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I N S E N A T E

June 22, 2010

Introduced by Sens. STEWART-COUSINS, KLEIN -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the state technology law, the real property law and the civil practice law and rules, in relation to permitting electronic recording of instruments affecting real property

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions 3 and 4 of section 307 of the state technology  
2 law, such section as renumbered by chapter 437 of the laws of 2004, are  
3 amended to read as follows:

4 3. [To any conveyance or other instrument recordable under article  
5 nine of the real property law.

6 4.] To any other document that the electronic facilitator has specif-  
7 ically excepted, pursuant to the rules and regulations of the electronic  
8 facilitator, from the application of this article.

9 S 2. Section 290 of the real property law, subdivision 4 as amended by  
10 chapter 569 of the laws of 1925, subdivision 5 as amended by chapter 317  
11 of the laws of 1943 and subdivision 6 as renumbered by chapter 227 of  
12 the laws of 1926, is amended to read as follows:

13 S 290. Definitions; effect of article. 1. The term "real property," as  
14 used in this article, includes lands, tenements and hereditaments and  
15 chattels real, except a lease for a term not exceeding three years.

16 2. The term "purchaser" includes every person to whom any estate or  
17 interest in real property is conveyed for a valuable consideration, and  
18 every assignee of a mortgage, lease or other conditional estate.

19 3. The term "conveyance" includes every written instrument, by which  
20 any estate or interest in real property is created, transferred, mort-  
21 gaged or assigned, or by which the title to any real property may be  
22 affected, including an instrument in execution of a power, although the  
23 power be one of revocation only, and an instrument postponing or subor-  
24 dinating a mortgage lien; except a will, a lease for a term not exceed-  
25 ing three years, an executory contract for the sale or purchase of

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 lands, and an instrument containing a power to convey real property as  
2 the agent or attorney for the owner of such property.

3 4. The term "recording officer" means the county clerk of the county,  
4 except in a county having a register, where it means the register of the  
5 county.

6 5. "Recording" or "recorded" means the entry, at length, upon the  
7 pages of the proper record books in a plain and legible hand writing, or  
8 in print or in symbols of drawing or by photographic process or partly  
9 in writing, partly in printing, partly in symbols of drawing or partly  
10 by photographic process or by any combination of writing, printing,  
11 drawing or photography or either or any two of them, OR BY AN ELECTRONIC  
12 PROCESS BY WHICH A RECORD OR INSTRUMENT AFFECTING REAL PROPERTY, AFTER  
13 DELIVERY IS INCORPORATED INTO THE PUBLIC RECORD. "Recording" or  
14 "recorded" also means the reproduction of instruments by microphotogra-  
15 phy or other photographic process on film which is kept in appropriate  
16 files.

17 6. "ELECTRONIC" MEANS OF OR RELATING TO TECHNOLOGY HAVING ELECTRICAL,  
18 DIGITAL, MAGNETIC, WIRELESS, OPTICAL, ELECTROMAGNETIC OR SIMILAR CAPA-  
19 BILITIES.

20 7. "ELECTRONIC RECORD" MEANS INFORMATION EVIDENCING ANY ACT, TRANS-  
21 ACTION, OCCURRENCE, EVENT OR OTHER ACTIVITY, PRODUCED OR STORED BY ELEC-  
22 TRONIC MEANS AND CAPABLE OF BEING ACCURATELY REPRODUCED IN FORMS PERCEP-  
23 TIBLE BY HUMAN SENSORY CAPABILITIES.

24 8. "ELECTRONIC SIGNATURE" MEANS AN ELECTRONIC SOUND, SYMBOL, OR PROC-  
25 ESS, ATTACHED TO OR LOGICALLY ASSOCIATED WITH AN ELECTRONIC RECORD AND  
26 EXECUTED OR ADOPTED BY A PERSON WITH THE INTENT TO SIGN THE RECORD.

27 9. "PAPER DOCUMENT" MEANS A DOCUMENT IN A FORM THAT IS NOT ELECTRONIC.

28 10. "DIGITIZED PAPER DOCUMENT" MEANS A DIGITIZED IMAGE OF A PAPER  
29 DOCUMENT THAT ACCURATELY DEPICTS THE INFORMATION ON THE PAPER DOCUMENT  
30 IN A FORMAT THAT CANNOT BE ALTERED WITHOUT DETECTION.

31 11. "WET SIGNATURE" MEANS A SIGNATURE AFFIXED IN INK OR PENCIL OR  
32 OTHER MATERIAL TO A PAPER DOCUMENT.

33 12. This article does not apply to leases for life or lives, or for  
34 years, heretofore made, of lands in either of the counties of Albany,  
35 Ulster, Sullivan, Herkimer, Dutchess, Columbia, Delaware or Schenectady.

36 S 3. The real property law is amended by adding a new section 291-i to  
37 read as follows:

38 S 291-I. VALIDITY OF ELECTRONIC RECORDING. 1. NOTWITHSTANDING ANY LAW  
39 TO THE CONTRARY, (A) WHERE A LAW, RULE OR REGULATION REQUIRES, AS A  
40 CONDITION FOR RECORDING, THAT AN INSTRUMENT AFFECTING REAL PROPERTY BE  
41 AN ORIGINAL, BE ON PAPER OR ANOTHER TANGIBLE MEDIUM OR BE IN WRITING,  
42 THE REQUIREMENT IS SATISFIED BY A DIGITIZED PAPER DOCUMENT OR AN ELEC-  
43 TRONIC RECORD OF SUCH INSTRUMENT;

44 (B) WHERE A LAW, RULE OR REGULATION REQUIRES, AS A CONDITION FOR  
45 RECORDING, THAT AN INSTRUMENT AFFECTING REAL PROPERTY BE SIGNED, THE  
46 REQUIREMENT IS SATISFIED, WHERE THE INSTRUMENT EXISTS AS A DIGITIZED  
47 PAPER DOCUMENT, IF THE DIGITIZED IMAGE OF A WET SIGNATURE OF THE PERSON  
48 EXECUTING SUCH INSTRUMENT APPEARS ON SUCH DIGITIZED PAPER DOCUMENT OR,  
49 WHERE THE INSTRUMENT EXISTS AS AN ELECTRONIC RECORD, IF THE INSTRUMENT  
50 IS SIGNED BY USE OF AN ELECTRONIC SIGNATURE;

51 (C) WHERE A LAW, RULE OR REGULATION REQUIRES, AS A CONDITION OF  
52 RECORDING, THAT AN INSTRUMENT AFFECTING REAL PROPERTY OR A SIGNATURE  
53 ASSOCIATED WITH SUCH AN INSTRUMENT BE NOTARIZED, ACKNOWLEDGED, VERIFIED,  
54 WITNESSED OR MADE UNDER OATH, THE SIGNATURE REQUIREMENT IS SATISFIED IF:

55 (I) THE DIGITIZED IMAGE OF A WET SIGNATURE OF THE PERSON AUTHORIZED TO  
56 PERFORM THAT ACT AND ANY STAMP, IMPRESSION OR SEAL REQUIRED BY LAW TO BE

1 INCLUDED, APPEARS ON A DIGITIZED PAPER DOCUMENT OF SUCH INSTRUMENT; OR  
 2 (II) THE ELECTRONIC SIGNATURE OF THE PERSON AUTHORIZED TO PERFORM THAT  
 3 ACT, AND ALL OTHER INFORMATION REQUIRED TO BE INCLUDED, IS ATTACHED TO  
 4 OR LOGICALLY ASSOCIATED WITH AN ELECTRONIC RECORD OF SUCH INSTRUMENT,  
 5 PROVIDED, HOWEVER THAT NO PHYSICAL OR ELECTRONIC IMAGE OF A STAMP,  
 6 IMPRESSION OR SEAL SHALL BE REQUIRED TO ACCOMPANY SUCH ELECTRONIC SIGNA-  
 7 TURE.

8 (D) WHERE A LAW, RULE OR REGULATION REQUIRES, AS A CONDITION OF  
 9 RECORDING AN INSTRUMENT AFFECTING REAL PROPERTY, THAT ANY ACCOMPANYING  
 10 DOCUMENT BE FILED THEREWITH, THE REQUIREMENT IS SATISFIED IF, IN THE  
 11 CASE OF RECORDING BY ELECTRONIC MEANS, A DIGITIZED PAPER DOCUMENT OR  
 12 ELECTRONIC RECORD OF ANY SUCH ACCOMPANYING DOCUMENT IS PRESENTED TO THE  
 13 RECORDING OFFICER AT THE SAME TIME AS SUCH INSTRUMENT IS RECORDED BY  
 14 ELECTRONIC MEANS; PROVIDED THAT EACH SUCH DOCUMENT OR RECORD SHALL BE  
 15 PRESENTED TO THE RECORDING OFFICER AS A SEPARATE DIGITIZED PAPER DOCU-  
 16 MENT OR ELECTRONIC RECORD UNTO ITSELF.

17 2. (A) A RECORDING OFFICER MAY RECORD A DIGITIZED PAPER DOCUMENT  
 18 PURSUANT TO THIS SECTION IF SUCH DOCUMENT IS AFFIRMED AS A TRUE, ACCU-  
 19 RATE AND COMPLETE COPY OF THE ORIGINAL PAPER DOCUMENT. THE AFFIRMATION  
 20 CONCERNING SUCH DIGITIZED PAPER DOCUMENT SHALL BE MADE BY THE CUSTODIAN  
 21 OF THE ORIGINAL PAPER DOCUMENT AND THE SIGNATURE OF THAT PERSON SHALL BE  
 22 ACKNOWLEDGED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THIS ARTI-  
 23 CLE GOVERNING ACKNOWLEDGEMENT OR PROOF OF A CONVEYANCE OF REAL PROPERTY.  
 24 THE AFFIRMATION SHALL BE TRANSMITTED WITH SUCH DIGITIZED PAPER DOCUMENT  
 25 AND SHALL BE RECORDED BY THE RECORDING OFFICER AS A PART OF THE DOCUMENT  
 26 BEING RECORDED. THE AFFIRMATION CONCERNING SUCH DIGITIZED PAPER DOCUMENT  
 27 MUST CONFORM SUBSTANTIALLY WITH THE FOLLOWING FORM, THE BLANKS BEING  
 28 PROPERLY FILLED:

29 AFFIRMATION CONCERNING DIGITIZED PAPER DOCUMENTS PRESENTED FOR  
 30 RECORDING

31 STATE OF NEW YORK)

32 SS:

33 COUNTY OF \_\_\_\_\_)

34 I HEREBY AFFIRM, THAT THE DIGITIZED PAPER DOCUMENT(S)  
 35 PRESENTED HERewith WAS (WERE) CREATED BY A SOFTWARE APPLICATION OR OTHER  
 36 ELECTRONIC PROCESS WHICH STORES AN IMAGE OF THE ORIGINAL PAPER DOCUMENT  
 37 AND WHICH DOES NOT PERMIT ADDITIONS, DELETIONS, OR CHANGES TO THE DIGI-  
 38 TIZED IMAGE, OR IF ADDITIONS, DELETIONS, OR CHANGES ARE PERMITTED, A  
 39 MEDIA TRAIL EXISTS WHICH CREATES AN ELECTRONIC RECORD WHICH MAKES IT  
 40 POSSIBLE TO IDENTIFY THESE CHANGES. I AFFIRM THAT I HAVE PERSONALLY  
 41 EXAMINED ALL PAGES OF THE ORIGINAL PAPER DOCUMENT(S) WHICH CONTAIN(S) A  
 42 WET SIGNATURE AND COMPARED THEM TO ALL PAGES OF THE DIGITIZED PAPER  
 43 DOCUMENT PRESENTED HERewith FOR RECORDING AND THE ATTACHED DIGITIZED  
 44 PAPER DOCUMENT IS A TRUE, ACCURATE, AND COMPLETE ELECTRONIC IMAGE OF THE  
 45 ORIGINAL PAPER DOCUMENT. I FURTHER AFFIRM THAT EACH SIGNATURE OR MARK ON  
 46 THE ORIGINAL PAPER DOCUMENT IS A WET SIGNATURE OR MARK.

47 SUBSCRIBED AND AFFIRMED, UNDER THE PENALTY OF PERJURY,  
 48 by \_\_\_\_\_ on \_\_\_\_\_  
 49 PRINT NAME OF AFFIRMANT INSERT DATE

50 \_\_\_\_\_  
 51 SIGNATURE OF AFFIRMANT

52 ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ IN THE YEAR \_\_\_\_\_ BEFORE ME PERSONALLY  
 53 APPEARED \_\_\_\_\_, TO MAKE THIS AFFIRMATION CONCERNING THE  
 54 DIGITIZED PAPER DOCUMENT PRESENTED FOR RECORDING AND/OR FILING, WITH  
 55 WHOM I AM PERSONALLY ACQUAINTED, WHO, BEING BY ME FIRST DULY SWORN, DID

1 DEPOSE AND SAY THAT HE/SHE RESIDES IN \_\_\_\_\_; AND THAT  
2 HE/SHE IS THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING  
3 AFFIRMATION CONCERNING DIGITIZED PAPER DOCUMENTS PRESENTED FOR RECORDING  
4 OR FILING.

5 (SIGNATURE OF NOTARY)

6 (B) FOR PURPOSES OF THIS SUBDIVISION, A CUSTODIAN OF THE ORIGINAL  
7 PAPER DOCUMENTS WHO MAKES THE AFFIRMATION REQUIRED BY THIS SUBDIVISION  
8 SHALL NOT BE REQUIRED TO KEEP, HOLD OR MAINTAIN SUCH DOCUMENTS AFTER THE  
9 DATE ON WHICH THE DIGITIZED PAPER DOCUMENTS OF SUCH ORIGINAL PAPER DOCU-  
10 MENTS ARE RECORDED OR FILED.

11 3. NOTHING IN THIS SECTION OR ANY OTHER PROVISION OF LAW SHALL BE  
12 CONSTRUED TO REQUIRE THE RECORDING BY ELECTRONIC MEANS OF INSTRUMENTS  
13 AFFECTING REAL PROPERTY.

14 4. WHERE ANY RECORDING OFFICER PERMITS OR REQUIRES INSTRUMENTS AFFECT-  
15 ING REAL PROPERTY AND ANY ACCOMPANYING DOCUMENTS TO BE PRESENTED FOR  
16 RECORDING OR FILING AS DIGITIZED PAPER DOCUMENTS OR ELECTRONIC RECORDS  
17 PURSUANT TO THIS SECTION, SUCH RECORDING BY ELECTRONIC MEANS SHALL BE IN  
18 ACCORDANCE WITH THE RULES, REGULATIONS, GUIDELINES, STANDARDS AND POLI-  
19 CIES ESTABLISHED BY THE ELECTRONIC FACILITATOR PURSUANT TO SUBDIVISION  
20 FIVE OF THIS SECTION.

21 5. IN ORDER TO ENSURE CONSISTENCY IN THE STANDARDS AND PRACTICES OF,  
22 AND THE TECHNOLOGY USED BY RECORDING OFFICERS IN THE STATE, THE ELEC-  
23 TRONIC FACILITATOR, AS DESCRIBED IN SECTION THREE HUNDRED THREE OF THE  
24 STATE TECHNOLOGY LAW, SHALL, CONSISTENT WITH THE PROVISIONS OF ARTICLE  
25 THREE OF THE STATE TECHNOLOGY LAW, PROMULGATE RULES, REGULATIONS, GUIDE-  
26 LINES, STANDARDS AND POLICIES, AND AMENDMENTS THERETO, AS APPROPRIATE  
27 GOVERNING THE USE AND ACCEPTANCE OF DIGITIZED PAPER DOCUMENTS, ELECTRON-  
28 IC RECORDS AND ELECTRONIC SIGNATURES UNDER THIS ARTICLE, TAKING INTO  
29 CONSIDERATION: (A) THE MOST RECENT STANDARDS PROMULGATED BY NATIONAL  
30 STANDARD-SETTING BODIES SUCH AS, WITHOUT LIMITATION, THE PROPERTY  
31 RECORDS INDUSTRY ASSOCIATION; (B) THE VIEWS OF INTERESTED PERSONS AND  
32 GOVERNMENTAL OFFICIALS AND ENTITIES, INCLUDING BUT NOT LIMITED TO  
33 RECORDING OFFICERS AND REPRESENTATIVES OF THE STATE TITLE, LEGAL AND  
34 BANKING INDUSTRIES; AND (C) THE NEEDS OF COUNTIES OF VARYING SIZE, POPU-  
35 LATION, AND RESOURCES. SUCH PROMULGATION SHALL INCLUDE BUT NOT BE LIMIT-  
36 ED TO STANDARDS REQUIRING ADEQUATE INFORMATION SECURITY PROTECTION TO  
37 ENSURE THAT ELECTRONIC RECORDS OF INSTRUMENTS AFFECTING REAL PROPERTY  
38 DOCUMENTS ARE ACCURATE, AUTHENTIC, ADEQUATELY PRESERVED AND RESISTANT TO  
39 TAMPERING.

40 6. NOTHING CONTAINED IN THIS SECTION SHALL BE CONSTRUED TO AUTHORIZE A  
41 RECORDING OFFICER TO FURNISH DIGITIZED PAPER DOCUMENTS OF THE REPORTS  
42 REQUIRED BY SECTION FIVE HUNDRED SEVENTY-FOUR OF THE REAL PROPERTY TAX  
43 LAW. SUCH REPORTS SHALL BE FURNISHED AS PAPER DOCUMENTS WITH THE REQUI-  
44 SITE NOTATIONS THEREON, EXCEPT WHERE THE STATE BOARD OF REAL PROPERTY  
45 SERVICES HAS AGREED TO ACCEPT DATA SUBMISSIONS IN LIEU THEREOF OR HAS  
46 PROVIDED FOR THE ELECTRONIC TRANSMISSION OF SUCH DATA PURSUANT TO LAW.

47 S 4. Section 317 of the real property law is amended to read as  
48 follows:

49 S 317. Order of recording. Every instrument, entitled to be recorded,  
50 must be recorded by the recording officer in the order and as of the  
51 time of its delivery to him OR HER therefor, and is considered recorded  
52 from the time of such delivery; PROVIDED, HOWEVER, THAT A DIGITIZED  
53 PAPER DOCUMENT OR AN ELECTRONIC RECORD SHALL BE CONSIDERED DELIVERED FOR  
54 PURPOSES OF THIS SECTION AT THE DATE AND TIME OF RECEIPT INDICATED ON AN  
55 ELECTRONIC OR OTHER WRITTEN NOTIFICATION WHICH SHALL BE PROVIDED BY THE

1 RECORDING OFFICER IMMEDIATELY UPON RECEIPT OF A DIGITIZED PAPER DOCUMENT  
2 OR ELECTRONIC RECORD.

3 S 5. Clause 1 of subparagraph a of paragraph 4 of subdivision (a) of  
4 section 8021 of the civil practice law and rules, as amended by chapter  
5 288 of the laws of 2008, is amended to read as follows:

6 (1) For recording, entering, indexing and endorsing a certificate on  
7 any instrument, five dollars, and, in addition thereto, three dollars  
8 for each page or portion of a page, and fifty cents for each additional  
9 town, city, block or other indices in which such instrument is to be  
10 indexed as directed by the endorsement thereon. On the assignment of a  
11 mortgage which assigns more than one mortgage or on a release of lease  
12 which releases more than one lease, then there shall be an additional  
13 fee of three dollars for every mortgage assigned or lease released in  
14 excess of one. PROVIDED, HOWEVER, THAT THERE SHALL BE NO FEE FOR A PAGE  
15 TRANSMITTED FOR RECORDING OR FILING THAT CONTAINS ONLY THE CERTIFICATION  
16 AS TO AUTHENTICITY OF DIGITIZED PAPER DOCUMENTS PRESENTED FOR RECORDING  
17 OR FILING PURSUANT TO SUBDIVISION TWO OF SECTION TWO HUNDRED  
18 NINETY-ONE-I OF THE REAL PROPERTY LAW.

19 S 6. This act shall take effect on the two hundred seventieth day  
20 after it shall have become a law; provided, however that the electronic  
21 facilitator shall be authorized to promulgate rules, regulations, guide-  
22 lines, standards and policies to effectuate this act prior to such  
23 effective date.