

H B

342

MARCH 22, 1984

TO: JOHN

FROM: KEN

RE: HB 342 "RELATING TO FILING AND RECORDING AND TO  
RECORDABLE DOCUMENTS"

THE MAIN PURPOSE OF HB 342 IS TO CLARIFY EXISTING ALASKA  
STATUTES ON FILING AND RECORDING AND TO CENTRALIZE THE  
THE RECORDING PROCESSES WITHIN STATE GOVERNMENT. THE  
BILL WOULD CREATE A NEW SECTION UNDER TITLE 40 OF THE  
ALASKA STATUTES ENTITLED RECORDING IN PUBLIC RECORDS,  
WHICH LAYS OUT IN DETAIL THIS PROPOSED RECORDING SYSTEM.

QUESTIONS:

1. WHY WAS TITLE 40 CHOSEN AS THE SPOT FOR THIS NEW SECTION ON RECORDING ?
2. WHY HAS THE DEPARTMENT OF NATURAL RESOURCES BEEN MANDATED TO PROVIDE THESE SERVICES IN THIS BILL ?
3. WHAT WOULD THE INITIAL EXPENSE BE TO IMPLEMENT THIS PROGRAM ?

4. DID THE ALASKA CODE REVISION COMMISSION WORK WITH THE DEPARTMENT OF NATURAL RESOURCES IN WRITING THIS BILL ?

5. IS THERE A PROJECTED COST SAVINGS FOR THE STATE AS A RESULT OF THIS BECOMING LAW ?

6. HOW MANY NEW POSITIONS WOULD BE CREATED BY THIS LEGISLATION ?

7. WHAT IS THE ANTICIPATED PAY LEVEL FOR THOSE PEOPLE ? WHAT WOULD BE THE JOB REQUIREMENTS FOR THESE POSITIONS ?

8. HOW DID THE ALASKA CODE REVISION COMMISSION COME TO DECIDE TO UNDERTAKE THIS PROJECT ? WHAT WAS THE IMPETUS FOR THIS BILL ?

9. WHAT ARE THE FEELINGS OF THE DEPARTMENT OF NATURAL RESOURCES ON THIS BILL ? DOES THE DEPARTMENT FEEL IT NECESSARY ?

10. UNDER CURRENT STATUTES, RECORDING COMES UNDER TITLE 34. WHY MOVE IT TO CHAPTER 40 ?

# ALASKA CODE REVISION COMMISSION



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JAMES L. BALDWIN - VICE CHAIRMAN  
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ALASKA STATE LEGISLATURE  
POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-4878

EXECUTIVE SECRETARY  
BILLY G. BERRIER

## MEMORANDUM

TO: Representative John Cowdery, Chairman  
House Labor and Commerce Committee

FROM: Dick Regan, Research Director  
Alaska Code Revision Commission

DATE: March 22, 1984

RE: HB 342 on Recording

I pencil this memorandum late at night and will have little chance to review it with representatives of the Department of Natural Resources before the scheduled hearing at 8:15 a.m. in the morning.

However, I believe the attached amendments may satisfy questions asked by DNR about HB 342. They are my effort to reach an accord in the hope that the bill can move out of the Labor and Commerce Committee.

The two definitions drafted for insertion on page 23 I affirmatively support.

The balance of the drafted amendments I do not affirmatively support but propose for form. I believe that adopting them would constitute a reasonable compromise and would not seriously conflict with the code revision commission's concepts as expressed in the bill.

A great effort has been made to satisfy all parties on this bill. I hope the appropriate representatives of DNR will join me in offering the attached amendments as a reasonable compromise of the few minor questions DNR has raised about the bill in its present form.

DR:chw

#5

A M E N D M E N T

Offered in the HOUSE

By:

TO: HB 342

Page 10, lines 8 and 9:

Delete all material and insert:

"that is in the custody of the department or the United States Bureau of Land Management but has not been recorded in the records of a recording district, or that has been recorded in a public recorder's office in another state, may be".

Page 10, following line 13:

Insert "(c) When a certified copy is recorded under this section, it must be accompanied by an affidavit explaining why the original conveyance cannot be recorded instead of the copy."

Page 11, following line 7:

Delete "A signature," and insert "An".

Page 23, following line 11:

Insert "(3) 'conformed copy' means an exact image of a document or a true copy of a document on which has been written an explanation of things that could not be copied exactly, such as "/s/" followed by a printed copy of a signature;". Renumber the following paragraphs accordingly.

Page 23, following line 19:

Insert "(7) 'file' means deposit into custody;". Renumber the following paragraphs accordingly.

Page 28, line 3:

Delete "January 1, 1984" and insert "January 1, 1986".

Amendments offered by  
Ned Farguhar  
D. N. R.

# 6  
HB 342

1 neither presumption applies.

2 Sec. 40.17.100. RECORDING A RECONVEYANCE. When the parties to a  
3 recorded conveyance absolute in its terms intend it to serve only as  
4 security for repayment of a debt, the conveyance is absolute as to all  
5 persons who rely upon it in good faith and for value before a recon-  
6 veyance is recorded.

7 Sec. 40.17.110. CLASSES OF DOCUMENTS ELIGIBLE FOR RECORDING.

8 (a) A signed document listed in (b) of this section or included under  
9 (c) of this section that meets the requisites for recording under  
10 AS 40.17.030 may be recorded as a class A document. The recorder may  
11 not record as a class B document a document that would be a class A  
12 document except for a technical defect in the document. A document  
13 that meets the requisites for recording under AS 40.17.030 and that is  
14 not a conveyance or a defective class A document, is a class B docu-  
15 ment the recording of which is permitted for the safekeeping of a  
16 record copy of the document. The effect on title and rights of re-  
17 cording class A and class B documents is set out in AS 40.17.080.

18 (b) The recorder <sup>shall</sup> ~~may~~ record as a class A document only

19 (1) a conveyance acknowledged or proven under AS 34.15.-  
20 150 - 34.15.250 or a certified copy of the conveyance if recording the  
21 copy is permitted by AS 40.17.020;

22 (2) an acknowledged or proven power of attorney or other  
23 instrument granting or revoking a power to act as agent or attorney  
24 for another person;

25 (3) a contract for the sale or purchase of real property,  
26 when acknowledged or proven by all parties to the contract;

27 (4) an option for the purchase of real property when it is  
28 acknowledged by the person granting the option;

29 (5) a certificate of a public official or an affidavit of

1 any person that may affect the title to or any interest in real prop-  
2 erty in the state that is described in the certificate or affidavit,  
3 stating facts relating to age, sex, birth, death, capacity, relation-  
4 ship, family history, heirship, names, identity of parties, marital  
5 status, possession or adverse possession, adverse use, residence,  
6 service in the armed forces, conflicts and ambiguities in description  
7 of land in recorded instruments, and the happening of any condition or  
8 event that may terminate an estate or interest; a certificate or  
9 affidavit recorded under this section must contain the recording  
10 information of a recorded document referred to in it;

11 (6) an instrument by which a real property security agree-  
12 ment is subordinated or waived as to priority;

13 (7) a document creating a condition, covenant, restriction,  
14 or reservation relating to rights in real property;

15 (8) an assignment of all or part of a security interest in  
16 real property;

17 (9) a release of lien or security interest in real prop-  
18 erty;

19 (10) a conformed copy of a lease, contract, or option to purchase real property ~~document~~ that is otherwise re-  
20 cordable as a class A document under this section, when the person  
21 offering the document attaches to it an affidavit that

22 (A) the conformed copy was received by the person in  
23 the course of the transaction;

24 (B) the original is not in the person's possession;  
25 and

26 (C) the instrument offered for recordation is a con- :  
27 formed copy;

28 (11) a conveyance from the United States of an interest in  
29 real property in the state;

1 executed by the same parties who executed the original document; <sup>or</sup> ~~and~~

2 (57) a master form that can be incorporated by reference in  
3 documents later recorded.

4 (c) A document specifically permitted or required to be recorded  
5 by another law of the state or made recordable as a class A document  
6 by regulation of the department may be recorded as a class A document.

7 Sec. 40.17.120. RECORDING MEMORANDUM OF LEASE. (a) Recording a  
8 memorandum of lease substantially complying with (b) of this section  
9 has the same effect as recording the lease.

10 (b) A memorandum of lease is a document signed by the lessor and  
11 lessee and containing a reference to an unrecorded lease, sublease, or  
12 agreement to lease or sublease, and supplying at least the following  
13 information:

- 14 (1) the names of the parties;  
15 (2) any addresses of the parties set out in the lease;  
16 (3) the date of the lease;  
17 (4) a description of the real property leased or subleased;  
18 (5) the commencement and termination dates of the lease if  
19 fixed and, if not fixed, the method by which the dates are to be  
20 fixed; and

21 (6) a statement of the conditions upon which a party may  
22 exercise a right to extend or renew the lease or to exercise a right  
23 to purchase or refuse to purchase the real property or part of it.

24 Sec. 40.17.130. ACTIONS AGAINST RECORDER AND STATE. (a) If the  
25 recorder fails to record and index a document properly, the recorder  
26 may be compelled to record and index the document properly by an  
27 action filed in the superior court.

28 (b) The state is liable to a person injured by the failure of  
29 the recorder to perform duties under this chapter. Neither the

offered by Dept of  
Nat. Resource

#2  
CSS

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STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 2/15/84

REQUEST SB 245  
Bill/Resolution No.: HB 342  
Title: Recording Bill

FISCAL DETAIL  
Agency Affected: Dept. of Natural Resources  
Program Category Affected: Management and Administration  
BRU, Program or Subprogram(s) Affected: Information/Records Management  
Recorders Office

Sponsor: Legislative Council  
Requestor: Code Revision Committee  
Date of Request: 4/8/83

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-0-	-0-	26.0	27.3	28.6	30.1
200 TRAVEL	-0-	-0-	5.0	3.0	3.0	3.0
300 CONTRACTUAL	-0-	150.0	25.0	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	8.0	8.0	8.0	8.0
500 EQUIPMENT	-0-	-0-	5.0	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 CRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	150.0	69.0	38.3	39.6	41.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	150.0	69.0	38.3	39.6	41.1
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	1	1	1	1
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Based on 5000 class B documents (2% of total documents now being recorded) being recorded during first year of operation at already established fees \$50.0 additional income would be generated which would certainly increase in future years as public becomes aware of program.

ANALYSIS: Attach a separate page for analysis

Prepared By: Warner T. May *W.T.M.* *JTB* Phone: 786-2296  
Division: Technical Services Date: 2/15/84  
Approved by Commissioner: *Norman J. Arnold, Deputy* Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

## SB 245 and HB 342, FISCAL ANALYSIS

### Assumptions

1. As stated in the memo from the Code Revision Commission, dated February 22, 1983 and Journal Supplement #10, dated April 8, 1983, the general purpose of the bill is to gather and clarify provisions on recording that are scattered throughout the Alaska Statutes, and lays a suitable framework for future use of technological advances in a centralized recording system. It also establishes two classes of documents, Class A for constructive notice recording and Class B for other documents for safekeeping.
2. Based on a feasibility report, the current recording system, which is computerized in a batch mode system, does not allow for anticipated growth in the workload. The current computerized recording system is in desperate need of having its program rewritten to correct current problems.
3. A new computer program, whether written for the current recording system or the new recording system, would be approximately the same cost and would provide cost savings to the State by reducing data entry, processing, systems maintenance, manhour and paper costs.
4. A new system must have a centrally located data base with on-line access from the three copy centers in Anchorage, Fairbanks, and Juneau.
5. In the foreseeable future, the outlying offices will not have this capability due to their remote locations and will continue with the current manual procedures to send the manually written data to one of the three copy centers for entry into the system.
6. The three copy centers will have in-house printers for hard-copy printout, which is required daily. This will eliminate the manual system presently used which, based on manhours, is quite time consuming and costly. These hard-copy printouts are needed and used by title companies, lending institutions, numerous agencies and the public for up-to-date filing and recording information.
7. All assumptions are based on the passage of the bill in FY 84 with an effective date one-and-a-half years after passage of the bill on January 1st. If the bill was passed in FY 84, the effective date of the bill will be January 1, 1986. This would allow funding for implementation to be spread over three fiscal years. Additionally, it would allow timely and quality implementation of the new recording system. Mandated and proper design of separate computer programs for Class A and Class B documents, writing of comprehensive regulations and procedural manuals followed by training of all personnel and users is time consuming.

8. A revised schedule of fees for the department now being considered will generate additional income of \$600.0 per year for the Recorder's Office. This does not include fees for Class B documents as none are now recorded. Assuming that 5000 Class B documents, which is only 2% of the total documents now recorded, will be recorded in the first year of operation an additional \$50.0 in fees would be generated. As the public becomes familiar with the program, the number of documents recorded will most certainly increase resulting in additional fee income. Over the years the increase in existing fees and fees for Class B documents will offset initial costs of the system.
9. All information presently available in the existing system also must be made available in the new system and data conversion costs as distinct from design costs must be separately considered.

Relationship to FY 85 Budget Presentations and Further Assumptions

1. The Recorder's Office workload has increased approximately 13% per year and is seriously backlogged in most offices. The Governor's FY 85 budget submission requests an increase in operating funds of \$494.0 with ten positions statewide. Not included in this figure is a \$50.0 one-time cost for writing of comprehensive regulations. On the capital side, with a department priority ranking of 7 out of 13, \$350.0 has been requested for study, design, update and expansion of existing or a new computer system whichever is cost effective. Data conversion dollars are not included.
2. Analysis of SB 245 and HB 342 in relationship to FY 85 budget submissions, which appear to be reasonable for approval, indicate there are several areas where the bills will additionally impact the department.

A. One Time Costs:

a)	Computer program for Class B documents	\$ 50.0
b)	Data conversion, regulation and procedural manual writing, training, reproduction, advertising and associated travel costs	127.0
c)	Equipment costs	5.0
	Total	<u>\$ 182.0</u>
		(\$150.0 FY 85 - \$32.0 FY 86)

B. Continuing Costs Starting FY 86:

a)	One permanent full-time position to handle Class B document recording	\$ 26.0
b)	Miscellaneous additional supplies	8.0
c)	Travel costs	3.0
	Total	<u>\$ 37.0</u>

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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Prepared By: Warner T. May Phone: 786-2296  
Division: Technical Services Date: 2/15/84  
Approved by Commissioner: Nancy D. Amundson Date: \_\_\_\_\_  
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Distribution (by Agency preparing fiscal note):

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18 (b) The recorder <sup>shall</sup> ~~may~~ record as a class A document only

19 (1) a conveyance acknowledged or proven under AS 34.15.-  
20 150 - 34.15.250 or a certified copy of the conveyance if recording the  
21 copy is permitted by AS 40.17.020;

22 (2) an acknowledged or proven power of attorney or other  
23 instrument granting or revoking a power to act as agent or attorney  
24 for another person;

25 (3) a contract for the sale or purchase of real property,  
26 when acknowledged or proven by all parties to the contract;

27 (4) an option for the purchase of real property when it is  
28 acknowledged by the person granting the option;

29 (5) a certificate of a public official or an affidavit of

1 any person that may affect the title to or any interest in real prop-  
2 erty in the state that is described in the certificate or affidavit,  
3 stating facts relating to age, sex, birth, death, capacity, relation-  
4 ship, family history, heirship, names, identity of parties, marital  
5 status, possession or adverse possession, adverse use, residence,  
6 service in the armed forces, conflicts and ambiguities in description  
7 of land in recorded instruments, and the happening of any condition or  
8 event that may terminate an estate or interest; a certificate or  
9 affidavit recorded under this section must contain the recording  
10 information of a recorded document referred to in it;

11 (6) an instrument by which a real property security agree-  
12 ment is subordinated or waived as to priority;

13 (7) a document creating a condition, covenant, restriction,  
14 or reservation relating to rights in real property;

15 (8) an assignment of all or part of a security interest in  
16 real property;

17 (9) a release of lien or security interest in real prop-  
18 erty;

19 (10) a conformed copy of a document *(lease, contract, or option to purchase real property)* that is otherwise re-  
20 cordable as a class A document under this section, when the person  
21 offering the document attaches to it an affidavit that

22 (A) the conformed copy was received by the person in  
23 the course of the transaction;

24 (B) the original is not in the person's possession;

25 and

26 (C) the instrument offered for recordation is a con- :  
27 formed copy;

28 (11) a conveyance from the United States of an interest in  
29 real property in the state;

1 executed by the same parties who executed the original document; <sup>or</sup> and

2 (57) a master form that can be incorporated by reference in  
3 documents later recorded.

4 (c) A document specifically permitted or required to be recorded  
5 by another law of the state or made recordable as a class A document  
6 by regulation of the department may be recorded as a class A document.

7 Sec. 40.17.120. RECORDING MEMORANDUM OF LEASE. (a) Recording a  
8 memorandum of lease substantially complying with (b) of this section  
9 has the same effect as recording the lease.

10 (b) A memorandum of lease is a document signed by the lessor and  
11 lessee and containing a reference to an unrecorded lease, sublease, or  
12 agreement to lease or sublease, and supplying at least the following  
13 information:

- 14 (1) the names of the parties;  
15 (2) any addresses of the parties set out in the lease;  
16 (3) the date of the lease;  
17 (4) a description of the real property leased or subleased;  
18 (5) the commencement and termination dates of the lease if  
19 fixed and, if not fixed, the method by which the dates are to be  
20 fixed; and

21 (6) a statement of the conditions upon which a party may  
22 exercise a right to extend or renew the lease or to exercise a right  
23 to purchase or refuse to purchase the real property or part of it.

24 Sec. 40.17.130. ACTIONS AGAINST RECORDER AND STATE. (a) If the  
25 recorder fails to record and index a document properly, the recorder  
26 may be compelled to record and index the document properly by an  
27 action filed in the superior court.

28 (b) The state is liable to a person injured by the failure of  
29 the recorder to perform duties under this chapter. Neither the

ALASKA CODE REVISION COMMISSION



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JAMES L. BALDWIN - VICE CHAIRMAN  
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FREDERIC E. BROWN

ALASKA STATE LEGISLATURE  
POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 435-4878

EXECUTIVE SECRETARY  
BILLY G. BERRIER

MEMORANDUM

TO: Representative John Cowdery, Chairman  
House Labor and Commerce Committee

FROM: Dick Regan, Research Director  
Alaska Code Revision Commission

DATE: March 22, 1984

RE: HB 342 on Recording

I pencil this memorandum late at night and will have little chance to review it with representatives of the Department of Natural Resources before the scheduled hearing at 8:15 a.m. in the morning.

However, I believe the attached amendments may satisfy questions asked by DNR about HB 342. They are my effort to reach an accord in the hope that the bill can move out of the Labor and Commerce Committee.

The two definitions drafted for insertion on page 23 I affirmatively support.

The balance of the drafted amendments I do not affirmatively support but propose for form. I believe that adopting them would constitute a reasonable compromise and would not seriously conflict with the code revision commission's concepts as expressed in the bill.

A great effort has been made to satisfy all parties on this bill. I hope the appropriate representatives of DNR will join me in offering the attached amendments as a reasonable compromise of the few minor questions DNR has raised about the bill in its present form.

DR:chw

# ALASKA CODE REVISION COMMISSION



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DR:chw

A M E N D M E N T

Offered in the HOUSE

By:

TO: HB 342

Page 10, lines 8 and 9:

Delete all material and insert:

"that is in the custody of the department or the United States Bureau of Land Management but has not been recorded in the records of a recording district, or that has been recorded in a public recorder's office in another state, may be".

Page 10, following line 13:

Insert "(c) When a certified copy is recorded under this section, it must be accompanied by an affidavit explaining why the original conveyance cannot be recorded instead of the copy."

Page 11, following line 7:

Delete "A signature," and insert "An".

Page 23, following line 11:

Insert "(3) 'conformed copy' means an exact image of a document or a true copy of a document on which has been written an explanation of things that could not be copied exactly, such as "/s/" followed by a printed copy of a signature;". Renumber the following paragraphs accordingly.

Page 23, following line 19:

Insert "(7) 'file' means deposit into custody;". Renumber the following paragraphs accordingly.

Page 28, line 3:

Delete "January 1, 1984" and insert "January 1, 1986".

# BRIEF HISTORY AND ORGANIZATION OF ALASKA RECORDERS OFFICE



State of Alaska  
Dept. of Natural Resources  
Division of Technical Services



Prepared By  
ROSE E. FARREN,  
State Recorder  
LINDA PLUMB,  
Acting Assistant State Recorder

## PREFACE

The recordation/filing<sup>1/</sup> of real property and other documents for the purpose of serving constructive notice to the public has had a long and varied history. It is the purpose of this "Brief History and Organization of Alaska Recorder's Office" to acquaint the reader with how it all started, developed over the years and, to some extent, what it all means. There is no attempt to discuss any legal issues.

Credit for some of the material in this paper is given to a document entitled "Recordation and Recording Procedures in Alaska" prepared in 1966 by E.Z. Rehbock, Legal Assistant for the Alaska Court System.

<sup>1/</sup> The words "record" and "file" and sometimes the phrase "file for record" are sometimes erroneously used interchangeably. There is a basic difference in the words and they should not be used interchangeably. A recorded document is one that is copied into the records in some manner and returned to the owner. A filed document is placed on file, becomes the property of the State and is not returned to the original owner. The recorder's office handles both types of documents.

Under the territorial form of government in Alaska, the recordation of conveyances, filing of tax liens and recordation of mining claims and other mining instruments was a duty of the United States Commissioners in their respective precincts. The beginning of recording activities in Alaska can be traced to the establishment of civil government for Alaska in 1884 when the Congress provided that Alaska should be governed by the laws of Oregon. Oregon statutes contained copious provision for the recordation of instruments and the commissioners were charged with the administration of these laws. In 1900 Congress enacted a code of laws based mainly on Oregon law and containing detailed and specific rules for a recording system, which is basically still in force and comports with the principles of recordation as used in the majority of jurisdictions.

The early records of Alaska, as found in the various districts, contained meager information on fee title to real property, although this is one of the important types of information desired. The old records contain mining or quitclaim deeds of property (usually unsurveyed) of which there is no pretense of a legal estate. This condition must not be ascribed to "loss" of old records (although in some precincts it unfortunately happened that they were destroyed by fire), but to the fact that the Congress had for a time long neglected to enact legislation for the acquisition of fee titles in Alaska. Legislation authorizing townsite entry was first enacted in 1891. The homestead laws were extended to Alaska only in 1898. The U.S. Survey system was not extended to Alaska until as late as 1899.

An important statute provides that persons "actually in use or occupation" of lands in Alaska at the beginning of civil government on May 7, 1884 shall not be disturbed therein, but that the acquisition of such land is reserved to future legislation of the Congress. This act was intended as a preliminary to the enactment of future legislation by the Congress for the acquisition of land. It served as a temporary protection.

The functions assigned to recorders in Alaska were augmented in the early 1900's by congressional legislation on mining on the federal public domain and by enactment of territorial laws on mechanic's liens, conditional sales and chattel mortgages. The body of territorial law relating to the filing in the

recorder's office of conditional sales, bulk sales, chattel mortgages and other chattel security became obsolete in 1962 when Alaska adopted the chattel filing provisions of Title 9, UCC.

At the time of transition from the territorial U.S. District Court to the integrated Alaska Court System, there existed a great variety of functions concerned with recording. The difficulty of transition was alleviated because the present boundaries of recording districts are essentially oriented by the boundaries of the former recording precincts, and the commissioners were replaced by magistrates upon whom the recording duties evolved.

Under territorial government, instruments submitted for recordation were originally copied into the record book by longhand. The use of typewriters was established around 1915. A photostatic copying method was introduced in the larger cities, mainly in Anchorage and Fairbanks, around 1950. At that time it was a practice of the territorial U.S. District Court, which had jurisdiction over recording, to enter into reproduction contracts with commercial title insurance companies. The companies furnished the cameras, were responsible for adequate reproductions and furnished a copy of each instrument to the court under the terms of the contract. Since these arrangements were on a local basis, the size of the copies and the quality of the product varied from place to place. At that time the functions of the recorders were regulated by statute, but their activity lacked central supervision. The statute had made some provision for maintenance of books, for indexing, for fees and general duties of recorders.

Pursuant to the Session Laws of Alaska of 1959 and effective in 1960, the Alaska Supreme Court, by Order No. 12, established the recording districts and designated District and Deputy Magistrates to act as Recorders. There are fourteen (14) amendments to Order No. 12 which correct descriptions, change places of record and combine recording districts. The last major changes took place on July 1, 1975. Order no. 12 was revised to combine the geographical boundaries of:

McCarthy and Chitina Recording Districts to be known as the Chitina Recording District.

Hyder and Ketchikan Recording Districts to be known as the Ketchikan Recording District.

Whittier and Anchorage Recording Districts to be known as the Anchorage Recording District.

Fairhaven and Cape Nome Recording Districts to be known as the Cape Nome Recording District.

The Barrow Recording District was established.

The Kotzebue Recording District was established.

The Noatak-Kobuk Recording District was merged with the Fairbanks Recording District in 1969. A portion of the Noatak-Kobuk Recording District/Fairbanks Recording District above the 68°N latitude is now the Barrow Recording District and a portion of the Noatak-Kobuk Recording District/Fairbanks Recording District below the 68°N latitude is now the Kotzebue Recording District.

On August 3, 1971, the court created the position of District (State) Recorder with the responsibility for overseeing the operation of recording throughout the state.

On January 1, 1977, the Recording System was transferred to the Department of Administration, Division of General Services and Supply.

On July 1, 1979, the Recording System was transferred to the Department of Commerce and Economic Development, Division of Banking and Securities.

On July 1, 1980, the Recording System was transferred to the Department of Natural Resources, Division of Technical Services, which agency and division now has the responsibility for operation of the recorder's offices.

With each transfer, the department was given authority to establish regulations for establishing, modifying or discontinuing recording districts.

From 1960 until June 16, 1967, the geographical description for each recording district was the official description of that recording district. Amendment No. 8 of Order No. 12, dated June 16, 1967 changed that by designating the "Alaska Recording Districts' Portfolio", dated September 1, 1964 as the official maps describing the boundaries of all recording districts. The maps and legal descriptions were intended to complement each other, but if there were a discrepancy, the boundary as shown on the official maps would govern. A full set of these maps, as amended, may be found in Anchorage, Fairbanks and Juneau. Each place of recording for the other areas has sets for the recording districts for which they are the place of record. There is also a large Recording District Map in each office, showing boundaries of all recording districts in relation to one another.

Since the last major changes to recording districts on July 1, 1975, there have been thirty-four (34) recording districts serviced through fourteen (14) different offices. Nine (9) of these offices are staffed and managed by the Department of Natural Resources, Division of Technical Services personnel. The remaining five (5) offices are administered through the Alaska Court System personnel on a part or full time basis.

Due to the great expanse of real estate within the State of Alaska and the infrequency of population centers, the functions and scope of separate recording offices will vary. In some instances the volume of recording is not sufficient to warrant an office and full time employee. In five (5) recording districts (Chitina, Kodiak, Seward, Sitka and Valdez) the situation is handled by employing Court System personnel on a part time basis. In other recording districts the volume is so low that part time employment of court employees is not feasible. These areas are handled by larger recording district offices with maintenance of grantor and grantee indices and paper copies of documents supplied to court offices within those districts. Recording districts administered in this manner include: Aleutian Islands, Bristol Bay, Cordova, Haines, Kuskokwim, Kvichak, Nenana, Petersburg, Skagway and Wrangell. Still other small population districts are administered and maintained in larger offices with no local offices maintained. These districts include: Barrow, Ft. Gibbon, Iliamna, Kotzebue, Manley Hot Springs, Mt. McKinley, Nulato, Rampart, Seldovia and Talkeetna.

After the initial processes of checking for statutory compliance, clocking in and indexing, all documents must be forwarded to one of the three (3) copy centers for microfilming of the original documents. After microfilming, all documents are returned to their place of reception for proper dispersal. The copy centers are:

ANCHORAGE for: Aleutian Islands, Anchorage, Bethel, Bristol Bay, Chitina, Cordova, Homer, Iliamna, Kenai, Kodiak, Kuskokwim, Kvichak, Palmer, Seldovia, Seward, Talkeetna and Valdez Recording Districts.

FAIRBANKS for: Barrow, Fairbanks, Ft. Gibbon, Kotzebue, Manley Hot Springs, Mt. McKinley, Nenana, Cape Nome, Nulato and Rampart Recording Districts.

JUNEAU for: Haines, Juneau, Ketchikan, Petersburg, Skagway, Sitka and Wrangell Recording Districts.

Photostatic copying was introduced in the larger cities (Anchorage and Fairbanks) around 1950. In 1971 microfilming techniques were instituted and have been refined to the present day use of microfilm reader/printers and 16 and 35mm microfiche and roll microfilm, cataloged through the use of computerized alphabetic grantor, grantee and real property legal description indices. The Anchorage Recording District was the first district with computerized indices. This was started June 22, 1971. The Palmer Recording District began November 1, 1971. Talkeetna, Fairbanks, Kodiak, Kenai and Cape Nome Recording Districts began January 2, 1972, Juneau Recording District began July 1, 1972, Ketchikan and Sitka Recording Districts began August 1, 1972, Homer Recording District began July 1, 1974, Kvichak, Cordova, Aleutian Islands, Nenana, Rampart, Nulato, Mt. McKinley, Manley Hot Springs, Kuskokwim, Bethel, Chitina, Valdez and Seward Recording Districts began January 2, 1975, Petersburg, Wrangell, Seldovia and Bristol Bay Recording Districts began July 1, 1975, Haines and Skagway Recording Districts began January 2, 1976. There are also computerized indices for Fairhaven Recording District from January 2, 1972 until it was merged with Cape Nome July 1, 1975. There are also computerized indices for McCarthy Recording District from January 2, 1972 until it was merged with the Chitina Recording District July 1, 1975. There are computerized indices for the Hyder Recording District from January 2, 1973

until it was merged with Ketchikan Recording District July 1, 1975. All the computerized information is dispersed to the appropriate offices through the Anchorage Recording District office.

The purpose of the Recorder's Offices has always been to provide a secure, impartial place of record for real property documents. In most cases these records are irreplaceable and yet necessary to maintain a chain of title to all real estate within the State of Alaska. The Recorder's Offices also provide a mechanism by which liens, Deeds of Trust and other encumbrances against specific properties may be brought to the public notice.

Illustrations attached indicate the complexity and type of documents filed or recorded. Statistical data has been supplied for years 1975 through 1982. Also a skeleton organizational chart depicting the present day structure of the fourteen State Recorder's Offices.

XIV. TABLE OF COMMON DOCUMENTS

This is a compiled list of legal documents that are most frequently recorded of record: (Must use Book & Page Numbers)

DOCUMENTS RECORDED IN THE DEED BOOK: INDEX CODE - D

Warranty Deed	AS 34.15.030
Quitclaim Deed	AS 34.15.040
State Police Deed	
Guardian's, Administrator's or Executor's Deed	AS 34.25.050
Trustee's Deed	AS 34.20.080
Patents	
Clerks Deed	
Bill of Sale (when conveyance of real property and requires a full acknowledgement)	
Tax Deed	AS 34.25.080

DOCUMENTS RECORDED IN THE LIEN BOOK: INDEX CODE - LI

Notice of Right To Lien	AS 34.35.064
Acknowledgement of Right to Lien	AS 34.35.069
Verified Mechanics or Materialmen Lien	AS 34.35.070
Bond	AS 34.35.072
Extension Notice	AS 34.35.080
Release of Lien	AS 34.35.485
Certified Copy of Judgement or Decree of a Court of This State or the United States	AS 09.30.010
Satisfaction of Judgement	AS 09.30.310
Certificate of Attachment or an Order or Proceeding of Record Discharging attachment	AS 09.40.050
Employees Lien for Failure to Make Payments to a Benefit Fund	AS 23.10.047
Verified Workmen's Compensation Lien	AS 23.30.165
Timber and Lumber Liens	AS 34.35.230 - 240
Landowner's Lien For Timber	AS 34.35.245
Manufacturing Lien Claim	AS 34.35.305
Packers & Processor's Lien	AS 34.35.320 - 330
Child Support Lien	AS 47.23.230
Watchmen's Lien	AS 34.35.395 - 415

DOCUMENTS RECORDED IN THE MINING BOOK: INDEX CODE - MI

Mining Location	AS 38.05.195 & 27.10.050
Amended Location	AS 38.05.200 & 27.10.070
Mining Lease	AS 38.05.205
Annual Labor	AS 38.05.210 & 27.10.160
Surveys May Qualify as Annual Labor	AS 27.10.230
Notice to Contribute & Affidavits	AS 38.05.220 & 27.10.190
Liens on Mines & Oil Wells	AS 34.35.125 - 165
Lien for Performance of Annual Labor	AS 38.05.230
Prospecting Site Location	AS 38.05.245
Grubstake Contract	AS 27.10.020 & 27.15.010

TAKEN FROM THE MANUAL OF RECORDING  
PROCEDURE FOR THE ALASKA LAND RECORDING  
OFFICE DATED JULY 1, 1980

## DOCUMENTS RECORDED IN THE MISCELLANEOUS BOOK:

INDEX CODE - MS

CONTRACT OR OPTION FOR THE SALE OR PURCHASE OF REAL  
 PROPERTY WHEN ACKNOWLEDGED BY ALL PARTIES  
 RESTRICTIONS & COVENANTS ON REAL PROPERTY  
 LIS PENDENS (containing description of property) AS 09.45.790  
 (must contain the case number assigned by the  
 court, no requirement to be notarized)  
 FINAL ORDER OF CONDEMNATION AS 09.55.370  
 DECLARATION OF TAKING AS 09.55.420  
 LETTER OF CONSERVATORSHIP & ORDERS AS 13.26.265  
 TERMINATING CONSERVATORSHIP  
 CONDOMINIUM DECLARATION & AMENDMENTS AS 34.07.020 - 07  
 WATER APPROPRIATION OR CERTIFIED COPY BY AS 46.15.160  
 COMMISSIONER OF DEPT. OF NATURAL RESOURCES  
 LEASES, SUB-LEASES, ASSIGNMENTS & TERMINATIONS  
 DISCHARGE PAPERS  
 UTILITY, SEWER & RIGHT OF WAY EASEMENTS  
 ASSIGNMENTS OF RENT & RELEASES THEREOF  
 JUDGEMENTS QUIETING TITLE  
 DECREES OF DIVORCE  
 ATTESTED OR NOTARIZED COPY OF A NOTICE OF  
 NONRESPONSIBILITY AS 34.35.065  
 VERIFIED NOTICE OF COMPLETION AS 34.35.071  
 PARTY WALL AGREEMENTS  
 CERTIFICATE OF REDEMPTION AS 29.53.320  
 CERTIFICATE OF SALE  
 CONTRACT FOR THE SALE OF TIMER, MINERALS, OR AS 45.02.107  
 THE LIKE OR A STRUCTURE OR ITS MATERIALS TO BE  
 REMOVED FROM REALTY IS A CONTRACT FOR THE SALE  
 OF GOODS. EFFECTIVE AS A TRANSFER OF AN INTEREST IN LAND.  
 OIL & GAS LEASES & ASSIGNMENTS  
 EARNEST MONEY RECEIPT (acceptable only if signature  
 of seller and buyer is acknowledged)

TAKEN FROM THE MANUAL OF RECORDING  
 PROCEDURE FOR THE ALASKA LAND RECORDING  
 OFFICE DATED JULY 1, 1980

## DOCUMENTS RECORDED IN THE MORTGAGE BOOK:

INDEX CODE - M

REAL MORTGAGE	AS 34.20
RELEASE OF MORTGAGE	AS 34.20
DEED OF TRUST & ASSIGNMENTS	AS 34.20.110
PROMISSORY NOTE (acceptable only if attached to a deed of trust or if separate document original signature must be acknowledged and must contain the legal description of property)	
SUBSTITUTION OF TRUSTEE	AS 34.20.120
ASSIGNMENT OF BENEFICIAL INTEREST	AS 34.20.130
SUBORDINATION OR WAIVER AS TO PRIORITY	AS 34.20.130
NOTICE LIMITING FUTURE ADVANCES	AS 06.30.560
NOTICE OF DEFAULT	AS 34.20.070
AFFIDAVIT OF PUBLICATION OF NOTICE OF SALE	AS 34.20.080
AFFIDAVIT OF MAILING THE NOTICE OF DEFAULT	AS 34.20.080
DEED OF RECONVEYANCE	

## DOCUMENTS RECORDED IN THE POWER OF ATTORNEY BOOK:

INDEX CODE - PA

POWER OF ATTORNEY &amp; REVOCATION THEREOF

AS 34.15.320 - 330

TAKEN FROM THE MANUAL OF RECORDING  
PROCEDURE FOR THE ALASKA LAND RECORDING  
OFFICE DATED JULY 1, 1980

This is a compiled list of legal documents that are most frequently filed of record: (No Book & Page Number is used)

DOCUMENTS FILED:

BULK SALE TRANSFER	AS 45.05.516	INDEX CODE - BS
COPY OF RECORD OF MEETING OF CEMETARY ASSOCIATION	AS 10.30.020	INDEX CODE - CM
FINANCING STATEMENTS, SECURITY AGREEMENTS - U.C.C. Amendments & Continuations	AS 45.05.768	INDEX CODE - FS
ASSIGNMENTS OF F. S.	AS 45.05.776	INDEX CODE - FS
TERMINATION STATEMENTS & PARTIAL RELEASES - U.C.C.	AS 45.05.774	INDEX CODE - TS
COOPERATIVE CONTRACTS & TERMINATIONS	AS 10.15.230 - 255	INDEX CODE - FS
LIST OF TERMINATED CONTRACTS	AS 10.15.260	INDEX CODE - FS
PLATS	AS 40.15.010	INDEX CODE - PL
PLAT WAIVERS	AS 29.33.170	INDEX CODE - PL
CONDOMINIUM SURVEYS	AS 34.07.030	INDEX CODE - PL
BOUNDARY SURVEYS		INDEX CODE - PL
LIMITED PARTNERSHIP	AS 32.10.010	INDEX CODE - PR
MISCELLANEOUS LIENS		INDEX CODE - FL
LIEN NOTICE ON CHATTELS	AS 34.35.175 - 190	
HOSPITAL & NURSES LIEN	AS 34.35.450 - 480	
VERIFIED WAGE LIEN	AS 34.35.440	
TAX LIENS & RELEASES		INDEX CODE - TL
STATE TAX LIEN	AS 43.20.240	
FEDERAL TAX LIEN	AS 43.10.090 - 150	
EMPLOYMENT SECURITY CONTRIBUTION	AS 23.20.200	
REAL PROPERTY OWNERSHIPS	AS 34.10.040	INDEX CODE - PO
(Repealed 7/19/78 - Only ones stamped by the Dept. of Natural Resources Filed)		
LOG BRANDS	AS 45.50.250	INDEX CODE - LB
(Amended - Now filed with the Dept. of Natural Resources, Forest Land & Water Management "Forestry").		

TAKEN FROM THE MANUAL OF RECORDING  
PROCEDURE FOR THE ALASKA LAND RECORDING  
OFFICE DATED JULY 1, 1980

TOTAL NUMBER OF DOCUMENTS FILED AND/OR RECORDED  
COMPARATIVE STATISTICAL REPORT  
BY RECORDING DISTRICTS  
FOR CALENDAR YEARS

DISTRICT	1975	1976	1977	1978	1979	1980	1981	1982	1983	% Increase (Decrease)	
										Over Previous Year	Since 1975
ANCHORAGE*	56669	62218	72702	77619	68812	61602	82011	86793	111651	29	97
Aleutian Is.	213	213	283	323	321	725	1006	815	1127	38	429
Bristol Bay	473	533	472	499	855	576	701	720	704	(2)	49
Cordova	741	733	793	820	718	810	1765	1276	900	(30)	22
Iliamna	99	148	296	261	155	151	268	540	348	(36)	252
Kuskokwim	131	141	199	287	659	1268	1697	743	789	6	502
Kvichak	187	188	176	250	301	271	285	374	418	12	124
TOTAL	58513	64174	74921	80059	71821	65403	87733	91261	115937	27	98
BETHEL	669	737	993	1427	972	905	1362	2155	2030	(6)	203
CHITINA** (Glennallen)	1228	1206	1612	1418	1303	1582	1198	1287	1449	13	18
FAIRBANKS*	23916	25766	29458	31618	26184	28625	34847	32903	40294	23	69
Barrow	351	2425	7607	3360	661	1251	2510	1071	1436	34	309
Ft. Gibbon	46	38	654	174	329	217	981	66	181	174	294
Kotzebue	2073	1618	854	1988	1990	2149	3501	817	1228	50	(41)
Manley Hot Sp.	75	89	111	315	656	942	592	333	323	(3)	331
Mt. McKinley	141	205	268	452	362	748	1967	1160	1889	63	1240
Nenana	1751	1414	1198	1252	935	831	1163	941	1041	11	(41)
Nulato	60	408	309	194	553	1011	619	1273	1843	45	2972
Rampart	25	41	58	67	112	58	174	84	69	(18)	176
TOTAL	28438	32004	40517	39420	31782	35832	46374	38648	48304	25	70
HOMER	2916	3578	5201	5628	5306	4634	5328	5313	7236	36	148
Seldovia		245	232	285	609	433	498	321	479	49	96
TOTAL	2916	3823	5433	5913	5915	5067	5826	5634	7715	37	165

DISTRICT	1975	1976	1977	1978	1979	1980	1981	1982	1983	% Increase/(Decrease)	
										Previous Year	Since 1975
KENAI	7042	7959	11009	12364	11067	9367	10803	12020	17291	44	146
KETCHIKAN	4491	5963	5886	5495	5286	4448	5681	5306	6985	32	56
Petersburg	1209	814	1148	2439	951	1308	1320	1155	1534	33	27
Wrangell	523	607	720	1484	531	336	439	577	725	26	36
TOTAL	6223	7384	7754	9418	6768	6092	7440	7038	9244	31	49
JUNEAU*	4772	6083	7460	9336	7801	8483	10638	10634	15184	43	218
Haines	448	485	496	595	497	506	650	678	1020	50	128
Skagway	288	334	345	249	225	168	211	222	161	(28)	(44)
TOTAL	5508	6902	8301	10180	8523	9157	11499	11534	16365	42	197
KODIAK**	2149	2481	2653	2580	2693	2415	3116	3124	4126	32	118
NOME	1681	2768	2021	6978	3479	3514	3071	2843	2986	5	78
PALMER	12034	14573	17678	19189	18180	14409	19186	23410	33708	44	180
Talkeetna	2009	3448	2412	2269	3105	4105	3746	3348	3744	12	86
TOTAL	14043	18021	20090	21458	21285	18514	22932	26758	37452	40	167
SEWARD**	1378	1359	1690	1864	1717	1430	2695	2491	3221	29	134
SITKA	1501	1896	2377	2956	2283	2221	2916	2505	2985	19	99
VALDEZ**	1633	1207	1363	1488	2104	1808	1731	1725	1795	4	10
Combined Statistics	132922	151921	180734	197523	171726	163307	208696	209023	270900	30	104

NOTES

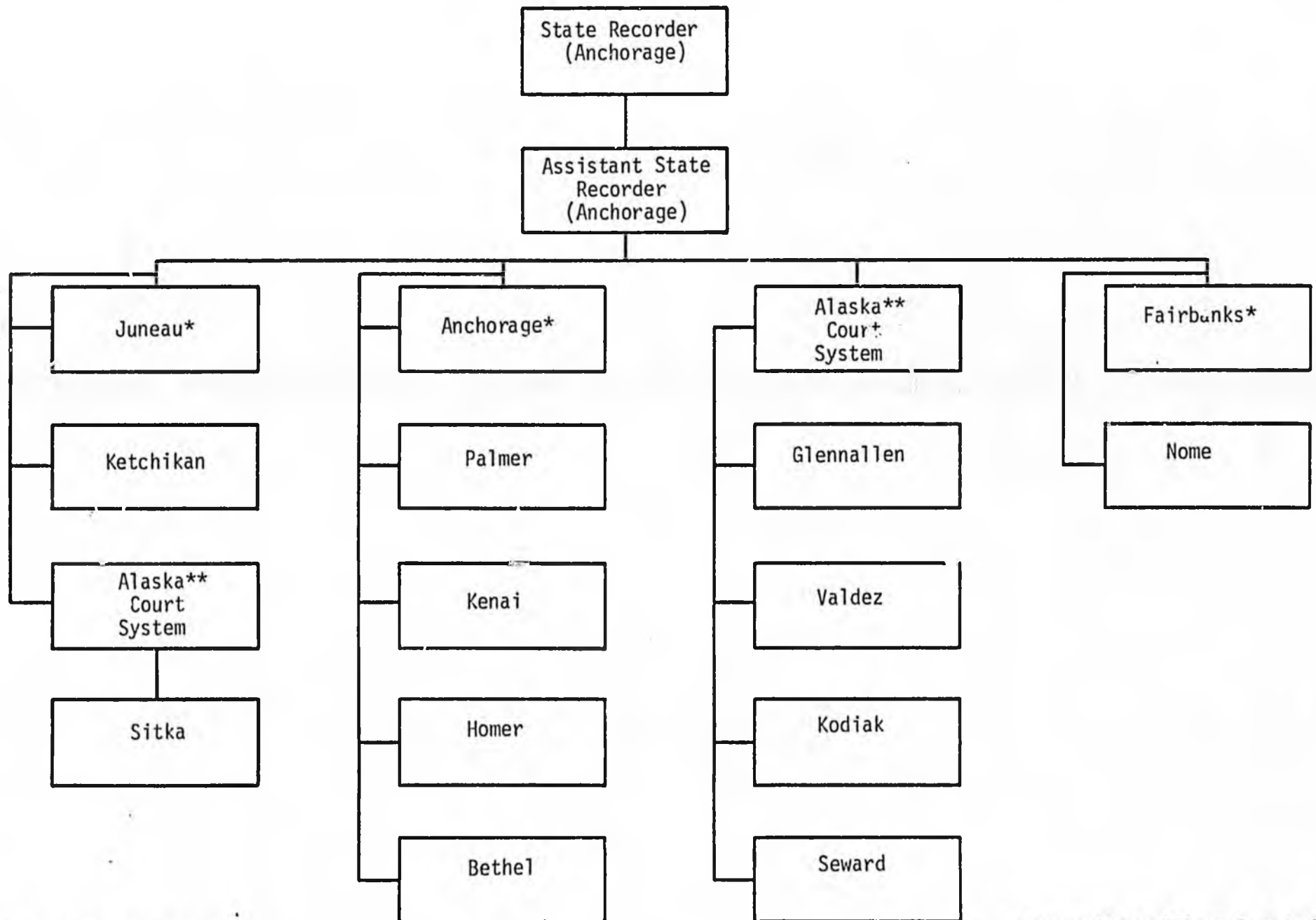
\*Copy Center

These offices not only serve as the place of recording for the districts named but also serve as copy centers for a designated number of smaller offices which do not have adequate copy, micrographic and reproduction capabilities.

\*\*Court Offices

These recording Offices are located within the Court facilities and are staffed by part-time or full-time court employees.

Chart Showing Structure and Physical Location of Alaska State Recorder's Offices (1983). For Names of Geographical Areas Services by Each Office Refer to Statistical Chart Attached



\*Serves as copy center for offices shown below.

\*\*Recording offices located within Court System



January 13, 1984

STATE RECORDER'S OFFICE  
TITLE ADMINISTRATION & RECORDS  
DIVISION OF TECHNICAL SERVICES  
DEPARTMENT OF NATURAL RESOURCES

STATE RECORDER'S OFFICE:

PROGRAM MANAGER: Rose E. Farren

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MAJOR PROGRAM: The Recording program is a continuous one and provides constructive notice for real and personal property transactions to the public, which requirement is basic to the American system of land transfer and financial responsibility.

MAJOR

RESPONSIBILITIES: In compliance with statutory requirements, maintain in a timely and accurate manner, making same easily useable, properly indexed and readily available to the public and industry, a reliable set of public records of all transfers of real and personal property interests, financial responsibility connected therewith and related documents so as to constitute constructive notice to all.

ACCOMPLISHMENTS

FY 84:

Based on past statistics, we projected an increase in workload of 13% statewide. This appears to no longer be a viable percentage, as the workload statewide has increased 25% in the first half of FY84 as compared to the first half of FY83. FY83 budget was \$1,563,200.00, FY84 budget was \$1,592,800.00. \$76,000.00 of FY84 budget was appropriated for establishing a new Recording Office in Kotzebue. Target date for opening this office is April 1, 1984.

One employee was added to the Palmer, Talkeetna Recording District office. With the additional employee, this office has brought the indexing (retrieval) system for all recorded or filed real and personal property documents for these two districts, to an acceptable level of one (1) to two (2) days. However, if the workload continues to increase at the rate of 25%, two (2) additional employees will be required to keep the Palmer, Talkeetna office at this level in FY84. Sitka Recording District is now staffed by a Department of Natural Resources employee rather than a Court System employee.

EMPHASIS

PLANNED FOR FY85: Develop and maintain new computer program, to reduce data entry time, processing, system maintenance, manhours and paper cost. Present program is obsolete and expensive to maintain.

Move Fairbanks Recorder's Office from Court System building to larger, more adequate space.

Re-establish normal business hours to the public in Anchorage and Kenai offices. Limit the present 60 day delay in creating indexes for title search function for the Anchorage office to 30 days (acceptable time frame is 1 to 2 days). In various other district offices, this process is presently from 10 to 45 days behind. Limit the present 276 days in returning original recorded documents in the Anchorage office to 120 days (acceptable time frame is 14 to 21 days).

FUTURE PROGRAM  
NEEDS:

There are at least 13 statutes that the recording function operates under on a regular basis. Regulations have needed to be developed and implemented for many years. A fireproof vault for the Statewide Recording Records has also been needed for many years. If these records were damaged or destroyed, many would be irreplaceable and would create insoluble legal problems with respect to re-establishing accurate chain of title for the Anchorage and Iliamna Recording Districts.

The uncontrollable increase in workload makes it difficult to adequately fulfill recording responsibilities and maintain an acceptable level of service to the public without a corresponding increase in resources. There has to be a proportional growth in the number of staff positions and improvements in automation capabilities to maintain the public services required by statute.

STATISTICS:

There are 34 Recording Districts Statewide that are processed through 14 recording offices, four of which are maintained by part time Court System employees. In FY84, four new positions were allocated for nine (9) Department of Natural Resources Recording Offices and one was added to bring the Sitka Recording District under the administration of DNR (Sitka was previously staffed by a Court employee). The establishment of a Kotzebue recording District Office, presently processed through the Fairbanks Recording Office, will bring the total number of Recording Offices statewide to 15, staffed by 43 DNR employees and 4 part time Court System employees.

From FY75 through FY83 there were no increases in staffing levels to accommodate for the growth in the real and personal property transaction volume. In CY75 there were 132,922 real and personal property transactions processed through 14 recording offices, in CY83 there were 271,370 real and personal property transactions an increase of 51%. Until November 1983, these were processed by 38 DNR Recording Office employees and 5 part time Court System employees.

STATE RECORDER'S OFFICE 1/

FUNCTION

BENEFITS

1. Record and/or file a multitude of documents and plats 2/ placing them of record so as to constitute constructive notice.

2. Index and cross index and photograph or copy all documents and plats and maintain them in a manner so as to allow public viewing and use and for archival purposes.

3. Supply copies of documents to public, other state agencies and lesser units of government. Furnish certified copies to the court and/or parties to litigation.

4. File and provide searches of documents under the Uniform Commercial Code system involving real and personal property.

1. Provides constructive notice to the public which requirement is basic to the American system of land transfer and financial responsibility.

2. Allows the public, lending institutions and title companies to readily check chain of title, encumbrances and financial responsibility with limited or incomplete information to begin with and be self serving.

3. Allows for greater geographic distribution and use of record data without forcing public to travel great distances and/or request information in writing. Allows municipalities, boroughs and other taxing entities to maintain current tax roles. Certified copies are acceptable as evidence in a court of law.

4. Provides the business and financial community with information that allows them to identify financial responsibility necessary in the conduct of day to day business.

1/ Presently organized with section status within the Division of Technical Services, Department of Natural Resources. Network consists of thirty four (34) recording districts serviced through fourteen (14) different offices. For a brief history and organization of the Alaska Recorder's Office see attached information pamphlet.

2/ For list of documents see appropriate pages in pamphlet attached.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Natural Resources	Sponsor (Principal) Legislative Council	Bill Number SB-245 & HB-342
Department Position Recommend enactment if proposed changes in this bill analysis incorporated.		
Division Director <i>James R. Anderson</i>	Date 2/22/84	Commissioner's Signature Date

GOVERNOR'S OFFICE USE

Comments:

<input type="checkbox"/> Position Noted	By	Date
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SUMMARY

1. a) Related Bills (Similar or Conflicting) None known	1. b) Other Agencies Affected by Bill DOT/PF and local government
2. a) Organizational Support for Bill It is assumed title, mortgage and banking industry support bill.	2. b) Organizational Opposition to Bill None known

3. Program Effects of Bill

Will gather together and clarify provisions on recording that are now scattered throughout the Alaska Statutes and will lay a suitable framework for future use of technological advances in a centralized recording system. When fully implemented and automated will allow for a more cost effective operation of the Recorder's Office.

4. Fiscal Impact:  Non-  Fiscal Note Attached

5. Amendments Proposed:

See detail of bill analysis attached.

6. Comments:

See detail of bill analysis attached.

## SB 245 and HB 342 Bill Analysis

### General Comments:

1. As stated in the memo from the Code Revision Commission, dated February 22, 1983 and Journal Supplement #10, dated April 8, 1983, the general purpose of the bill is to gather together and clarify provisions on recording that are scattered throughout the Alaska Statutes, and lays a suitable framework for future use of technological advances in a centralized recording system. It also establishes two classes of documents, Class A for constructive notice recording and Class B for other documents to be placed of record for safekeeping.
2. Sections 1-19 deal with plats and maps with reference to "filing" and "recording" them. The most common distinction between the two words or processes with reference to the recording process is that a "filed" document becomes the property of the State and is not returned to the original owner. A "recorded" document does not become the property of the State and is returned to the owner. In both instances they are "placed of record" and microfilm copies are available. In the case of plats the original is kept as it is often needed to determine detail not ascertainable on the microfilm copy. Originally they were kept because a plat could not be hand copied into the record book as other types of written documents could be and were. The manner in which they are assigned a retrieval number is different. A recorded document is given a book and page number, i.e., Book 90 Page 225. A filed document such as a plat is given the next sequential number in the series preceded by the last two digits of the year in which filed, i.e. 84-26.

It should be noted that probably because of an inconsistent use of the words "file" and "record" in statutory language other documents have been historically filed and not returned to the owner. Among them are some liens, some lien releases, limited partnership agreements, etc. Like plats, they are numbered within their own series and kept as property of the State. Though not originally done to facilitate retrieval, the system has benefited the retrieval process and is accepted by the industry.

After the consideration of the impacts of Sections 1-19 upon the State Recorder's Office it is the consensus of opinion that there are no objections to Section 1-19 so long as it is clear that filed plats become the property of the State and the legislative history reflects the basic difference between a filed and recorded document. As the new system is implemented all other documents now processed as "filed" and kept will be processed as "recorded" and returned to the owner as provided for in this bill.

### Chapter 17 Section by Section Comments

Sec. 40.17.010. Acceptable, no comment.

Sec. 40.17.020(a). Acceptable, no comment.

Sec. 40.17.020(b). We have some concern because what we like to think of as two separate subjects are covered here and we believe a third should be added. The three subjects are 1) accepting a certified copy of a conveyance document recorded or filed in another state, 2) accepting a certified copy of a conveyance document filed or recorded with the United States Bureau of Land Management and 3) the proposed addition, accepting a certified copy of certain conveyance documents originating with and of record with the Department of Natural Resources.

- 1) Comment. This is a desirable feature even to using the broad term "conveyance" as defined in the bill.
- 2) Comment. This is a desirable feature but should be separated from above with more restrictive language than the word "conveyance". It should be limited to Patents, Quitclaim Deeds, Warranty Deeds, Certificates of Allotment, Clearlists, Tentative Approvals and Interim Conveyances. An affidavit should accompany the certified copy for recording with it setting forth the facts as to why the original is not available for recording. The Recorder's Office now reluctantly accepts certified copies of these documents without an affidavit under the weak authority of an informal opinion in letter form issued by a former legal assistant for the Alaska Court System.
- 3) Comment. The Department of Natural Resource's system for maintaining copies and records of conveyances under its land disposal program is much the same as that of the Bureau of Land Management's. There is occasionally a bonafide reason why an individual no longer has in his/her possession the original conveyance document it having been lost or destroyed prior to recording. The Recorder's Office does not now accept certified copies of conveyance documents issued by the Department of Natural Resources. As with conveyances issued by the BLM this provision should use more restrictive language than the word conveyance and be limited to Patents, Warranty Deeds, Quitclaim Deeds and Deeds of Title.

It is suggested that sub-section (b) be amended as follows and sub-section (c) and (d) be added.

(b) A certified copy of a conveyance that is eligible for recording as a class A document under A.S. 40.17.030 and 40.17.110 and that has been recorded or filed in a public recorder's office in another state may be recorded only as a class A document, and only in the records of a recording district where land affected by the conveyance is located. When so recorded, it has the same effect from the time it is recorded as though it were the original land conveyance.

(c) A certified copy of a conveyance restricted to a Patent, Quitclaim Deed, Warranty Deed, Certificate of Allotment, Clearlist, Tentative Approval and Interim Conveyance accompanied by an affidavit stating that the original was not recorded and setting forth the fact as to why the original is not available for recording originally issued by the Bureau of Land Management that is eligible for recording as a class A document under AS 40.17.030 and 40.17.110 and that has been recorded, filed or true copies maintained in offices of the Bureau of Land Management may be recorded only as a class A document, and only in the records of a recording where land affected by the conveyance is located.

When so recorded, it has the same effect from the time it is recorded as though it were the original conveyance. (Note: Though concerned generally with the proposal to accept any copies, the State Recorder agrees to this proposed amendment so long as it is restricted to named documents and accompanied by an affidavit as proposed.)

(d) A certified copy of a conveyance restricted to a Patent, Warranty Deed, Deed of Title and Quitclaim Deed accompanied by an affidavit stating that the original was not recorded and setting forth the facts as to why the original is not available for recording originally issued by the Department of Natural Resources that is eligible for recording as a class A document under AS 40.17.030 and 40.17.110 and that has been recorded, filed or true copies maintained in offices of the Department of Natural Resources may be recorded only as a class A document, and only in the records of a recording district where land affected by the conveyance is located. When so recorded, it has the same effect from the time it is recorded as though it were the original conveyance. (Note: The State Recorder has the same concerns here as noted under (c) above.)

Sec. 40.17.030(a)(b). As it now reads the document shall be accompanied by or include the mailing addresses of all persons named in the document who grant or acquire an interest.... The addresses of persons who grant are not necessary but the addresses of persons who acquire are necessary as lesser units of government use this information to post and keep tax roles and other records current.

We suggest the two words "grant or" on line 1 page 11 be deleted.

Sec. 40.17.030(c). For clarification purposes we suggest the word "only" on line 9 be deleted and the following added to the sentence after the last word i.e., "or by regulation to comply with accepted legal practice."

All other sub-sections acceptable and no comment.

Sec. 40.17.040. Acceptable, no comment.

Sec. 40.17.050. Acceptable, no comment.

Sec. 40.17.060. Acceptable, no comment.

Sec. 40.17.070(d). We have concern with the words "...and a citation of the statute requiring rejection." on lines 3 and 4 page 13. These words place a higher degree of adjudicative responsibility upon the District Recorder's than they now have, however we feel that the process can be adequately covered in regulations.

All other sub-sections acceptable and no comment.

Sec. 40.17.080. Acceptable, no comment.

Sec. 40.17.090. Acceptable, no comment.

Sec. 40.17.100. Acceptable, no comment.

Sec. 40.17.110(10). We have two concerns with (10). There is no definition of "conformed copy" and one or perhaps two are required. See comments under Sec. 40.17.140.

We assume (10) relates to existing Sec. 34.15.340(6) and if it does, it is not definitive enough in that it does not name the documents as named in Sec. 34.15.340(6). They are, lease, contract or option to purchase real property. We object to the fact that (10) as now written includes all documents and feel it should be restricted as Sec. 34.15.340(6) is. Further, wherever used the word "conformed" should be replaced with the word "true". The use of the word conformed in (10) is not consistent with the common definition of the word as it relates to the Recorder's Office. See proposed definition under 40.17.140.

All other sub-sections acceptable and no comment.

Sec. 40.17.120. Acceptable, no comment.

Sec. 40.17.130. Acceptable, no comment.

Sec. 40.17.140(7) to be compatible with the definition of "file", which we will propose be added, the following words should be added to the definition of "record." "After recording a recorded document is returned to the owner or other person so designated."

We suggest the addition of the following definitions to be appropriately arranged in numerical sequence.

(11) "conformed copy" means a true copy of a document upon which the recorder places recording information, usually done at the time the original document is presented for recording or filing. A copy made of a previously recorded document would not need to be conformed as it already contains to the recording information.

(12) "file" means the acceptance of a document for recording otherwise meeting statutory requirements when the document will become the property of the State, such as a plat and is not returned to owner.

Sec. 40.19.010. Acceptable, no comment.

Sec. 40.19.020. Acceptable, no comment.

Sec. 40.19.030. Acceptable, no comment.

Sec. 40.19.040. Acceptable, no comment.

Sec. 40.19.050. Acceptable, no comment.

Sec. 34.15.015. Acceptable, no comment.

Sec. 34.10.041. Acceptable, no comment.

Sec. 43.10.042. Acceptable, no comment.

Sec. 44.37.025. Acceptable, however we agree with the Revisor of Statutes that it should be placed in Title 40.

Sec. 25 of proposed bill. Acceptable, no comment.

Sec. 26 of proposed bill. Acceptable, no comment.

Sec. 27 of proposed bill. For reasons explained in fiscal note the effective date of the Act should be January 1, 1986.

# MEMORANDUM

# State of Alaska

TO: Bud May  
Deputy Director  
Division of Technical Services

DATE: March 16, 1984

FILE NO:

TELEPHONE NO:

FROM: Edward G. Barber, Jr. *EB*  
Head, Contract Administration

SUBJECT: SB-245 & HB-342 -  
Recordation of Certified  
Copies of State Title  
Conveyances

HB-245 and HB-342 have been reviewed and we certainly agree that the Department must, through some mechanism provide the periodic recording of State Title Conveyances, when the original document has been lost or destroyed.

The mechanism should be extremely strict and only permitted when there are no other alternatives. Such an action should require the signature of a Director.

One might argue that an individual requesting such an action be required to proceed through Action to Quiet Title, but in many situations it is a subsequent "title" holder that initiates such a request. If we permit recordation of certified copies of title conveyances, but only under very strict guidelines, we may prevent legislation that could quite possibly jeopardize the entire recording system.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 2/15/84

REQUEST SB 245  
Bill/Resolution No.: HB 342  
Title: Recording Bill  
Sponsor: Legislative Council  
Requestor: Code Revision Committee  
Date of Request: 4/8/83

FISCAL DETAIL  
Agency Affected: Dept. of Natural Resources  
Program Category Affected: Management and Administration  
BRU, Program or Subprogram(s) Affected: Information/Records Management  
Recorders Office

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES	-0-	-0-	26.0	27.3	28.6	30.1
200 TRAVEL	-0-	-0-	5.0	3.0	3.0	3.0
300 CONTRACTUAL	-0-	150.0	25.0	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	8.0	8.0	8.0	8.0
500 EQUIPMENT	-0-	-0-	5.0	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	150.0	69.0	38.3	39.6	41.1

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	150.0	69.0	38.3	39.6	41.1
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	1	1	1	1
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Based on 5000 class B documents (2% of total documents now being recorded) being recorded during first year of operation at already established fees \$50.0 additional income would be generated which would certainly increase in future years as public becomes aware of program.

ANALYSIS: Attach a separate page for analysis

Prepared By: Warner T. May *W.T.M.* *gcb* Phone: 786-2296  
Division: Technical Services Date: 2/15/84

Approved by Commission: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

## SB 245 and HB 342, FISCAL ANALYSIS

### Assumptions

1. As stated in the memo from the Code Revision Commission, dated February 22, 1983 and Journal Supplement #10, dated April 8, 1983, the general purpose of the bill is to gather and clarify provisions on recording that are scattered throughout the Alaska Statutes, and lays a suitable framework for future use of technological advances in a centralized recording system. It also establishes two classes of documents, Class A for constructive notice recording and Class B for other documents for safekeeping.
2. Based on a feasibility report, the current recording system, which is computerized in a batch mode system, does not allow for anticipated growth in the workload. The current computerized recording system is in desperate need of having its program rewritten to correct current problems.
3. A new computer program, whether written for the current recording system or the new recording system, would be approximately the same cost and would provide cost savings to the State by reducing data entry, processing, systems maintenance, manhour and paper costs.
4. A new system must have a centrally located data base with on-line access from the three copy centers in Anchorage, Fairbanks, and Juneau.
5. In the foreseeable future, the outlying offices will not have this capability due to their remote locations and will continue with the current manual procedures to send the manually written data to one of the three copy centers for entry into the system.
6. The three copy centers will have in-house printers for hard-copy printout, which is required daily. This will eliminate the manual system presently used which, based on manhours, is quite time consuming and costly. These hard-copy printouts are needed and used by title companies, lending institutions, numerous agencies and the public for up-to-date filing and recording information.
7. All assumptions are based on the passage of the bill in FY 84 with an effective date one-and-a-half years after passage of the bill on January 1st. If the bill was passed in FY 84, the effective date of the bill will be January 1, 1986. This would allow funding for implementation to be spread over three fiscal years. Additionally, it would allow timely and quality implementation of the new recording system. Mandated and proper design of separate computer programs for Class A and Class B documents, writing of comprehensive regulations and procedural manuals followed by training of all personnel and users is time consuming.

8. A revised schedule of fees for the department now being considered will generate additional income of \$600.0 per year for the Recorder's Office. This does not include fees for Class B documents as none are now recorded. Assuming that 5000 Class B documents, which is only 2% of the total documents now recorded, will be recorded in the first year of operation an additional \$50.0 in fees would be generated. As the public becomes familiar with the program, the number of documents recorded will most certainly increase resulting in additional fee income. Over the years the increase in existing fees and fees for Class B documents will offset initial costs of the system.
9. All information presently available in the existing system also must be made available in the new system and data conversion costs as distinct from design costs must be separately considered.

Relationship to FY 85 Budget Presentations and Further Assumptions

1. The Recorder's Office workload has increased approximately 13% per year and is seriously backlogged in most offices. The Governor's FY 85 budget submission requests an increase in operating funds of \$494.0 with seven reclassified and three new positions statewide. Not included in this figure is a \$50.0 one-time cost for writing of comprehensive regulations. On the capital side, with a department priority ranking of 8 out of 21, \$350.0 has been requested for study, design, update and expansion of existing or a new computer system whichever is cost effective. Data conversion dollars are not included. In addition, another capital project with a department ranking of 15 out of 21 provides for skeleton network terminals.
2. Analysis of SB 245 and HB 342 in relationship to FY 85 budget submissions, which appear to be reasonable for approval, indicate there are several areas where the bills will additionally impact the department.

A. One Time Costs:

a) Computer program for Class B documents	\$ 50.0
b) Data conversion, regulation and procedural manual writing, training, reproduction, advertising and associated travel costs	127.0
c) Equipment costs	5.0
Total	\$ 182.0
	(\$150.0 FY 85 - \$32.0 FY 86)

B. Continuing Costs Starting FY 86:

a) One permanent full-time position to handle Class B document recording	\$ 26.0
b) Miscellaneous additional supplies	8.0
c) Travel costs	3.0
Total	\$ 37.0

PROJECT NUMBER: <b>5</b>	PROJECT TITLE: <b>Recorder's Office</b>	LOCATION: <b>Statewide</b>	PROJECT MANAGER: <b>Rose Farren</b>	PHONE: <b>265-4333</b>			
	FY 83 ACTUAL	FY 84 AUTHORIZED	FY 85 BUDGET YEAR				
			SERVICE LEVEL 1	SERVICE LEVEL 2	SERVICE LEVEL 3	SERVICE LEVEL 4	GOVERNOR
01 PERSONAL SERVICES	1,151.5	1,358.6	1,358.6	1,383.5	1,432.7	1,857.7	1,695.0
02 TRAVEL	3.3	9.1	9.1	9.1	9.1	12.2	12.2
03 CONTRACTUAL	371.3	145.0	145.0	145.0	157.5	310.3	245.0
04 SUPPLIES	37.1	47.5	47.5	47.5	48.0	60.0	60.0
05 EQUIPMENT	0	20.0	20.0	20.0	13.1	72.0	62.0
06 LANDS/BUILDINGS							
07 GRANTS, CLAIMS							
08 MISCELLANEOUS							
<b>TOTAL</b>	<b>1,563.2</b>	<b>1,580.2</b>	<b>1,580.2</b>	<b>1,605.1</b>	<b>1,660.4</b>	<b>2312.2</b>	<b>2074.2</b>
1002 FEDERAL RECEIPTS							
1004 GENERAL FUNDS OTHER FUNDS	1,563.2	1,580.2	1,580.2	1,605.1	1,660.4	2312.2	2074.2
15 FULL-TIME	37	42	42	42	45	59	53
16 PART-TIME/SEASONAL		1	1	1		1	
17 NONPERMANENT							

PROJECT NEED, DESCRIPTION, AND EXPLANATION OF MAJOR DIFFERENCES BETWEEN SERVICE LEVELS:

**Recorders Office:**  
 The Recording Section has the statutory responsibility of receiving & recording or filing for the public all documents pertaining to real and/or personal property transactions. Copies of these documents & indexes thereto must be maintained permanently. These records provide constructive notice to the public which requirement is basic to the American system of land transfer & financial responsibility. They allow the public, lending institutions & title companies to readily check chain of title, encumbrances & financial responsibility with initially limited or incomplete information. These records provide the business & financial community with information that allows them to identify financial responsibility necessary to conduct day to day business.

AGENCY Department of Natural Resources

PROGRAM Management & Administration

BRU Information/Records Mgmt.

COMPONENT Information/Records Mgmt.

<b>P-2 PROJECT DETAIL</b>	
Project Number	<b>5</b>
Title	<b>Recorder's Office</b>

**FY85**

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Revised Date			

**007188**

- SL 1 Will allow for 67% of the functions required by statute to be completed and discontinue services provided but not required by statute to the public. Limit business hours to the public to five hours. Limit the return of documents to 136 days, limit the indexing process for title search function used to establish marketable record title to one month.
- SL 2 Will allow for 67% of the functions required by statute to be completed and discontinue services provided but not required by statute to the public. Limit business hours to the public to five hours. Limit the return of documents to 136 days, limit the indexing process for title search function used to establish marketable record title to one month.
- SL 3 Will allow for 72% of the functions required by statute to be completed and continue to not provide services to the public that are needed but not required by statute. Limit business hours to the public to five hours. Limit return of documents to the public to four months, limit the indexing process for title search function used to establish marketable title to one month.
- SL 4 Will allow for the recording function to return to an acceptable level of proficiency and provide the citizens of Alaska with the quality of service they pay for but presently do not receive. This allows for additional office space, and the creation of DNR recording offices out of the four court offices. (All services required by statute and those not required by statute are stated in the statewide District Recorder's office functions statement). Adverse public reaction to the discontinuance of services provided that are not required by statute is documented. Will establish 1 Recorder's Office in Valdez with 2 new positions & 2 microfilm equipment operators positions, 1 for Fairbanks copy Center, 1 for Juneau Copy Center. Establish DNR Recorder's Office in Kodiak with 1 new full-time position & 1/2 time new position. Establish 2 new recording positions for Kenai office to handle Seward Recording District function and the increased workload in Kenai. Establish seven new recording clerk positions in the Anchorage office to re-establish normal business hours and return the recording process to an acceptable standard of performance. The Statewide recording function generates revenue comparable to SL 4 & could be self supporting if placed on program receipts. Will allow the Kenai & Fairbanks Recorder's Office to move from Alaska Court System Buildings & provide additional required office space of 800 square feet for Kenai & 3,000 to 3,500 for Fairbanks Office.

AGENCY Department of Natural Resources

CATEGORY Management & Administration

PROGRAM Information/Records Mgmt.

TITLE Information/Records Mgmt.

**FY85**

P-2

**ADDITIONAL  
EXPLANATION  
FORM**

Recorder's Office #1

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12/30/83

00189

STATEWIDE DISTRICT RECORDERS OFFICE FUNCTION:

Services Required by Statute: (At current budget level of \$1,500,000 80% of required statute work will be completed by eliminating all non-statute as identified below):

1. Record and/or file a multitude of documents, placing them of record so as to constitute constructive notice.
2. Index and cross index and photograph or copy all documents and maintain them in manner so as to allow public viewing and use and for archival purposes.
3. Supply copies of documents to public, other state agencies and lessor units of government. Furnish certified copies to the court and/or parties to litigation. (See attached draft memo dated 7/26/83).
4. File and provide searches of documents under the Uniform Commercial Code System involving real and personal property.
5. Prepare monthly reports and furnish copies of Non-Resident Alien Conveyances, Mining documents, Armed Forces report of separation and Change of Ownership documents.
6. Original recorded/filed documents are reviewed, compared to the computer indexes and returned to requestor.  
(Quality Control Function).  
Benefit: This ensures that all information is accurate and complete before original documents are returned to the requesting party(s).

SERVICES PROVIDED BUT NOT REQUIRED BY STATUTE:

1. Provide copies of all recorded documents, indexes and cross indexes to ten (10) court offices located throughout the state. (See attached Aniak letter dated 6/29/83. - No fee charged - 5% of total workload).

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Recorder's Office	41

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Benefit: This allows for greater geographic distribution and use of record data without forcing public to travel great distances and/or request information in writing. It allows municipalities, boroughs and other taxing entities to maintain current tax roles.

2. Compile copies of the hand written reception and location indexes for private companies who publish financial reports. (Fee charged - 3% of total workload.

Benefit: This information is used by lending institutions, attorneys, builders and numerous other businesses nationwide.

3. Prepare location indexes which describes the real property associated with a particular document. No fee charged - 12% of total workload.

Benefit: These indexes provide the information necessary to obtain name(s) of the owner(s) of record, if only the real property description is known to the interested party(s) searching the records.

4. Assist and instruct the public in gathering information from the public records. No fee charged - 5% of total workload.

Benefit: The general public is less knowledgeable in searching these records than those in the title industry. They must be instructed in the method of retrieving the information required by them.

Listed below are priority projects required to provide a more concise and uniform recording system statewide.

1. Establish ten new positions to handle the forecasted 140,000 documents, at full funding which will include their essential equipment (chair, desk, etc.) and an additional 2,000 square feet of office space. The office space to be contiguous to the existing 5,000 square feet. \$480K Yearly.
2. Develop and implement regulations for the present recording function and to enact new legislation. Statutes are not specific in nature and are confusing to both the constituents and the recording section. \$50K One-Time Cost.
3. Place the recording function on program receipts and allocate additional funds from the general fund to accommodate the free services provided by this section to other state agencies. \$150K Yearly.

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ADDITIONAL  
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Recorder's Office

41

- 4. Create DNR Recorder offices out of the four Court offices, combine offices to decrease the number of one person offices to provide better services to the public. \$240K Yearly.
- 5. Establish three (3) regional Assistant State Recorders positions, reducing cost for administrative travel, better management of remote offices and provide a concise and uniform system. \$100K Yearly.

AGENCY Department of Natural Resources

PROGRAM Management & Administration

BRU Information/Records Mgmt.

COMPONENT Information/Records Mgmt.

**FY85**

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**ADDITIONAL EXPLANATION FORM**  
 Recorder's Office

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# MEMORANDUM

# State of Alaska

TO: Esther Wunnicke, Commissioner  
Department of Natural Resources

DATE: October 28, 1983

FILE NO:

TELEPHONE NO: 274-3528

FROM: Jim Leonard, Manager *JLE*  
Anchorage Office of Management and Budget

SUBJECT: Management Review of State  
Recorder's Office

Attached are the Executive Summary and Final Report on our review concerning the operation of the State of Alaska Recorder's Office. The review was conducted by Jim Leonard and Phil Weber. Questions should be directed to either myself or Phil at 274-3528.

## Attachments

cc: Bob Arnold, Department of Natural Resources  
Jim Barnett, Department of Natural Resources  
Jim Anderson, Department of Natural Resources  
Frank Wheeler, Office of Management and Budget  
Lennie Boston, Office of the Governor  
✓ Sana Efird, Office of Management and Budget  
Glen Price, Legislative Audit

OFFICE OF  
MANAGEMENT & BUDGET

OCT 31 1983

BUDGET REVIEW

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## EXECUTIVE SUMMARY

### A Management Analysis of the Operation of the State of Alaska Recorder's Office

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#### Purpose and Scope

From August 29, through September 9, 1983, the Office of Management and Budget conducted a review of the State of Alaska Recorder's Office. The purpose of the review was to:

1. Improve the operational effectiveness of the Recorder's Office.
2. Identify what steps are needed to reduce an excessive workload backlog.

#### Background

The recording function is a primary activity of government. The Recorder's Office provides a secure place to accurately record real property documents to insure the security and certainty of title.

The Recorder's Office charges recording fees which are returned to the General Fund. In recent years, these receipts have been more than operational costs. However, the Recorder's Office does not have access to these excess receipts as a means to improving operations.

Between 1979 and 1983, the Recorder's Office document processing volume has grown by 24 percent; however, there has not been any proportional growth in the number of staff positions or improvements in automation capabilities. The current automated system cannot be supported.

#### Findings

##### 1. Workload bottlenecks :

We found two steps in the processing of recorded documents which create substantial workload backlog. Both are labor intensive steps:

Indexing -- this process involves transferring information and preparing it for computer data entry. In various district offices, this process was from 20 to 60 days behind.

Validation -- This process includes comparing computer reports to source documents to insure accuracy. This process was up to five months behind at one office. Because original source documents must be kept for

validation, the public often must forfeit documents for up to five months or have duplicate copies made.

2. Responsiveness -

The Recorder's Office workload is controlled externally by the public demand for recording; however, the ability to manage the workload is controlled internally as a function of the State's operating budget and the authorized staffing levels.

The Office has little, if any, flexibility to respond quickly to the volume of transactions received from the public. Unless action is soon taken to add staff for the backlog described above, the backlog will continue to grow.

3. Storage -

The Recorder's Office archives storage area is not fire proof. If the Anchorage public records were destroyed, there is a high probability that the archives would also be destroyed. This would create insoluble legal problems with respect to re-establishing accurate chain of title for the Anchorage Recording District.

Conclusions

1. Within the current budget and staffing level constraints, all practical steps have been taken to increase the efficiency of indexing and validation.
2. If the State Recorder's Office could use more of the funds generated by recording public documents, the Office could more easily staff for increased levels of activity. The inability to provide an adequate level of service costs the public about \$9 million per year. Under this concept, increased recording fees may be necessary if it is desired that the Recorder's Office contribute a fixed amount of surplus funds to the General Fund.
3. The lack of a fire proof storage area for archival documents presents an unnecessary risk which could have a devastating effect upon the continuity and security of future land title recording activities.

Recommendations

1. Increase the number of full time permanent employees to handle the projected increase in transaction volumes. The estimated cost is \$226,000 per year.
2. Hire part time, temporary employees to reduce the current indexing and validation backlog. The one time estimated cost is \$4,200 to \$13,500.

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3. Automate the indexing portion of the document processing workload by using optical scanning equipment or a computer system capable of online data entry or both. The estimated one time cost is \$350,000 plus annual maintenance.
4. Use program receipts to fund the suggested automation and staff increases. This would enable the Recorder's Office to better meet the service level demands imposed by the public.
5. Identify two fire proof locations for archive storage. One would serve as the primary storage for archives. The second location would serve as a backup in the event the first archival site was destroyed.

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MANAGEMENT ANALYSIS OF THE OPERATION OF THE  
STATE OF ALASKA RECORDER'S OFFICE

ACT100

At the request of the Department of Natural Resources, Division of Technical Services, the Office of Management and Budget conducted a management review of the State Recorder's Office from August 29 through September 9, 1983.

The purpose of the review was to determine what actions are needed to improve overall operations of the office and to reduce the workload backlog, dating up to five months. The methodology used to conduct the review involved:

- a. reviewing Alaska Statutes regarding Recorder's Office duties;
- b. reviewing history and functions;
- c. observing operations in the offices at Anchorage, Kenai and Palmer;
- d. interviewing title companies and Recorder's Office employees.

BACKGROUND

The Recorder's Office has been affiliated with many State entities. First with the Alaska Court System until transfer to the Department of Administration in January 1977. It next came under the control of the Department of Commerce and Economic Development in July, 1979. In July, 1980 it was finally transferred to the Department of Natural Resources.

The transfers have likely contributed to inadequate support, funding or management attention. These factors could be the causes of the operational problems which currently exist.

In the four year period from 1979 to 1983, there was a 24 percent increase in the number of documents processed by the Recorder's Office. Although the budget for the office increased, there were no increases in staffing levels to account for the growth in transaction volume. The past inadequate staffing has contributed to the backlog, the untimely processing of source documents which belong to the public, and to additional costs for those who are financing land purchases and sales.

There are three areas which require immediate attention.

WORKLOAD BACKLOG

We identified two steps in the document processing cycle which create backlogs. Both of these steps are very labor intensive.

Indexing

The indexing process occurs prior to computer data entry, microfilming and report preparation. This involves transferring information from source documents to data entry forms. This manual transfer of "index information" re-

quires about two minutes per document; however, because of the volume of documents received which require indexing, it may take two staff days to index one day's volume of documents. This condition occurred during our review on September 1, when 550 documents were received.

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Because of processing activities which occur before indexing, the past inadequate staff levels, and the high volume of documents received, a three week processing delay now exists. For example, on September 1, 1983 the Anchorage office was indexing documents received August 10. At the Kenai office, the documents being indexed that day included those received during July.

This delay impacts the availability of current reference materials for the public. For example, title companies refer to unvalidated reports to determine if there are liens on property. As a result, the accuracy of their assessments is in doubt.

#### Validation

Validation is necessary to insure that reports available to the public are accurate. The process involves the comparison of the source document to the computer report. Because the public needs current information, unvalidated reports are placed in the library for public use. On September 1, 1983 the most current report in the Anchorage office was dated August 9. In Kenai, the last validated report was December 16, 1982.

Original source documents cannot be returned until validation is accomplished. During our review, original documents dating back to April 12, 1983 were not yet mailed.

#### RESPONSIVENESS

The Recorder's Office has no control over the workload it must handle. The workload is controlled externally by public demand for the recording of documents. In contrast, the ability to handle the workload is controlled internally by operating budget and staffing constraints.

Because of the conflict between internal constraints and external demands, the Recorder's Office cannot quickly react to increased public requirements. As a result, backlogs occur causing degraded service to the public.

The time needed to conduct title searches has increased from 1 to 10 days. This delay creates a financial burden to the general public through increased interest charges on every transfer of real estate involving security interest. Based on the number of mortgages being processed in Anchorage, the increased time needed to conduct title searches costs the public about \$9 million per year. (See Attachment 1)

#### ARCHIVE STORAGE IS NOT FIRE PROOF

The Anchorage Recorder's Office maintains the State archives which are kept in a room that is not fire proof. The archives provide the only source of information in the event the public records are lost or destroyed. If the

district records in Fairbanks were destroyed, the archives in Anchorage would be used to replace them. However, if the archives and public records in Anchorage were destroyed, there would be no means to replace the Anchorage records and they would be lost forever.

The archive storage room is also used to store original documents until the computer reports are validated and the originals returned to the public. A fire in the archives room could also destroy these very valuable documents.

CONCLUSIONS

--All possible management efforts have been taken to increase the efficiency of processing documents. These efforts include:

- The dual qualification of personnel to insure that personnel are fully utilized;
- reducing the amount of handling of the documents;
- borrowing personnel from other Department of Natural Resource activities and other state agencies on a short-term basis.

--The Recorder's Office cannot quickly respond to increased public demands for service. The ability to provide an increased level of service to the public is constrained by the operating budget and staff levels. Failure to provide increased service to the public creates a backlog of documents waiting to be processed. This causes public records to be out-of-date which increases the time required for title searches. Costs to the public, in Anchorage alone, are about \$9 million per year.

--The lack of a fire proof archive storage area is an unwarranted risk. The loss of archival documents would create untenable legal problems concerning certainty and continuity of title.

RECOMMENDATIONS

Increased Permanent Staff

The Department of Natural Resources should increase the staffing levels in the State Recorder's Office. This increase should include the addition of permanent full time employees to handle projected increases in the workload. The following are our estimates of permanent position requirements.

- Anchorage - 5.0
- Kenai - 1.5
- Palmer - 1.5

It is estimated that personnel, equipment and space rental costs would be about \$226,000 per year.

The total number of new full time positions which are required might be reduced through the consolidation of remote Recorder's Offices which DNR considers not cost efficient. A workload analysis of these offices might lead to the transfer of positions to those recording districts where new positions are needed.

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#### Temporary Staff

Temporary part time employees should be hired to work on eliminating the current backlog. These employees could be obtained from temporary employment agencies, students or handicapped personnel. It is estimated this would cost from \$4,200 to \$13,500.

#### Automation

The Department of Natural Resources should automate the document recording process as much as possible. Considerations, at a minimum, should include:

- The use of an optical scanner for indexing and validation activities;
- The use of an on-line data entry system; or
- A combination of optical scanner and on-line capabilities.

The advantages of automation are:

- An optical scanner would reduce the time required to enter indexing information by 60-70 percent.
- On-line data entry would be much faster than manually transcribing indexing information.
- On-line entry could automatically compute fees, record book and page data and enter serial number, date and time information.
- Both an optical scanner and on-line system could be tied directly to a computer for data entry purposes. The capabilities of these systems would eliminate much of the manual data entry requirements and improve accuracy.

Development of an automated system should be accomplished using a structured methodology. Department of Natural Resources studies estimates that automation would cost \$350,000.

#### Administration and Use of Program Receipts

Consider establishing a board of directors to manage the State Recorder's Office. The board could represent a cross section of the state and private functions; to which services are provided. This board could approve or disapprove all actions relating to the operation of the Recorder's Office. Administrative control should remain under the Department of Natural Resources.

The State Recorder's Office should be provided with the capability to use program receipts for staffing and automation requirements. This would allow the office to more quickly react to public demand for increased service levels without the constraints of the normal budget and staff acquisition processes. In FY 1983, the Recorder's office program receipts were \$1.2 million more than the operating budget. This surplus could fund the costs for all previous recommendations. If it is desired to have a fixed amount of surplus receipts deposited to the general fund, then consideration should be given to increasing recording fees.

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#### Archive Storage

The Department of Natural Resources should take immediate action to obtain a fire proof area for the storage of archive documents. In addition, a second fire proof archive repository should be obtained to store second copies of archival documents. This second repository should be located so that any catastrophic event which might destroy one facility would not destroy the second.

ATTACHMENT 1

The estimate of the financial impact to the general public is based upon the delay in processing recorded documents. A real estate purchase is not considered officially closed until it has been recorded. At the closing meeting, all documents are signed and then forwarded for recording. Any delay in recording will mean the seller will not receive the purchase price money until the transaction has been officially closed. During the delay, the seller has lost the interest which could be earned if the purchase price money had been received and invested on the day of the closing meeting.

Mortgages in the Anchorage area are estimated to number at least 30,000 per year. The mortgages average about \$100,000 each. At a 12 percent interest rate the daily interest lost is about \$1,000,000. A nine-day delay would mean about \$9,000,000 lost.

$30,000 \text{ mortgages} \times \$100,000 \text{ per mortgage} = \$3,000,000,000.$

$\$3,000,000,000 \times 12\%/360 \text{ days} = \$1,000,000 \text{ per day}.$

$\$1,000,000 \text{ per day} \times 9 \text{ day recording delay} = \$9,000,000.$

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