Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

Part I: Measure Information

Bill Request #: 1514					
Bill #: SB 194					
Document ID #: <u>3639</u>					
Bill Subject/Title: AN ACT relating to official documents and making an apropriation therefor.					
Sponsor: Senator Stephen West					
Unit of Government:CityxCountyxUrban-CountyxCharter CountyxConsolidated LocalxGovernment					
Office(s) Impacted: County clerks					
Requirement: <u>x</u> Mandatory Optional					
Effect on Powers & Duties: <u>x</u> Modifies Existing <u>x</u> Adds New <u>x</u> Eliminates Existing					

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

The fiscal impact of SB 194 is minimal to moderate. SB 194 is a comprehensive bill creating new sections of KRS Chapter 423 addressing notarial officers, notary publics, and notarized documents, specifically electronic documents. As such, all of its provisions affect county clerks as notarial officers. Below are the specific sections of the bill that most directly affect county clerks.

Section 9 (4) of the Act identifies county clerks as notarial officers.

Section 16 provides that within thirty days of receiving a commission a notary must take an oath before the county clerk listed in his or her commission application. This Section also provides for county clerk responsibilities related to notary commission renewals, related oaths, and fees due to county clerks. Section 18 provides that county clerks who file a notary public's assurance and administers the oath of office to a notary public must promptly record the fact and date in the database provided for in the Act.

Section 24 creates a new section of KRS Chapter 423 to allow that county clerks may assess fees for services required to fulfill obligations set forth in the Act.

Section 25 creates a new section of KRS Chapter 423 to provide that a record of real property is deemed to comply with all applicable requirements upon acceptance for recording by a county clerk in which the real property is located.

Section 26 creates a new section of KRS Chapter 423 to exempt county clerks from any suit arising from any acts or omissions relating to recording records that have been notarized by electronic means, unless the clerk was grossly negligent or engaged in willful misconduct.

Section 28 creates a new section of KRS Chapter 423 to provide that with respect only to notarial acts performed in relation to tangible records, a county clerk of a county in whose office any notary public has filed his signature and surety bond shall, when requested, subjoin to any certificate of proof or acknowledgement signed by the notary a certificate under his or her hand and seal stating that such notary public's written signature is on file in the clerk's office, and was at the time of taking such proof or acknowledgement duly authorized to take the same, that the clerk is well acquainted with the handwriting of the notary public, and believes that the signature to the proof or acknowledgement is genuine.

Section 29 provides for the conditions under which a clerk may process electronic documents, and collect fees. The section is to be known as the "Uniform Real Property Electronic Recording Act".

Section 30 provides for the conditions under which a county clerk is to record an electronic document as a paper document.

Section 36 creates a new section of KRS Chapter 382 to provide for the order of priority between physical and electronic documents presented to the county clerk.

Section 39 amends KRS 64.012 to make multiple changes to county clerk fees for recording documents. Most of these changes provide an increase to the fees county clerks collect and retain in the county clerk's operating budgets.

Section 40 amends KRS 382.240 to allow a reimbursement to county clerks for prepayment of postage.

Section 41 amends KRS 382.360 to no longer require the county clerk to deliver the original deed of release to the mortgagor, or grantor or person entitled thereto.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the bill as introduced. There is no prior version of the bill to complete Part III.

 Data Source(s):
 Kentucky Association of Counties; Kentucky Association of County Clerks; LRC staff

Preparer:	H. Marks	Reviewer:	KHC	Date:	2/19/19
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