

COUNTY CLERK OFFICE MODERNIZATION TASK FORCE

Minutes of the 6th Meeting of the 2021 Interim

November 17, 2021

Call to Order and Roll Call

The 6th meeting of the County Clerk Office Modernization Task Force was held on Wednesday, November 17, 2021, at 3:00 PM, in Room 149 of the Capitol Annex. Representative Michael Meredith, 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: Jennifer Hays, Ben Gurrola, Joe Wiseman, Michael Malicoat, Ruth Baxter, Tabatha Clemons, Debbie Donnelly, and Jason Denny.

LRC Staff: Roberta Kiser, Randall Roof, and Chelsea Fallis

Approval of the October 20, 2021 Minutes

Representative Meredith motioned to approve the October 20, 2021, minutes, seconded by Representative Bridges, and passed by voice vote.

Legal Process Tax

Jennifer Hays, Committee Staff Administrator, Appropriations and Revenue Committee, presented on the history of legal process tax. Ms. Hays stated that KRS 142.010 imposes tax amounts for documents to be filed with a county clerk's office. The county clerk is required to meet a ten day deadline to remit taxes to the Department of Revenue. One dollar from the individual taxed amount is deposited into the Department for Libraries and Archives, the remaining balance is deposited into the general fund. In 2020, due to the COVID-19 pandemic there was a decrease in the legal process tax receipts and the local records grant program year-end balance. In 2021, when the county clerk's offices resumed to in person service, the legal process tax receipts and local records grant program year-end balance recorded a significant surge in tax amounts.

In response to Representative Meredith, Ms. Hays stated that she would provide documentation on tax fees that were collected by entities other than the county clerk's offices.

Data Records Management Services, LLC

Ben Gurrola, President, Data Records Management Services, LLC, presented a slide show regarding data records management services designed for Kentucky county offices. Data Records Management Services (DRMS) is currently the only land records vendor that is criminal justice information system (CJIS) compliant in Kentucky. The CJIS security policy provides cyber protection and security standards for the transmission, storage, and processing of criminal justice information.

Legal Malpractice Issues Relating to Electronic Databases

Ruth H. Baxter, Crawford & Baxter, P.S.C, presented a slide show regarding legal malpractice issues related to the electronic modernization of county clerk's offices in Kentucky. Electronic filing requires the county clerk to contract with an approved vendor. The vendor is responsible for verifying the identity of the entity filing any documents with the county clerk. The risks of electronic recording include error in inputting information, a lack of understanding of the system, and cybersecurity. Electronic filing will be subject to many of the same issues that now exist with false documents and forged signatures. Attorneys that practice in this field must exercise reasonable care in searching records and act to the best of their knowledge about the information contained in those records

In response to Representative Meredith, Ms. Baxter stated that debt judgements, court judgements, state tax liens, and federal tax liens could be used against new home purchasers.

In response to Representative Meredith, Jason Denney, Anderson County Clerk, stated between 2014 and 2015 Kentucky Department for Libraries and Archives allowed for microfilming every six months to a year in place of printing mortgage books.

There being no further business, the meeting adjourned at 3:56 p.m.