



SUMMARY REPORT

Agenda Date: 6/9/2020

To: Board of Supervisors

Department or Agency Name(s): County Clerk-Recorder-Assessor

Staff Name and Phone Number: Amanda S. King (707) 565-1805

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

California Electronic Recording Network Authority (CeRTNA)

Recommended Action:

Approve final ratification of the list of Unified Memorandums of Understanding executed by California Electronic Recording Network Authority (CeRTNA) Executive Director from April 24, 2019 to April 24, 2020. This arrangement provides efficiencies by availing electronic submission of records services to the public.

Executive Summary:

The Electronic Recording Delivery Act of 2004 authorized a County Recorder to establish an Electronic Recording Delivery System for recording of specified digitized and digital electronic records (deeds and financing documents). The California Electronic Recording Transaction Network Authority (CeRTNA) is a Joint Powers Authority that was created for the purpose of the design, development, implementation and on-going operation and maintenance of Electronic Recording Delivery System. The system is used by multiple California counties, including Sonoma, to facilitate secure electronic recordings.

The County is required by law to execute a Memorandum of Understanding with each submitter (currently, title insurers, institutional lenders and underwritten title companies) and agent intending to electronically submit authorized documents to the Sonoma County Recorder's Office. The County Clerk-Recorder-Assessor has executed and managed hundreds of MOUs since implementation of the system. To streamline this process, counties that wish to reduce the time spent approving and managing individual MOUs and alleviate a paper-intensive process, can delegate authority to the Executive Director of CeRTNA to enter into MOUs with submitters on behalf of counties.

The Board delegated the authority on October 3, 2017 to the Executive Director of CeRTNA to enter into these MOUs on behalf of the county and to ratify the MOUs already executed by the CeRTNA Executive Director.

Discussion:

In August 2015, the Board of Supervisors, pursuant to Resolution Number 15-0338, authorized the County Clerk-Recorder-Assessor to execute a Memorandum of Understanding (MOU) with the California Electronic Recording Network Authority (CeRTNA) to participate in the CeRTNA Electronic Recording Delivery System (E-Recording System), and to execute Memorandums of Understanding with authorized submitters. Authorized submitters are required to have MOUs with each County with an electronic recording program in the state of California, prior to the submission of any electronic documents. Each submitter is required to utilize an

electronic recording agent, who is also required to execute the submitter MOU.

CeRTNA and its member counties recognized the need to achieve efficiencies by streamlining operations to attract more submitters; thus, increasing utilization of electronic recording. To streamline the process, member counties, in conjunction with CeRTNA, enter into MOUs with submitters on behalf of counties by delegating such authority to the CeRTNA Executive Director. The "Unified" MOU reduced the time each county spent approving and managing individual MOUs and alleviated a paper-intensive process, while each county retained the final authority to accept, reject, or discontinue any submitter. As of April 29, 2020, 23 of the 26 counties using CeRTNA had adopted the usage of the Unified MOU, including Sonoma County.

With the Unified MOU, CeRTNA manages and distributes the MOU. Submitters, agents and the Executive Director of CeRTNA execute a MOU. Counties can opt-in to participate and utilize the MOUs that have been executed by the Executive Director. As each MOU is executed, the Executive Director emails all opted-in counties to notify them that a submitter has been authorized. Counties can view or download the executed MOU between the submitter and CeRTNA, and choose to activate the specific submitter to begin electronically recording with that County. Each County controls their own activation list, and may deactivate submitters at any time. If the County chooses to activate the submitter, they would then notify the submitter and CeRTNA that the submitter has approved to begin submitting electronic documents to the County.

In addition to operational efficiencies, the Unified MOU was updated from the version currently in use at the County, providing additional protections related to the County's performance under the MOU and it requires the submitter to defend and indemnify the County and CeRTNA against copyright and patent infringement, and other intellectual property-related claims.

In October 2017, the Board of Supervisors, pursuant to Resolution Number 17-0375, delegated authority to the Executive Director of the California Electronic Recording Transaction Network Authority (CeRTNA) to execute, on behalf of the county, certain Memoranda of Understanding (MOU) and ratify the currently executed MOUs. Currently, there are 797 MOUs that have already been executed by the CeRTNA Executive Director for submitters electronically recording in the State of California. To formalize the County control over the MOU approval process, the County Clerk-Recorder agreed to bring the MOUs executed by the CeRTNA Executive Director to the Board of Supervisors on an annual basis for final ratification. The first ratification after implementation was held on June 4, 2019 for MOUs executed from August 29, 2017 to April 23, 2019. Presented is the second annual ratification.

Prior Board Actions:

06/04/2019 - Authorized final ratification for MOUs executed from August 19, 2017 to April 23, 2019;

10/03/2017 - Adopted Resolution 17-0375 delegating authority to the Executive Director of CeRTNA to execute, on behalf of the County, certain MOU and ratify the currently executed MOUs;

08/25/2015 - Adopted a resolution establishing a E-Recording System, approved and authorized the County Clerk-Recorder-Assessor to execute a MOU with CeRTNA, approved and authorized the County Clerk-Recorder-Assessor to execute MOUs with authorized submitters;

05/06/2015 - Authorized the Sonoma County Clerk-Recorder-Assessor to enter into a Memorandum of

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Understanding with CeRTNA for a G2G e-Recording system;

04/21/2015 - Authorized \$1.00 fee for recordings to support an e-Recording system

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

N/A

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1: List of Memorandums of Understanding executed by the Executive Director of CeRTNA as of 04/24/2020

Related Items "On File" with the Clerk of the Board:

N/A