

Electronic Services System

Coordinating Committee

Meeting Summary

August 10, 2021

Participants

Deb Kupka, Tama County Recorder
Denise Baker, Wright County Recorder
Julie Haggerty, Polk County Recorder
Kathy Jurries, Calhoun County
Lindsay Laufersweiler, Webster County Recorder

Melissa Bahnsen, Cedar County Recorder
Nancy Booten, Lee County Recorder
Jamie Stargell, Adams County
Johnathan Lewis, Title Services Des Moines
Eric Sloan, ICIT

Other Participants

Tim Peters, Iowa Land Title Association
Bob Rafferty, The Rafferty Group
Andrew Howe, Bergan KDV
Phil Dunshee, Iowa Land Records
Lisa Long, Iowa Land Records

Rachel Ong, The Rafferty Group
Robert Endress, Denman and Company
Kati Ross, Iowa Land Records
Leah Champion, Iowa Land Records

Welcome

A special meeting of the ESS Coordinating Committee was held in person at the Iowa Land Records office and via webconference. The meeting was called to order by the Coordinating Committee Chair Deb Kupka. Introductions were made.

Meeting Summary

The June 22, 2021, meeting summary was reviewed. Lindsay Laufersweiler made a motion to approve the Meeting Summary pending the addition of Jolynn Goodchild and Julie Haggerty to the attendee list. Nancy Booten seconded, and the motion was approved.

Financial Reports

The quarterly financial reports were presented. Julie Haggerty made a motion to approve the quarterly financial reports. Denise Baker seconded, and the motion was approved.

CY 2020 Audit

Robert Endress from Denman and Company provided an overview of the CY 2020 audit report, providing detail about the process and result. Endress reported that the audit process resulted in a clean report which fairly represented the financial status of the system. The Project Manager informed the Committee that the 990 tax return has been filed, and once approved, the audit report will be filed. Nancy Booten made a motion to approve the CY 2020 audit report. Julie Haggerty seconded the motion, and it was approved.

ILR Budget Review and Action

BOA CY 2021 Budget Amendment

The Project Manager presented a budget amendment related to an increase in insurance premium expenses. The policies are in place to protect the project and the association. Revenue increased substantially in 2020, and this is a measure factored in by the underwriters. The budget amendment presented recognizes the increased insurance premium payments made. A motion was made by Lindsay Laufersweiler to approve the insurance budget amendment. Julie Haggerty seconded the motion, and it was approved.

BOA Reserve Fund Allocations

The Committee was reminded of actions taken to build up the reserve funds, and was presented with a memo from the Project Manager recommending a reserve fund allocation of \$84,000 to the Software Development and Equipment Fund. Nancy Booten made a motion to approve the reserve fund allocation as presented. Denise Baker seconded the motion, and the motion was approved.

Application Changes

Exemption Change Workflow-Recorder Actions

The Project Manager provided background on the work flow for exemption changes in E-Submission. An application change to remove the option for recorders to change an exemption was proposed. The best practice would be to simply reject a document or group with an exemption error. This change was reviewed and recommended by the ESS Standards Subcommittee for adoption. Lindsay made a motion to approve the exemption workflow change, and Julie Haggerty seconded the motion.

Grantor/Grantee Data

The Committee discussed grantors and grantees e-submission errors and various ways to reduce rejections. Lindsay Laufersweiler made a motion to table the grantor/grantee work flow discussion and refer back to standards committee for more consideration. Julie Haggerty seconded the motion, and it was passed.

Contracts and Agreements

Lean Techniques and We Write Code Work Authorization

The Project Manager provided an overview of development work planned for the software development vendors Lean Techniques and We Write Code, requesting authorization to move forward with the scope of work for each vendor. Julie Haggerty made a motion to approve the planned work authorizations for Lean Techniques and We Write Code. Nancy Booten seconded, and the motion was approved.

Iowa Department of Revenue Recording Extension

The Committee was presented with a contract extension for the Iowa Department of Revenue that would extend the contract through August 31, 2022. Lindsay Laufersweiler made a motion to approve the Department of Revenue contract extension. Denise Baker seconded the motion, and the motion was approved.

Governance – Discussion

28E Legislation and 28E Amendment

The Project Manager provided background about House File 527, which allowed for amendments to the 28E agreement. The Committee reviewed the proposed amendment to the 28E, and Nancy Booten made a motion to approve the amendment to 28E agreement. Lindsay Laufersweiler seconded the

motion, and it was passed pending the approval of the Iowa County Recorders Association Executive Board.

House File 837 Reports

The Committee was informed of the final language included in House File 837. The language clarified the fees for E-Submission and resolved some ambiguity in the previous statute. A report is also required by January 2022.

Groundwater Hazard Initiative

The Project Manager discussed with the Committee the history of trying to advance legislation to improve processes relating to the groundwater hazard statements. The legislation was not advanced in the 2021 session, and the Project Manager proposed to the Committee that the policy change be presented as an ESS bill in the 2022 legislative session.

Smart Document Recording

The Committee was informed that the general assembly and governor acted to authorize smart documents, legalizing the use of distributed ledger technology to transfer assets. Participants discussed the future of what electronic real estate transactions may look like as well as methods for protecting the public interest.

Portal Registration Policy

The Project Manager informed the Committee of issues relating to the usage of the land records data base and search engine, and efforts to prevent uses which are contrary to the Terms of Use. Legislation may be needed to reinforce the authority of ESS to enact policies that will protect the system from misuse.

Lindsay Laufersweiler made a motion to move forward with the development of legislative proposals regarding Groundwater Hazard Statements, Smart Documents, and the ESS Terms of Use policies. Julie Haggerty seconded the motion, and it was approved.

Policies and Procedures

Chapter 1 – Comprehensive

The Project Manager presented draft amendments to Chapter 1 of the Policies and Procedures that reflect the recently passed fee-flexibility legislation, law enforcement redaction legislation, as well as other changes. Lindsay Laufersweiler made a motion to approve amendments to the Chapter 1 Policies and Procedures to reflect recent legislation and current practices. Nancy Booten seconded the motion, and it was passed.

Chapter 1 – 28E

The Project Manager provided draft updates to the Policies and Procedures document in order to better reflect the proposed amendments to the ESS 28E agreement. Some of the substantive changes include replacing the executive board with the Coordinating Committee as the ILR governing board, adding various terms, and removing references to back scanning from official ESS mission. A motion was made by Julie Haggerty to approve amendments to Chapter 1 of the Policies and Procedures document relating to 28E subject to adoption of the 28E amendment by the ESS membership. The motion was seconded by Denise Baker and was approved.

Chapter 7 – Terms of Use

The Project Manager presented the Committee with various technical and definition changes proposed for Chapter 7 concerning Terms of Use for ESS and Iowa Land Records systems. The new language includes more specific restraints and penalties for users who violate the Terms of Use. Nancy Booten made a motion to accept the changes to Chapter 7. Julie Haggerty seconded. The motion was approved.

Section 6.8 – SF 342 – Information Shielding

The Project Manager presented proposed updates to Section 6.8 in response to new legislation allowing peace officers and law enforcement offers to request electronic document redaction. The Committee discussed the new legislation and reviewed the draft policy recommended by the Standards Subcommittee. Lindsay Laufersweiler made a motion to adopt amendments relating to information shielding. Julie Haggerty seconded the motion, and it was approved.

Section 5.4 Electronically Signed Documents and Notarial Acts and Smart Documents (Block Chain)

The Project Manager proposed changes to Section 5.4 to clarify the process of recording electronically signed or notarized documents and smart documents. The changes are intended to remove doubt about what would be accepted. Lindsay Laufersweiler made a motion to accept the proposed policy changes. Nancy Booten seconded the motion, and it was approved.

Restrictive Covenants

The Committee discussed an emergent trend where some groups are advocating that anything relating to a restrictive covenant (redlining, illegal discrimination) should be expunged from the public record. The Project Manger informed the Committee of participation in work groups with PRIA focused on the issue and how to approach it.

Communications Update

Kati Ross provided an overview of ongoing communication and marketing efforts. She informed the Committee of efforts being taken to schedule the seminar series tour across 58 Iowa counties, as well as planning efforts for the upcoming Iowa Land Records Deputies Conference.

PRIA Policy Updates

The Project Manager explained to the Committee various advocacy efforts being made to improve the transparency of the PRIA organization. The Committee was informed that PRIA has updated its policies and adopted new language aimed at showing more openness and transparency within the organization.

The meeting was adjourned at 1:58 PM.

Next Regular Meeting November 9, 2021