



Legislation to Authorize Expanded Uses of E-Submission Services Fees

More resources are needed to replenish the redaction reserve fund, and to modernize and improve the land records database and search engine. The integration of data concerning recorded land records with other property information could provide significant benefits for the real estate industry, but resources and a planning structure are needed in order to proceed.

NO FEE CHANGES PROPOSED

The proposed legislation would not increase fees, but would authorize the Electronic Services System (ESS) 28E organization (The county land records information system) to use revenue from the E-Submission service fee for other items such as redaction, improvement of land records search tools, and collaboration with other land records systems. Current statutes require that E-Submission service fees can only be used to support the E-Submission service and related infrastructure and activities. The current E-Submission service fee is \$3.00 per document, which has not changed since, December, 2015.

SEARCH ENGINE ACTIVELY USED

In recent years the E-Submission service has received the most recognition as its adoption has grown year over year. However, the search engine tool continues to be a core service for ESS and Iowa Land Records (ILR). In 2019, an average of over 7,750 users per month conducted more than 3.8 million county searches for land records and other recorded public documents.

FEES EXPLAINED

An electronic recording service fee of \$1.50 per recorded document was authorized at the inception of the E-Submission service in 2005. The initial adoption rate for E-Submission was low so the service fee did not generate much revenue. However, this grew as more real estate professionals adopted electronic recording methods. In contrast, the income supporting the base operations for ESS and Iowa Land Records has declined as overall recording activity has diminished. The purchasing power of the \$1.00 per document fee supporting ESS and ILR has also declined during the 15-year period.

Calendar Year	Total E-Submission Service Fee Income
2007	\$18,824.00
2009	\$85,933.00
2015	\$286,144.00

Fiscal Year	Total Income \$1.00 Recording Fee
2007	\$715,892.00
2009	\$643,415.00
2015	\$561,266.00
2019	\$553,490.00

ALTERNATIVE FUNDING OPTIONS NOT ACCEPTED

During the 2015 legislative session, Iowa County Recorders and ESS proposed legislation to increase the base recording fee supporting the county land record information system from \$1.00 to \$2.00 to provide long-term stability for the operation of the system. Plans were also made to reduce the E-Submission service fee if the base fee was increased. Legislation (HF 561) was advanced by the House Local Government Committee, but it failed to be approved by the House Ways and Means Committee

E-SUBMISSION FEE ADJUSTED IN 2015

The prospects for revisiting the proposal to increase the base recording fee in subsequent years were viewed to be very poor, yet ESS and ILR required resources to sustain operations, keep up with current website standards, and to improve services for customers. For these reasons, the governing board of ESS, after extensive communications with users and stakeholders, increased the E-Submission service fee to \$3.00 per document in December, 2015. As a result of this change, along with increased adoption of the E-Submission service, income from the E-Submission fee in calendar year 2019 was \$797,418.00. No further changes in E-Submission fees have been made, and there are no plans to increase this fee in the foreseeable future. E-Submission users are permitted to pass this fee on to their customers in the same way they do for other portions of the recording fee.

LIMITED E-SUBMISSION SERVICE FEE USES

Iowa statutes requires income acquired through charging the E-Submission service fee be used directly or indirectly to support the E-Submission service itself. Currently, the budget for the county land records information system is structured to ensure the E-Submission service fees are not used for activities relating to software development for the land records search engine or for system integration. E-Submission service fees are also not used to fund redaction activities, as redaction is not a part of the E-Submission service.

Increased Flexibility Requested

The following services are valuable to real estate professionals and the citizens of Iowa as a whole. However, under current Iowa law there is no funding mechanism for redaction, search engine improvements or system integration. For this reason, a statutory amendment is requested to grant ESS and ILR the authority to use E-Submission service fee income for the following online services.

REDACTION

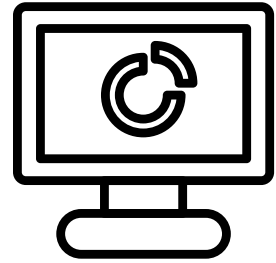
In fiscal years 2010 and 2011, the Iowa General Assembly authorized a temporary \$2.00 increase in the base recording fee to implement a comprehensive redaction process for all recorded documents posted on the county land records information system website (iowalandrecords.org). The project was completed June 30, 2011. Of the resources allocated for that project, \$564,370.00 remained. These funds were placed in a restricted reserve fund to be used only for the processing and redaction of older documents digitized and archived by Iowa counties and then posted online. Those resources are nearly depleted, with only \$27,382.72 remaining as of August 31, 2020.



Today, nearly 20.7 million land records documents have been processed to remove PII so that they can be posted online. Iowa financial institutions, attorneys and other real estate professionals will benefit from having more records digitized and posted online. No appropriation is sought for this activity, but clear authorization to use revenue from E-Submission service fees for this purpose is requested. Without redaction, digitized older records cannot and should not be posted online.

ILR DATABASE AND SEARCH ENGINE IMPROVEMENTS

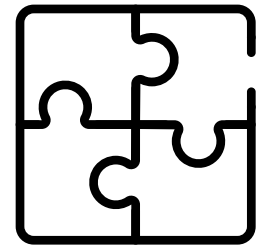
The original and primary purpose of the county land records information system and the Iowa Land Records website was to make recorded documents available online for all citizens. Citizens have used the service extensively with an average of over 40,000 users conducting over 300,000 searches of county records monthly. ILR was an early pioneer in online records access, being one of the first states when published in January 2005. There is a desire by customers and stakeholders to make land records more accessible by making the documents mobile device friendly. Customers seek a user-friendly, accessible county records system with greater consistency and improved searchability.



Diminishing resources and purchasing power have limited opportunities for modernizing the website, improving the quality and consistency of the land record data, and improving the search engine processes and algorithms. Increased flexibility to use E-Submission service fee revenue would make these modernization efforts possible.

PROVIDE MORE ACCESS TO LAND RECORDS DATA IN OTHER SYSTEMS

Property information resides in many different databases and systems. Recorded real estate records are only a small subset of the available information. Users would greatly benefit from being able to access data from multiple sources through an integrated interface. One existing example is a very simple integration between Iowa Land Records and the Beacon system operated by Schneider Corporation. Beacon users are able to search for properties by address, and when found, the property information includes a link to Iowa Land Records and the associated property deed.



Integration among property data information systems provides the opportunity for more land records to be incorporated into growing geographic information systems. This will put more tools in the hands of real estate professionals and state and local government policy makers.

Sharing access to land records data requires technical planning, policy development, software engineering, and administrative coordination. These activities require resources and the proposed changes to the E-submission service fee rules would enable this system integration.

Proposed Legislation

Below is proposed legislation to increase flexibility in the use of E-submission fee revenue for enhancements to the county land records system (ESS).

Section 331.604, Subsection 3b(5), is amended to read as follows:

Recording and filing fees.

(5) Fees collected in excess of the amount needed for the purposes specified in this subsection shall be used by the county land record information system to reduce or eliminate service fees for electronic submission of documents and instruments. In addition to use of the fees for the maintenance and operation of the statewide E-Submission service, E-Submission service fees may also be used to fund the processing of documents to identify and redact any personally identifiable information in recorded documents, to improve the consistency and searchability of land records information, or to facilitate integrations with other land records information systems.