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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.