Company Address)

Contact Name:

Phone No.:

Account No.:

Notes:

File No.:

NOTE: IF ANY DOCUMENT IS REJECTED, THE ENTIRE PACKAGE WILL BE RETURNED

