

# COUNTY CLERK OFFICE MODERNIZATION TASK FORCE

## Minutes of the 2nd Meeting of the 2021 Interim

July 21, 2021

### Call to Order and Roll Call

The 2nd meeting of the County Clerk Office Modernization Task Force was held on Wednesday, July 21, 2021, at 11:00 AM, in Room 149 of the Capitol Annex. Senator Jason Howell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jason Howell, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Robby Mills, Robin L. Webb, and Phillip Wheeler; Representatives Randy Bridges, Patrick Flannery, and Ashley Tackett Laferty.

Guests: Terry L. Manuel, Heather M. Dearing, Mark Ladd, Joseph DeLuca, Stuart Baird, Roger Baird, Keith Doucette, Cornelius Spangler, Jeremy Dulgar, Jeremy Cobb, Brandon Parker, and Chris Cockrell.

LRC Staff: Roberta Kiser, Randall Roof, and Yvonne Beghtol.

### Approval of the June 16, 2021 Minutes

Senator Wheeler made a motion to approve the June 16, 2021 minutes, seconded by Chairman Meredith, passed by voice vote.

### Kentucky Department of Library & Archives Local Records Program Grants

Terry L. Manuel, State Librarian and Commissioner, Kentucky Department for Libraries & Archives (KDLA), stated that the Local Records Program was formed by the passage of HB 26 in 1984, authorizing KDLA to accept and administer funds for records management programs in state and local agencies. The legal process tax on non-marriage recordings increased from \$1 to \$3, and \$950,000 was appropriated to KDLA each year from 1984-1986 to assist in developing a vital records management program and to provide grants to local governments. In 2006, an additional \$1 fee, collected by county clerks, was established by the legislature to fund the program. In 2018, funding dropped by \$200,000 per year, due to the termination of the General Fund appropriation. Currently, the only funding is the \$1 fee collected by clerks.

All local agencies, including any local government office interested in improving the management and preservation of its public records, are eligible to apply for grants. Originally, funding primarily went to county clerks, cities, and one Office of Historical

Preservation. In 2016, KDLA reviewed and reaffirmed its commitment to provide equitable services to all eligible local agencies. Grant applications are reviewed by the Local Records Grant Review Committee, who then makes a funding recommendation to the State Libraries, Archives and Records Commission, who then makes their recommendations to the commissioner of the KDLA, who makes the final decision on grants awarded. The majority of grants awarded each year have gone to county clerks.

A primary mission of KDLA is to aid in the preservation of and access to public records. Permanent microfilm records are kept in a fireproof, secure, climate-controlled vault. KDLA currently holds 62,782 rolls of microfilm for county clerks and 5,634 other formats of county clerk materials. KDLA Archives Research Room currently holds 71,000 rolls of county clerk microfilm available for public access, and has 9,199,167 digital records from county clerk offices throughout the state. All storage costs are paid by the KDLA from non-grant related funds.

In response to Senator Wheeler, Mr. Manuel stated that the majority of records are available digitally and the accessibility is determined by the county clerks unless an individual wants to come into the office of KDLA. There are programs at KDLA that will facilitate access to searches, but the best access is still at the county clerk's office.

In response to Chairman Howell, Mr. Manuel stated that the majority of records held by KDLA are for security backup. One of the requirements for a grant application is that the applicant agrees to make the record available to the public at their facility.

In response to Chairman Meredith, Mr. Manuel confirmed that the Local Records Program no longer receives funding from the legal process tax approved by HB 26 in 1984, and would appreciate receiving additional funding from more agencies allowed to apply for grants.

In response to Chairman Howell, Mr. Manuel stated that resources to help applicants apply for grants are available on the KDLA website and through training with field representatives or the branch manager.

### **Electronic Recording & Storage Vendors**

Mark Ladd, Vice President of Regulatory & Industry Affairs for ICE Mortgage Technology, stated that the costs associated with electronic recording is based on a delivery service model, the consumer pays the fee and there is no cost to the county for implementing electronic recording. However, there is development work and continuing support that the land record vendors are going to have to do to support electronic recording.

The Wisconsin funding mechanism for modernization is similar to that of KDLA, but there is more funding (\$15 from each recorded document) and a portion (\$8) is retained by the county clerk. The county clerk has discretion over the use of that money. The

Wisconsin program funds are segregated and non-lapsing. Therefore, the clerk has the ability to build up funds for more expensive projects. The other \$7 goes into a grant fund, typically used to help fund smaller counties.

In response to Chairman Meredith, Mr. Ladd stated that ICE Mortgage Technology currently works with 30 counties in Kentucky. ICE works directly with the attorney or lender producing the document, then passes it to the county's land record vendor. Any fees are collected from the attorney and then paid to the clerks.

In response to Senator Webb, Mr. Ladd confirmed that the move to eRecording and modernization reduced the need to replace staff when someone would retire or leave. Being able to search records online reduced the need for interaction with the public. Offices are still open and available per statutory requirements. Online searches have also shown a reduction in cost of mailings, printing, labels, and more.

Stuart Baird, President, Software Management, stated that Software Management has worked with Kentucky county clerks for over 35 years, and currently supports 80 counties. Software Management offers free eRecording as a feature of their Land Records product. Software Management is partnered with Simplifile, CSC, and EPN as the three major electronic recording vendors that submit documents. ECCLIX is the online subscription service used for online searches.

In response to Chairman Meredith, Mr. Baird stated that the ECCLIX subscription fee is \$65 per month for each online county. The cost of the clerk's management software depends on how many staff are actively using the product. There is no current pricing structure to allow multiply county access. The fees are retained by Software Management and not kept by the clerk's offices. Each county determines the variety of records kept online and how far back they go.

In response to Representative Tackett Laferty, Mr. Baird stated that Software Management is currently in the process of developing a fraud program to alert people if a document is taken out in their name.

Keith Doucette, Account Executive, Cott Systems, Inc., stated that Cott Systems develops and patents index systems for land records management throughout the United States and works with four counties in Kentucky. Cott Systems created Online Index Books to provide historical and official records in an authentic format.

Cornelius Spangler, Business Solutions Manager, Cott Systems, Inc., added that Online Index Books is more than scanning documents, it digitizes the document and puts it in the system exactly as it is today.

In response to Chairman Meredith, Mr. Doucette confirmed that Cott Systems also offers a clerk facing software and has a subscription based service for the public.

Brandon Parker, Director of Sales and Marketing, Business Information Systems, stated that BIS serves 72 county clerks in Kentucky with payment solutions and nine with Records Management System (RMS). Mr. Parker reviewed the steps required for registry workflow and the security procedures they use. The cost of the registry application is generally between five and six figures to acquire the software, along with a maintenance fee. The eRecording has no fee. Contracts are made with either the office holder or the executive body at the county.

Chris Cockrell, Montgomery County Clerk, reviewed the recent crises that occurred when Automated Vehicle Information System (AVIS) was migrating to Kentucky AVIS (KAVIS). It has been repaired and is up and running, but funding is definitely desired.

In response to Senator Howell, Mr. Cockrell stated that any future changes may cause interruptions in the system, but they should be manageable. When the system went down several offices closed temporarily, but all titles were processed.

There being no further business, the meeting adjourned at 12:46 PM.