

August 2, 2002

TO: EACH SUPERVISOR

FROM: Conny B. McCormack, Registrar-Recorder/County Clerk

ELECTRONIC DOCUMENT RECORDING LAUNCHED

In mid-June 2002 our department successfully completed the first electronic transmission of tax lien data from both the California Franchise Tax Board (FTB) and the County's Treasurer and Tax Collector (TTC). To date, the Department has successfully electronically recorded 9,884 FTB liens and 12,106 TTC liens. Both governmental agencies submit liens to our department to record non-payment of taxes. On an annual basis, the FTB files approximately 70,500 liens and the TTC files approximately 72,000 liens. Previously, these agencies delivered liens to us by the box load, as they were paper documents requiring extensive handling in a labor-intensive, time-consuming recording process.

The benefits of filing these documents via data transmitted electronically include greater accuracy and a 60% reduction in processing time by Recorder staff, faster return of the document to the lien agency, and the elimination of the paper previously used to transmit the information with the inherent risks of loss or damage to the individual paper documents.

Currently electronic filing is legally allowed only for these two government agencies and is not permitted for other government agencies or for property documents filed by Title Insurance companies¹. The process involves electronically transmitting securely encrypted data originating from both FTB and TTC that is subsequently formatted by our department in an electronic lien document template. This generates a digital document with an electronic recording stamp (assigning a document number and date of recording) for retention in the official document recording database. Thereafter, these digital documents are electronically transmitted in a secure manner back to the originating agencies. This process allows the FTB and TTC to print out the officially recorded documents for mailing to the lien holder.

¹ With the exception of Orange and San Bernardino Counties that have been allowed, via a state legislative pilot project, to file title company documents electronically since 1997.

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The successful launch of electronic recording involved a tremendous effort on the part of our technical staff and fulfills a major multi-year goal delineated in our departmental annual goals submission report. As a first entry into the world of electronic document recording, we believe this project will help us to build the knowledge necessary to move forward when electronic property document recording is permitted for other types of documents in the future.

Our partner agencies, the FTB and TTC, are very pleased with the greater efficiency of this seamless interface for lien recording. This collaboration among agencies enhances organizational effectiveness in concert with the County's strategic planning goals.

If you have questions regarding this project, please call me.

C: Mark J. Saladino, TTC
Rick Bermudez, FTB
David E. Janssen, CAO
Jon Fullinwider, CIO