August 09, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA FRANCHISE TAX BOARD FOR AN ELECTRONIC INTERFACE TO RECORD AND RELEASE LIEN DOCUMENTS
(ALL DISTRICTS - 3 Votes)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )
DISAPPROVE ( )

SUBJECT

Approve the Memorandum of Understanding ("Agreement") for an electronic recording interface ("e-Recording") between the Los Angeles County Department of Registrar-Recorder/County Clerk ("RR/CC") and the California Franchise Tax Board ("FTB"), to record lien documents. The Agreement provides for an Electronic Lien Filing System ("e-Lien") for transmission, filing, recording of lien documents, and lien release documents. The paperless transaction expedites the lien recording process. The transactions generate revenue for the RR/CC. There is no net County cost.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the RR/CC, or designee to execute the attached Agreement (Attachment II) with the FTB for e-Lien. The base term of the Agreement would commence upon execution by the parties and run consecutively for two (2) years, unless sooner terminated, with five (5) one-year mutual renewal options. The aggregate term of the Agreement will not exceed seven (7) years. There is no cost to the County to provide the FTB with e-Lien.

2. Authorize the RR/CC, or designee to prepare and execute amendments to the Agreement, as

necessary, provided that County Counsel approval is obtained prior to executing such amendment.

3. Authorize the RR/CC, or designee to terminate the Agreement pursuant to the termination provisions contained in the Agreement if needed, provided that: (i) County Counsel approval is obtained prior to terminating the Agreement; and (ii) your Board and Chief Executive Office (CEO) are notified in writing within fifteen (15) business days of terminating the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action provides the FTB with an electronic interface for the purpose of transmitting lien documents electronically to RR/CC for recording, storage and returning recorded lien documents to the FTB. The online e-Lien interface assists in conducting official government business. Online access to e-Liens greatly enhances the efficient use of staff time and public service delivery by decreasing research time, improving efficient utilization of resources, and timely completion of official government business, as well as reduce paper consumption.

Implementation of Strategic Plan Goals

This request supports the County Strategic Plan as follows:

Goal No. 1: Operational Effectiveness: Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services.

Strategy 2: Service Excellence: e-Lien process provides RR/CC with the ability to expedite the recording of lien documents, reducing both FTB and RR/CC staff processing time, and eliminates the mailing of paper documents.

Strategy 2: Organizational Effectiveness: e-Lien is a paperless transaction between the County RR/CC and FTB which expedites the lien recording process as well as sharing recorded lien information for official government business. Consequently, this makes the otherwise manual process more effective, efficient, and consistent with Board order to improve operational efficiencies and reduce paper consumption.

FISCAL IMPACT/FINANCING

The recommended action does not impose any new fees. The fees for recording lien and lien releases are set forth in Government Code Section 27360 et seq. and states that if a taxpayer's address is within the State of California the county does not charge the requesting government agency a fee to record a lien; however, a $16 fee is assessed to release the lien. Government Code section 7171(d), allows the county to charge the requesting government agency an $18 fee to record a lien and an $18 fee to release a lien if a taxpayer's address is outside the State of California. In FY 2009-2010, the RR/CC collected approximately $400,000 from the FTB for recording and releasing liens, which was placed in the RR/CC Recorder Trust Account and distributed via statutory requirements such as the Modernization Fund (GC 27361), Micrographics Fund (GC 27361.4), eRecording Program (GC 27390), and Social Security Number Truncation Program (GC 27300).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 30, 2005, your Board approved the County's participation in the State of California Electronic Recording Delivery Act of 2004 (Board letter Attachment III). The RR/CC worked with County's Chief Information Office (CIO) and the Chief Information Security Officer (CISO) to ensure all security measures were addressed. In 2009, RR/CC joined eighteen other California counties in processing FTB liens electronically.   RR/CC worked closely with the FTB to successfully test an interface between the parties and thereafter began accepting FTB liens electronically. The parties determined the need for an Agreement that required parties to comply with all established security and technical requirements necessary to maintain a secure electronic system. In order to minimize the impact on the FTB and customers, the RR/CC continued to process FTB liens electronically while both agencies worked on finalizing an Agreement. County Counsel, working with FTB has approved the attached Agreement as to form. The Agreement will enhance operational efficiencies for both the FTB and RR/CC.

Under California Government Code Section 27279, the recorder of any county may, in lieu of written paper, accept for recording digitized images, digital images, or both, of a recordable instrument, paper, or notice if the requester and addressee for delivery of the recorded images are the same and can be readily identified as a local or state government entity, or an agency, branch or instrumentality of the federal government. The transmission is done through a secure electronic interface between the FTB and RR/CC in a secure format. The e-Lien allows the RR/CC to receive, file, record, and transmit FTB's recorded lien data for official government business. The electronic interface eliminates the filing of paper liens between the FTB and the RR/CC.

The CEO and CIO have reviewed the Agreement and recommend approval (CIO Analysis Attachment I). County Counsel has reviewed this Board letter and approved as to form the attached Agreement.

CONTRACTING PROCESS

This is a government to government Agreement. There was no solicitation process associated with this recommended action.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will provide a fast, efficient, and effective method for transmitting, recording, and returning recorded paperless documents and have them available sooner for electronic viewing by the public.

CONCLUSION

Upon approval of the recommendation, it is requested that the Executive Officer/Clerk of the Board return one original stamped copy of the adopted Board letter to:

County of Los Angeles Registrar-Recorder/County Clerk
12400 Imperial Highway, Room 7201
Norwalk, CA 90650
Attention: Ngozi Ume, Manager
Finance and Management Division

Respectfully submitted,
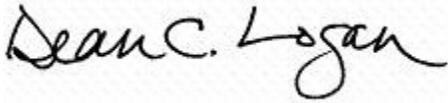
DEAN C. LOGAN
Registrar-Recorder/County Clerk

RICHARD SANCHEZ
Chief Information Officer

DCL:NU:EB:yt

Enclosures

c: Chief Executive Office
     County Counsel
     Executive Officer, Board of Supervisors
     Chief Information Officer

ATTACHMENT I

(Chief Information Office Analysis)

CIO ANALYSIS
MEMORANDUM OF UNDERSTANDING BETWEEN THE REGISTRAR-RECORDER/COUNTY CLERK AND THE STATE OF CALIFORNIA FRANCHISE TAX BOARD FOR AN ELECTRONIC INTERFACE TO RECORD AND RELEASE LIEN DOCUMENTS

CIO RECOMMENDATION: ☒ **APPROVE** ☐ **APPROVE WITH MODIFICATION**
☐ **DISAPPROVE**

Contract Type:
☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☒ Other

New/Revised Contract Term: Base Term: <u>2</u> Yrs # of Option Yrs <u>5</u>

Contract Components:
☐ Software ☐ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: <u>Dean C. Logan, Registrar-Recorder/County Clerk</u>

Budget Information :

Y-T-D Contract Expenditures	N/A
Requested Contract Amount	N/A
Aggregate Contract Amount	N/A

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented? If yes, what percentage is offset?
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT standards?
☐	☒	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Registrar-Recorder/County Clerk (RR/CC) is requesting Board approval to execute a Memorandum of Understanding (Agreement) with the State of California Franchise Tax Board (FTB) for an electronic interface to record lien documents. The interface will facilitate the transmission, filing, recording, and release of lien documents. The Agreement will be effective for two (2) years, with five (5) one-year mutual renewable options. There is no net County cost associated with this Agreement. RR/CC is also requesting authorization to prepare and execute amendments to the Agreement, as necessary, and to terminate the Agreement, if necessary.

Background:

In August 2005, the Board approved the County's participation in the State of California Electronic Recording Delivery Act of 2004. California Government Code Section 27279 provides the recorder of any county the authority to receive digital images for recording purposes, assuming specific conditions are met. In 2009, RR/CC began processing FTB liens electronically. Both RR/CC and FTB want to formulize this arrangement by developing the Agreement that requires both parties to comply with all established security and technical requirements for a secure system.

Project Justification/Benefits:

The electronic interface enables FTB to transmit lien documents electronically to RR/CC for recording, storage, and returning recorded lien documents to FTB. The electronic transmission of lien documents is consistent with the County's direction of conducting business electronically, and will greatly improve the effective use of staff time.

Project Metrics:

The Chief Information Office (CIO) has requested that RR/CC track the number of electronic transmissions of lien documents in order to quantify the benefits of this Agreement.

Impact on Service Delivery or Department Operations, if Proposal is Not Approved:

If this proposal is not approved, lien documents would need to be sent and returned manually, which would generate delays in document availability.

Alternatives Considered:

None.

Project Risks:

The Chief Information Security Officer (CISO) has discussed the security measures with the Department, and did not identify any security risks.

Risk Mitigation Measures:

All data is redacted and transmitted securely via Secured Socket Layer (SSL) protocol.

Financial Analysis:

There is no cost associated with this Agreement. Also, the recommended action does not impose any new fees. The County does not charge the requesting government agency a fee to record liens; however, a $16 fee is assessed for lien releases.

CIO Concerns:

None.

CIO Recommendations:

Based on our review of the Agreement and discussions with the Department, CIO recommends approval of the Agreement.

CIO APPROVAL

Date Received: _July 15, 2011_

Prepared by: _Henry Balta_

Date: _July 22, 2011_

Approved: _____
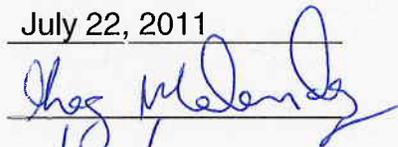
Date: _7/26/2011_

ATTACHMENT II

(Memorandum of Understanding)

MEMORANDUM OF UNDERSTANDING

BETWEEN

COUNTY OF LOS ANGELES

AND

CALIFORNIA FRANCHISE TAX BOARD

FOR

ELECTRONIC INTERFACE TO RECORD REAL PROPERTY LIEN DOCUMENTS

Prepared by:

Department of the
Registrar-Recorder/County Clerk
Finance and Management Division/Contracts Section
12400 Imperial Highway, Room 5203
Norwalk, CA 90650

TABLE OR CONTENTS

ATTACHMENT

1. E-Lien TIFF Architecture & System Requirements

**MEMORANDUM OF UNDERSTANDING
BETWEEN
COUNTY OF LOS ANGELES
AND
CALIFORNIA FRANCHISE TAX BOARD
FOR
ELECTRONIC INTERFACE TO RECORD REAL PROPERTY
LIEN DOCUMENTS**

This Memorandum of Understanding ("Agreement") is made and entered into effect this _____day of _____, 2011 by and between the County of Los Angeles, a political subdivision of the State of California ("County"), by and through its Department of the Registrar-Recorder/County Clerk ("RR/CC"), and the State of California Franchise Tax Board ("FTB"). County, RR/CC and FTB are hereinafter referred to collectively as the "Parties" and each individually as a "Party."

WHEREAS, California Government Code section 27279 provides for the recording of digitized images, digital images of real property documents between government entities;

WHEREAS, the FTB has the ability and the desire to submit the lien documents electronically to County; and

WHEREAS, the County "Electronic Lien Recording System" ("E-Lien") allows an interface with the FTB enabling the County to electronically process lien filing and lien release of documents to FTB.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the Parties agree as follows:

1.0 **PURPOSE**

1.1 The purpose of this Agreement is to set the terms and conditions of the Parties' participation in E-Lien recording with the Los Angeles County Registrar-Recorder/ County Clerk. The E-Lien process is summarized as follows: (1) FTB creates an electronic file of lien information (henceforth, a "Data File"); (2) FTB electronically transmits the Data File to County for recordation of the Data File in the Official Records of the County of Los Angeles; (3) County processes the Data File and fills in applicable recording information; and (4) County electronically returns the processed Data File (henceforth the "Recording File") to FTB.

1.2 This Agreement includes the Franchise Tax Board's Attachment 1, "E-Lien TIFF Architecture & System Requirements July 2010", and any and all amendments made from time to time in accordance with the terms herein.

2.0 COUNTY RESPONSIBILITIES

2.1 Data File Processing Timeframe

2.1.1 County shall process each Data File and return to FTB a corresponding Recording File within five (5) working days of County's receipt of such Data File from FTB. In the event County cannot comply with the foregoing Data File processing timeframe, County will make a courtesy telephone call to FTB to inform FTB of the delay in processing such Data File and shall indicate an expected timeframe for processing.

County shall process Data Files received from FTB on a first in–first out (FIFO) basis in concurrence with other participating agencies.

2.2 Notification of Changes in Electronic Addresses

2.2.1 If County requires changes to any electronic address used by FTB to transmit Data Files or Data File transfer notifications to County, County will notify FTB 30 days in advance of such changes to allow FTB to make necessary changes to its system which are essential to continue the services provided in this Agreement.

2.2.2 If County is unable to give prior notification thereof to FTB, County shall give notification thereof to FTB as soon as possible after the electronic address change is made in accordance with Paragraph 2.1 (Data File Processing Timeframe) if service deliverables would be affected.

2.3 Data File Processing

2.3.1 County shall return Recording Files to FTB using the naming convention established by FTB.

2.3.2 County shall process the Data File within each file sequentially (e.g. record 1, record 2…record *n*).

2.3.3 County shall not split a Data File or merge Data File. The records contained in each Data File generated by FTB must be returned by County to FTB in a corresponding Recording File without being removed or combined with records from another Data File. Rejected packages (as described in the provision immediately following) will not be removed from the Data File or corresponding Recording File.

2.3.4 In the event that the County program finds error in the formatting of the XML file or tiff image(s), the County will reject the *entire* package. The County will not reject individual files from the package. The County will contact the

FTB immediately when a package has an error so it can be fixed and sent again for processing.

2.3.5   The County must ensure a file is not processed twice. If a file is processed twice, the County will correct the duplicate records in the County system. The return data file containing the duplicate recording information should not be returned to FTB. The County will notify FTB when there is a duplicate recording and when corrections are completed.

2.4   Space Allocation

County shall ensure the availability of sufficient computer disc storage space to receive Data Files transmitted by FTB hereunder, taking into account (i) the Data File types (txt or XML) being transmitted, (ii) TIFF images, if any, and (iii) the frequency of Data File transfers.

2.5   Archiving Recording Files

County shall maintain an archive of the Recording Files for a period of One Hundred Eighty (180) days.

2.6   Testing

2.6.1   If County (or any County contractor at the direction of County) makes any change to the program, data format or notice templates hereunder, County and FTB shall undertake such joint testing as the Parties determine necessary to validate the change before such change is implemented into production.

2.6.2   If FTB (or any FTB contractor at the direction of FTB) makes any change to the program, data format or notice templates hereunder, FTB and County shall undertake such joint testing as the Parties determine necessary to validate the change before such change is implemented into production.

2.7   Confidentiality Provision

2.7.1   The County, its employees, and agents agree to maintain the confidentiality of the file transmitted by FTB to the County. Once the County has recorded the information contained in the file the information becomes part of the County's official public records.   All parties understand that the file transmitted by FTB to the County contains confidential taxpayer information and is protected by State and Federal law.   Unauthorized inspection or disclosure of confidential taxpayer information is a misdemeanor. Revenue and Taxation Code Section 19542 and 19542.1

3.0 **FTB RESPONSIBILITIES**

3.1 **System Monitoring**

FTB shall monitor E-Lien data to ensure Data Files are being transmitted to and received by County in a timely manner. If FTB does not receive a Recording File from County within five (5) working days from the receipt by County of a corresponding Data File, FTB will contact County to determine whether the Data File has been received and processed by County and returned to FTB, or if there has been a technical problem.

3.2 **Data File Generation**

3.2.1 FTB shall generate Data Files with sequential data (daily liens followed by releases).

3.2.2 FTB shall name Data Files using a standard naming convention as outlined in Attachment 1, which is incorporated herein.

3.2.3 If FTB has generated any Data Files for County, FTB will transmit Data Files (or make Data Files available for transmission) to County no less than once a week.

3.2.4 FTB will contact County via email and/or phone to inform County of any delays in transmitting the Data File within five (5) business days of discovering the transmission error.

3.2.5 To ensure a Data File is not mistakenly processed and recorded twice by County, FTB will re-transmit a Data File to County only after receiving confirmation from County that (i) County did not receive a previously transmitted Data File, or (ii) County was unable to process a previously transmitted Data File and County no longer has such previously transmitted Data File on E-Lien.

3.3 **Space Allocation**

FTB shall ensure the availability of sufficient computer disc storage space to receive Data Files transmitted by the County hereunder, taking into account (i) the Data File types (txt or XML) being transmitted, (ii) TIFF images, if any, and (iii) the frequency of Data File transfers.

3.4 **Archiving Data Files**

FTB shall maintain an archive of the Recording Files for a period of One Hundred Eighty (180) days.

3.5   FTB shall maintain the confidentiality of all information obtained from E-Lien recordings in accordance with all applicable Federal, State and local laws, rules, and regulations.

3.6   FTB shall restrict its use of E-Lien recording to official FTB business. Any unauthorized use of the E-Lien system by FTB's employee, will be cause for immediate termination of this Agreement.

3.7   FTB shall establish appropriate procedures, which County can request at any time, to ensure that all information is safeguarded from improper disclosure in accordance with all applicable Federal, State, and local laws, rules, and regulations. FTB shall inform all of its officers, employees, and agents having access to E-Lien recordings of the confidentiality provisions of this Agreement.

3.8   County retains the right to audit FTB compliance with the terms and conditions of this Agreement. In the event that an audit is conducted by County, or any State or Federal auditor in connection to this Agreement, FTB shall be solely liable for the respective audit findings, costs and sanctions, if any.

3.9   TIFF File

County requires FTB to provide County with complete image documents hereunder, County will accept a Tag Image File Format (TIFF) file.

4.0 <u>GENERAL TERMS AND CONDITIONS</u>

4.1   This Agreement shall take effect upon the execution hereof by the Parties and the day, month and year first above written, and shall expire two (2) years thereafter (hereinafter, the "Initial Term"), unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Upon expiration of the Initial Term, and upon mutual written consent of the Parties, the FTB and County may renew this Agreement for up to five (5) additional one-year periods (each such additional period, hereinafter an "Extended Term"), one (1) year at a time through a written amendment to this Agreement.

4.2   Either Party may terminate this Agreement by giving thirty (30) days prior written notice thereof to the other Party.

4.3   This Agreement may be modified or amended only upon the mutual written consent of the Parties.

4.4   On an annual basis the Parties shall review the Agreement for desired changes/modifications. Such review shall be completed by the Agreement

anniversary date. Notifications of any changes/modifications shall be made at least 30 days prior to the anniversary date. Any changes/modifications to the Agreement shall be executed per Paragraph 4.3 of this Agreement.

4.5   Both Parties shall establish mutually satisfactory and appropriate procedures to ensure that all information transmitted in connection with E-Lien recording is safeguarded from improper disclosure in accordance with applicable state and federal laws and regulations.

4.6   Each Party will appoint a person to serve as the official contact and coordinate the activities of the respective Party in carrying out this Agreement. Unless otherwise provided under this Agreement, all notices, submissions or deliveries to be made to County and FTB under this Agreement shall be directed as indicated below.

The County contact for this Agreement is:

Willie Wilson, Manager
Document Recording Division
County of Los Angeles Registrar-Recorder/County Clerk
12400 Imperial Highway, Room 5001A
Norwalk, CA 90650
Telephone Number: (562) 462-2889
Fax Number: (562) 868-5139
E-mail Address: WWilson@rrcc.lacounty.gov

And

The FRANCHISE TAX BOARD **contact for this Agreement is:**

Kent Yabumoto, Manager
PO Box 2952
Sacramento CA 95812-2952
Ph: (916) 845-3298
Fx: (916) 855-5789
Email: Kent.Yabumoto@ftb.ca.gov

5.0 INDEMNIFICATION

5.1   FTB shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the FTB's acts and/or omissions arising from and/or relating to this Agreement.

5.2   County shall indemnify, defend and hold harmless the FTB, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the County's acts and/or omissions arising from and/or relating to this Agreement.

6.0   MUTUAL EXPECTATIONS AND COMMITMENTS

6.1   FTB shall use agreed-upon flat file type utilizing XML elements. The file shall be transferred using the FTB SWIFT process, with the County checking on weekdays for new files and pushing files back as appropriate.

6.2   FTB shall have Data Files available for County for processing every Tuesday, Wednesday and Thursday of each week.

6.3   County shall process each Data File and return a corresponding Recording File to FTB within five (5) working days of County's receipt of such Data File.

6.4   FTB will transmit to County a statement (the "Data File Statement") with each Data File setting forth (i) the total number of records in the Data File, (ii) the lien release document count, and (iii) the lien issued document count. The Data File Statement shall be forwarded to County's accounting department for processing and invoicing. If any of the records in a Data File are rejected by County, County shall manually adjust the corresponding Data File Statement to ensure proper invoicing.

6.5   The technical requirements of file types, XML elements, layouts and transfer methods are further specified in Attachment 1, which is incorporated herein.

7.0   INVOICES AND PAYMENTS

County shall invoice FTB on a monthly basis for all amounts due and payable to County under this Agreement pursuant to all applicable Government Codes and LA County Codes. County shall direct such invoices to Brenda Sizer, Lien Program, MS 317A, PO Box 2952, Sacramento CA 95812-2952. County shall return to FTB a copy of the corresponding Data File Statement with each invoice. FTB shall remit payment of each invoice within thirty (30) days of invoice date and shall direct such payment to Registrar-Recorder/County Clerk, Financial Services – Room 7211, 12400 Imperial Highway, Norwalk, CA 90650-8357.

7.1   Any dispute in work performed, invoice for services, and/or payment will be reported to the respective Parties official contact as indicated per Paragraph 4.6 of this Agreement for investigation and resolution.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
COUNTY OF LOS ANGELES
AND
FRANCHISE TAX BOARD
FOR
ELECTRONIC INTERFACE TO RECORD REAL PROPERTY
LIEN DOCUMENTS**

IN WITNESS WHEREOF, and executed as the date first above written, the Parties to this Agreement do hereby agree and consent to all terms and conditions provided herein.

FRANCHISE TAX BOARD

_____
(Name and Title)

COUNTY OF LOS ANGELES

_____
DEAN C. LOGAN
Registrar-Recorder/ County Clerk

APPROVED AS TO FORM:
ANDREA S. ORDIN
County Counsel

By_____
   Patrice Salseda
   Senior Deputy County Counsel

MEMORANDUM OF UNDERSTANDING

ATTACHMENT I
(E-Lien TIFF Architecture & System Requirements)

Franchise Tax Board

E-Lien TIFF Architecture & System Requirements

July 2010

History of Changes

Revision Date	Comment	Modified by:
1/8/08	Added new revisions of the Lien Notice types to Appendix A	Terri Thompson
1/8/08	Corrected the last bullet on page 38, Section IV, 1.1 to reflect the change made to Eldim for creating a zip file	Terri Thompson
1/8/08	Section 2, Part 2, paragraph 2, page 2 – added clause why a certificate is exchanged	Terri Thompson
1/8/08	Section III, 1.2.3, page 24 – added bullets 6, 7 and 8	Terri Thompson
1/8/08	Section III, 1.2.3, page 24 – corrected bullet 10 to reflect 180 days	Terri Thompson
1/16/08	Section V, Testing, updated all areas	Terri Thompson
7/22/10	Replaced in full, Section II: Guide to Using FTP with Section II Secure Web Internet File Transfer (SWIFT) Transmitter User Guide	Terri Thompson
7/22/10	Corrected all record layouts to remove the AKA from the examples along with changing one of the DBA's to an AKA	Terri Thompson
7/22/10	Replaced all updated Notices in Section VI Appendix	Terri Thompson

Table of Contents

Section I: E-Lien Architecture and System Requirements

1. Introduction

This document outlines the architecture of the FTB Electronic Lien (E-Lien) process. It also includes the system requirements for end users who choose to participate in the exchange of electronic Lien documents with The Franchise Tax Board (FTB). At the heart of the new process is the support for automation of the file transfer process. An automated process will be used by FTB to send and receive files. FTB wants to facilitate automation in the County and Vendor systems. To facilitate automation, we modified some aspects of the existing process. Our goals are to minimize the County and Vendor effort while standardizing the file exchange and maximizing automation.

2. File Transfer Method and File Format

2.1 FTP Transfers

The File Transfer Protocol (FTP) is the accepted method of electronic file exchange. The County will connect to the Secure Web Internet File Transmission Service (SWIFT) to download and upload files.

2.2 File Format —XML

Section II: Secure Web Internet File Transmission Service (SWIFT) Transmitter User Guide

1. Link to Transmitter User Guide

1.1 **http://www.ftb.ca.gov/professionals/taxnews/swift_faq.shtml**

Section III: E-Lien — XML File Method

1. Introduction

The Electronic Lien Process enables the California Franchise Tax Board (FTB) and County Recorder's offices to electronically exchange new Lien, Lien Extension, and Lien Release filing data. The process begins when FTB creates an XML file of Lien information and a file containing TIFF images of the recordable documents. FTB electronically sends these files to the appropriate County Recorder offices. The receiving Counties read and process the file, fill in recording data (on the file and on the recorded document) and electronically transfer the data file back to FTB.

1.1   Scope

The purpose of this document is to provide Counties with information about the exchange of Electronic Lien Process data with the Franchise Tax Board. This section covers the four data record layouts that will be used by the Electronic Lien process.

1.2   Process Overview

1.2.1   Electronic data files

The Franchise Tax Board - Compliance Systems Bureau creates data for the filing of new Liens, and the Extension or Release of existing Liens. FTB sorts the data by individual Counties. FTB formats separate files and sends them via FTP to the Counties that participate in the Electronic Lien Process.

A County will receive three files from FTB:

- **Data file** — Contains the information for filing, extending, or releasing Liens.
- **Summary file** — Contains a breakdown of totals for the types of records on the Document File. The Counties use this data to bill FTB for Lien Release FEEs.
- **TIFF file** – This file contains a digital image of the actual notice to be recorded or Released [all TIFF files are contained in a single compressed (zip) file].

A County will return a Data file, and possibly a Reject file:

- **Data file** — Contains the Recording information for filing, extending, or releasing Liens. The County will always be expected to return this file.
- **Reject file** – The County will create this file if they cannot process one or more records (section 8.4 provides additional detail).

1.2.2   File naming conventions

File names have a standard naming convention. All files have a name format that includes date and version information, and an identifier token. All files, except the TIFF Image files, have a County name. Each part of the name is separated by spaces. The typical format is:

[CenturyYearMonthDay][Version] [Identifier] [County].xml

Examine the following example: 20061031 01 Lien_data contra_costa.xml
In this example, the file name indicates that the file was sent on October 31, 2006, is the first file for that day for the County [Version], contains Lien data [Identifier], and was created for Contra Costa County. When the County sends the return file, it should return the file with the same file name (e.g. 20061031 01 Lien_data contra_costa.xml)

Following are examples of the three file types made available by FTB and the two files that may be returned by a County:

Files FTB makes available *TO* County

Data file   [Century][Year][Month][Day] [Version] [Identifier] [County].xml
                           20061031 01 **Lien_data** santa_clara.xml

Summary file   [Century][Year][Month][Day] [Version] [Identifier] [County].summary.xml
                           20061031 01 Lien_data santa_clara.**summary**.xml

TIFF file (ZIP)   [Century][Year][Month][Day] [Version] [Identifier].images.zip
                           20061031 01 Lien_data **images**.zip

File(s) FTB receives back *FROM* County:

Data file   [Century][Year][Month][Day][Version][Identifier][County].xml
                           20061031 01 Lien_data santa_clara.xml

Reject file   [Century][Year][Month][Day][Version][Identifier][County].Reject.xml
                           20061031 01 Lien_data santa_clara_reject.xml

1.2.3   County data processing

Each County processes the Lien, Lien Release and Extension documents and returns the recording information. The end-result of processing includes a stamped (recorded) document for each record (and TIFF image) and a data file populated with recording information. Because the file layout is preserved, the County simply inserts the document number (as a DLN or Book/Page) and the document recording date. NOTE: some Counties recorded Liens using Book and Page Numbers and have changed to DLNs. Therefore, older Liens may have been recorded using Book and Page Numbers and newly filed or Extended Liens may be recorded using DLNs.

After the data is inserted, the data file is returned (using the original file name) to FTB for processing. If one or more records in the data file are not processed, a separate Reject file will also be returned (see section 2.5 for additional details).

Specifically, County file processing includes the following:

- Fill in the recording data on the file.

- DLN users use the NewDLN tag, and have the option of using the NewDLNCentury tag. If the NewDLNCentury tag is used, the two elements are concatenated in the FTB database.

- Book and Page users make use of the NewBookNo and NewPageNo tags.

- When a record cannot be processed, a reject file should be created. Copy the rejected record into the Reject file. A reference to the failed record will be made using (at the minimum) the RecordCnt, TitleCode, NewLienCertNoDate, and NewLienCertNoSeq tags, and must also include a Failure reason.

- Return the Data and any Reject files. The Data file shall retain its original name.

- The County must implement a programmatic routine or a business procedure to ensure a file is not processed twice, as this would result in duplicate recordings.

- If a file is processed twice, the County is responsible for correcting the duplicate records in the County system. The return data file containing the duplicate recording information should **not** be returned to FTB.

- In case there is duplicate recording, the County will notify FTB as soon as possible. The County will also notify FTB when corrections are completed.

- Print the Summary file for billing purposes. Bill the State of California for Lien fees. Correct the Transmittal (Summary) file when a "billable" document is rejected and fails to record.

- Process and return each file within five (5) working or seven (7) calendar days of receipt. The County should retain a copy of the file for a minimum of 180 days.

- Counties may not combine or split files.

- Counties must not alter the XML format or the FTB data.

2. Record Layouts

2.1 General Record Layout

The record layouts for the Electronic Lien process are presented in the following tables. Bolded XML Tags are those fields that can be filled in by the County.

2.2 Definitions

- XML Tag: XML tag based on field name
- Field Name: File data field name
- Length: The maximum number of positions allowed in the field
- Description: A narrative explanation of the data field
- Filler: Blank spaces denoted by 'ƀ'
- Value: A constant value

   Note: Recording information may be in one of two formats, Book and Page Numbers or Document Locator Numbers (DLN). If a County uses Book and Page Numbers, the Document Locator Number fields should be blank. If a County uses Document Locator Numbers, the Book and Page Number fields should be blank.

2.3 Document File

   A file will contain at least one of the following four record layouts, and may contain all four layout types.

2.3.1 Notice of State Tax Lien record layout

XML Tag	Field Name	Length	Description
NoticeOfStateTaxLien	Notice type	40	Attributes required: RouteTo="[County name] County" StateAbbrev="[State abbreviation]" Example: `<NoticeOfStateTaxLien RouteTo="Orange County" StateAbbrev="CA">`
RecordType	Record Type	3	Value - '210'
ActionCode	Action Code	1	Value - 'I'
CurrentYr	Current Two Digit Year	2	Current two digit year Structure - ## Example – '98' for 1998
RecordCnt	Record Count	7	The sequence count of each record on the file Example – 1 for the first record in the file, 2 for the second, etc.
TitleCode	Title Code	3	Value - '067'
AgencyCode	Agency Code	6	Value - 'FTB654'

XML Tag	Field Name	Length	Description
CntyRecordingDate	**County Recording Date** *(Returned from the County)*	**10**	**The date the County recorded the new Lien Structure – MM/DD/YYYY Example – 04/26/1998 for April 26, 1998**
NewLienCertNoDate	New Lien Certificate Number – Year and day-number in year	5	Date of the Certificate Number of the new Lien to be recorded. Structure – Two-digit year and day-number-in-year that FTB processed the Lien Example - 01055 for February 24, 2001
NewLienCertNoSeq	New Lien Certificate Number – Sequence #	6	Certificate Number of the new Lien - Sequence Number portion
PrimaryTPFirstName	Name of Taxpayer – Primary Debtor	14	Primary debtor's first name
PrimaryTPMiddleName	Name of Taxpayer – Primary Debtor	1	Primary debtor's middle initial
PrimaryTPLastName	Name of Taxpayer – Primary Debtor	20	Primary debtor's last name
SecondaryTPFirstName	Name of Taxpayer – Secondary Debtor	14	Secondary debtor's first name
SecondaryTPMiddleName	Name of Taxpayer – Secondary Debtor	1	Secondary debtor's middle initial
SecondaryTPLastName	Name of Taxpayer – Secondary Debtor	20	Secondary debtor's last name
TP1AKA	Name of Taxpayers – Also Known As (AKA) Name	70	May be used if the debtor uses other personal or business names Example - JOHNʰSMITH
TP2AKA	Name of Taxpayers – AKA Name	70	Example – JONʰSMITH
TP3AKA	Name of Taxpayers – AKA Name	70	Example – DBA Mike's Ice Creamery
FTBID	FTB Account Number	10	Primary debtor's FTB 10 digit identification # Structure – ########## Example – 1234567890
PrimarySSN	Social Security Number (SSN) – Primary Debtor	11	SSN will be masked with first 5 characters replaced with 'X' Structure – XXX-XX-#### Example – XXX-XX-6789
SecondarySSN	SSN – Secondary Debtor	11	Spouse's SSN will be masked with first 5 characters replaced with 'X' Structure - XXX-XX -#### Example – XXX-XX -7890
Address	Address – Street	50	Debtor's street address Structure – House NumberʰStreet Nameʰ Apartment/Suite Example – 123ʰMAINʰSTʰAPTʰB3
City	City	18	Debtor's City
State	State	2	Debtor's State
Zip	Zip	9	Debtor's 9 digit ZIP code
Year1	Year – 1	4	Year applicable to the Lien Structure - #### Example – 1998
Year2	Year - 2	4	May be filled if the Lien applies to multiple tax years

XML Tag	Field Name	Length	Description
Year3	Year - 3	4	May be filled if the Lien applies to multiple tax years
Year4	Year - 4	4	May be filled if the Lien applies to multiple tax years
Year5	Year - 5	4	May be filled if the Lien applies to multiple tax years
Year6	Year - 6	4	May be filled if the Lien applies to multiple tax years
Year7	Year – 7	4	May be filled if the Lien applies to multiple tax years
Tax	Tax	12	Tax assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
Penalty	Penalty	12	Penalties assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
Interest	Interest	12	Interest assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
CollCosts	Collection Costs	12	Collections Costs assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
Payments	Payments	12	Payments as of the date the Lien was requested Structure – dash, comma and decimal, but no dollar signs
Total	Total	13	Total amount the Lien is filed for The Lien will be filed for this amount Structure – dash, comma and decimal, but no dollar signs
LienPrep	Lien Preparation Date	10	Date the Lien request was generated Structure – MM/DD/YYYY
OrigLienDescr	Original Lien Certificate Number Descriptor	N/A	Blank (used for Lien Extension record)
OrigLienCertNoDate	Original Lien Certificate Number – Year and day-number-in-year	N/A	Blank (used for Lien Extension record)
OrigLienCertNoSeq	Original Lien Certificate Number – Sequence Number	N/A	Blank (used for Lien Extension record)
OrigLienInfo	Original Lien Recording Information – Book and Page Numbers	N/A	Blank (used for Lien Extension record)
OrigRecDate	Original Recorded Date	N/A	Blank (used for Lien Extension record)
OrigBookNo	Original Book Number	N/A	Blank (used for Lien Extension record)
OrigPageNo	Original Page Number	N/A	Blank (used for Lien Extension record)

XML Tag	Field Name	Length	Description
OrigRecDescrDLN	Original Recording Descriptor – Document Locator Number (DLN)	N/A	Blank (used for Lien Extension record)
OrigDLNRecDate	Original DLN Recording Date	N/A	Blank (used for Lien Extension record)
OrigDLNRecDateCentury	Original DLN Recording Date - Century	N/A	Blank (used for Lien Extension record)
OrigDLNArea	Original DLN Area	N/A	Blank (used for Lien Extension record)
NewBookNo	**New Book Number** *(Returned from the County)*	**15**	**New Book Number** *If the County records the new Lien with Book Numbers*
NewPageNo	**New Page Number** *(Returned from the County)*	**15**	**New Page Number** *If the County records the new Lien with Book and Page Numbers*
NewDLNCentury	**New DLN Century** *(Returned from the County)*	**2**	**Century the new Lien was recorded by the County** **Structure – CC** *If the County records the new Lien with a DLN*
NewDLN	**New DLN** *(Returned from the County)*	**15**	**New DLN issued by the County** *If the County records the new Lien with a DLN*
FEECode	FEE-Code	1	Single digit code indicating FEE or no FEE 1 = Resident (No FEE) 2 = Non-Resident (FEE)
Adjustments	Adjustments	21	Adjustments as of the date the Lien was requested Structure – dash, comma and decimal, but no dollar signs
County	County	40	County applicable to the Lien
Image File Name	County	19	File name of the TIFF image

2.3.2   Notice of State Tax Lien (Extension) record layout

XML Tag	Field Name	Length	Description
NoticeOfStateTaxLienExt	Notice type	40	Attributes required: RouteTo="[County name] County" StateAbbrev="[State abbreviation]" Example: `<NoticeOfStateTaxLienExt RouteTo="Orange County" StateAbbrev="CA">`
RecordType	Record Type	3	Value - '210'
ActionCode	Action Code	1	Value - 'I'
CurrentYr	Current Two Digit Year	2	Current two digit year Structure - ## Example – 01 for 2001
RecordCnt	Record Count	7	The sequence count of each record on the file Example – 1 for the first record in the file, 2 for the second, etc.
TitleCode	Title Code	3	Value - '067'
AgencyCode	Agency Code	6	Value - 'FTB654'

XML Tag	Field Name	Length	Description
CntyRecordingDate	**County Recording Date** *(Returned from the County)*	**10**	The date the County recorded the Lien Extension Structure – MM/DD/YYYY Example – 04/26/1998 for April 26, 1998
NewLienCertNoDate	New Lien Certificate Number – Year and day-number-in-year	5	Date of the Certificate Number of the Lien Extension to be recorded Structure – Two-digit year and day-number-in-year that FTB processed the Lien Extension Example - 01055 for February 24, 2001
NewLienCertNoSeq	New Lien Certificate Number – Sequence No.	6	Certificate Number of the extended Lien-Sequence Number portion
PrimaryTPFirstName	Name of Taxpayer – Primary Debtor	14	Primary debtor's first name
PrimaryTPMiddleName	Name of Taxpayer – Primary Debtor	1	Primary debtor's middle initial
PrimaryTPLastName	Name of Taxpayer – Primary Debtor	20	Primary debtor's last name
SecondaryTPFirstName	Name of Taxpayer – Secondary Debtor	14	Secondary debtor's first name
SecondaryTPMiddleName	Name of Taxpayer – Secondary Debtor	1	Secondary debtor's middle initial
SecondaryTPLastName	Name of Taxpayer – Secondary Debtor	20	Secondary debtor's last name
TP1AKA	Name of Taxpayers – Also Known As (AKA) Name	70	May be used if the debtor uses other personal or business names Example - JOHNƀSMITH
TP2AKA	Name of Taxpayers – AKA Name	70	Example – JONƀSMITH
TP3AKA	NAME OF TAXPAYERS – AKA Name	70	Example – DBA Mike's Ice Creamery
FTBID	FTB Account Number	10	Primary debtor's FTB 10 digit identification number Structure – ########## Example – 1234567890
PrimarySSN	Social Security Number (SSN) – Primary Debtor	11	SSN will be masked with first 5 characters replaced with 'X' Structure – XXX-XX-#### Example – XXX-XX-6789
SecondarySSN	SSN – Secondary Debtor	11	Spouse's SSN will be masked with first 5 characters replaced with 'X' Structure - XXX-XX -#### Example – XXX-XX -7890
Address	Address – Street	50	Debtor's street address Structure – House NumberƀStreet Nameƀ Apartment/Suite Example – 123ƀMAINƀSTƀAPTƀB3
City	City	18	Debtor's City
State	State	2	Debtor's State
Zip	Zip	9	Debtor's 9 digit ZIP code

XML Tag	Field Name	Length	Description
Year1	Year – 1	4	Year applicable to the Lien Structure – YYYY
Year2	Year - 2	4	May be filled if the Lien applies to multiple tax years
Year3	Year - 3	4	May be used if the Lien applies to multiple tax years
Year4	Year - 4	4	May be filled if the Lien applies to multiple tax years
Year5	Year - 5	4	May be filled if the Lien applies to multiple tax years
Year6	Year - 6	4	May be filled if the Lien applies to multiple tax years
Year7	Year – 7	4	May be filled if the Lien applies to multiple tax years
Tax	Tax	12	Tax assessed on the Lien years Structure – commas and decimals, no dollar signs
Penalty	Penalty	12	Penalties assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
Interest	Interest	12	Interest assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
CollCosts	Collection Costs	12	Collections Costs assessed on the Lien years Structure – dash, comma and decimal, but no dollar signs
Payments	Payments	12	Payments as of the date the Lien was requested Structure – dash, comma and decimal, but no dollar signs
Total	Total	13	Total amount the Lien is filed for The Lien will be filed for this amount Structure – dash, comma and decimal, but no dollar signs
LienPrep	Lien Preparation Date	10	Date the Lien request was generated Structure – MM/DD/YYYY
OrigLienDescr	Original Lien Certificate Number Descriptor	23	FTB is requesting a Lien be extended Text – 'EXTEND CERTIFICATE NO:'
OrigLienCertNoDate	Original Lien Certificate Number – Year and day-number-in-year	5	Two-digit year and day-number-in-year FTB processed the original Lien to be extended. Structure - Two-digit year and day-number-in-year FTB processed the original Lien; else blank Example - 01055 for February 24, 2001
OrigLienCertNoSeq	Original Lien Certificate Number – Sequence No.	6	FTB's sequence count of the original Lien that is to be extended Example – 000541 for 541
OrigLienInfo	Original Lien Recording Info – Book and Page No.	8	If FTB is requesting a Lien be extended and the original Lien was recorded with Book and Page Numbers Text – 'RECORDED"
OrigRecDate	Original Recorded Date	10	Date the original Lien was recorded by the County Structure – MM/DD/YYYY
OrigBookNo	Original Book Number	15	The County Book Number of the original Lien

XML Tag	Field Name	Length	Description
OrigPageNo	Original Page Number	15	The County Page Number of the original Lien
OrigRecDescrDLN	Original Recording Descriptor – Document Locator Number (DLN)	8	If FTB is requesting a Lien be extended and the original Lien was recorded with a DLN. Text - 'RECORDED'
OrigDLNRecDate	Original DLN Recording Date	10	Date the original Lien was recorded by the County Structure – MM/DD/YYYY
OrigDLNRecDateCentury	Original DLN Recording Date - Century	2	Century the original Lien was recorded by the County Structure – CC
OrigDLNArea	Original DLN Area	15	The original Lien DLN
NewBookNo	**New Book Number** *(Returned from the County)*	**15**	**New Book Number** *If the County records the Lien Extension using Book Numbers, the* **New Book Number** *will be entered.*
NewPageNo	**New Page Number** *(Returned from the County)*	**15**	**New Page Number** *If the County records the Lien Extension using Book and Page Numbers, the* **NewPage Number** *will be entered.*
NewDLNCentury	**New DLN Century** *(Returned from the County)*	**2**	**Century** *If the County records the Lien Extension with a DLN, the* **Century** *the Lien Extension was recorded by the County may be entered.* **Structure – CC** **Example – 20**
NewDLN	**New DLN** *(Returned from the County)*	**15**	**New DLN issued by the County** *If the County records the Lien Extension with a DLN, the* **DLN** *will be entered.*
FEECode	FEE-Code	1	Single digit code indicating FEE or no FEE 1 = Resident (No FEE) 2 = Non-Resident (FEE)
Adjustments	Adjustments	21	Adjustments as of the date the Lien was requested Structure – dash, comma and decimal, but no dollar signs
County	County	40	County applicable to the Lien
Image File Name	County	19	File name of the TIFF image

2.3.3 Notice of Lien Release (FEE) record layout

XML Tag	Field Name	Length	Description
NoticeOfLienRelease	Notice type	40	Attributes required: RouteTo="[County name] County" StateAbbrev="[State abbreviation]" Example: `<NoticeOfLienRelease RouteTo="Orange County" StateAbbrev="CA">`
RecordType	Record Type	3	Value - '210'
ActionCode	Action Code	1	Value - 'I'
CurrentYr	Current Year	2	Current two digit year Structure – ## Example – 01 for 2001
RecordCnt	Record Count	7	The sequence count of each record on the file Example – 2 for the second record in the file
TitleCode	Title Code	3	Value - '052'
AgencyCode	Agency Code	6	Value - 'FTB654'
CntyRecordingDate	**County Recording Date** *(Returned from the County)*	**10**	**The date the County recorded the Lien Release** **Structure – MM/DD/YYYY** **Example – 04/22/2001 for April 22, 2001**
NewLienCertNoDate	Lien Certificate Number – Year and day-number-in-year	5	Certificate Number of the Lien to be Released - Two-digit year and day-number-in-year. Example - 01055 for February 24, 2001
NewLienCertNoSeq	Lien Certificate Number – Sequence Number	6	Certificate Number of the Lien to be Released - Sequence Number portion
PrimaryTPFirstName	Name of Taxpayer – Primary Debtor	14	Primary debtor's first name
PrimaryTPMiddleName	Name of Taxpayer – Primary Debtor	1	Primary debtor's middle initial
PrimaryTPLastName	Name of Taxpayer – Primary Debtor	20	Primary debtor's last name
SecondaryTPFirstName	Name of Taxpayer – Secondary Debtor	14	Secondary debtor's first name
SecondaryTPMiddleName	Name of Taxpayer – Secondary Debtor	1	Secondary debtor's middle initial
SecondaryTPLastName	Name of Taxpayer – Secondary Debtor	20	Secondary debtor's last name
TP1AKA	Name of Taxpayers – AKA or DBA Name	70	May be used if the debtor uses other personal or business names Example - JOHNꞖSMITH
TP2AKA	Name of Taxpayers – AKA or DBA Name	70	Example – JONꞖSMITH
TP3AKA	Name of Taxpayers – AKA or DBA Name	70	Example – DBA Mike's Ice Creamery

XML Tag	Field Name	Length	Description
FTBID	FTB Account Number	10	Primary debtor's FTB 10 digit identification number Structure – ########## Example – 1234567890
PrimarySSN	Social Security Numbers (SSN) – Primary Debtor	11	SSN will be masked with first 5 characters replaced with 'X' Structure – XXX-XX-#### Example – XXX-XX-6789
SecondarySSN	SSN – Secondary Debtor	11	Spouse's SSN will be masked with first 5 characters replaced with 'X' Structure - XXX-XX -#### Example – XXX-XX -7890
RecDateToBeReleased	Recording Date of the Lien to be Released	10	Date the Lien to be Released was recorded by the County Structure– MM/DD/YYYY
DLNtoBeReleased	Document Locator Number (DLN) of the Lien to be Released	15	If the County used a DLN to record the Lien that is to be Released.
LienReleaseDate	Lien Release Date	10	Date the Lien Release was generated by FTB. Structure– MM/DD/YYYY
ErrorFEECode	Error FEE Code	1	Single digit code indicating FEE / no FEE 2 = Release with Non-Resident FEE 3 = Release with Resident FEE
ErrorReference	Error Reference	N/A	Blank (used for Lien Release No FEE record)
BookNoToBeReleased	Book Number of the Lien to be Released	15	If the County used Book and Page Numbers to record the Lien that is to be Released, this field contains the Book Number of the Lien.
PageNoToBeReleased	Page Number of the Lien to be Released	15	If the County used Book and Page Numbers to record the Lien that is to be Released, this field contains the Page Number of the Lien.
NewBookNo	**Lien Release Book Number** *(Returned from the County)*	**15**	**The Book Number of the Lien Release** *If the County uses Book Numbers to record the Lien Release.*
NewPageNo	**Lien Release Page Number** *(Returned from the County)*	**15**	**The Page Number of the Lien Release** *If the County uses Book and Page Numbers to record the Lien Release.*
NewDLNCentury	**Lien Release DLN Century** *(Returned from the County)*	**2**	**The century of the Lien Release** *May be used if the County uses DLNs to record the Lien Release.*
NewDLN	**Lien Release DLN** *(Returned from the County)*	**15**	**The DLN of the Lien Release** *Used when the County uses DLNs to record the Lien Release.*
County	County	40	County applicable to the Lien
Image File Name	County	19	File name of the TIFF image

2.3.4   Notice of Lien Release (No FEE) record layout

XML Tag	Field Name	Length	Description
NoticeOfLienReleaseNoFEE	Notice type	40	Attributes required: RouteTo="[County name] County" StateAbbrev="[State abbreviation]" Example: `<NoticeOfLienReleaseNoFEE RouteTo="Orange County" StateAbbrev="CA">`
RecordType	Record Type	3	Value - '210'
ActionCode	Action Code	1	Value - 'I'
CurrentYr	Current Year	2	Current two digit year Structure – ## Example – 01 for 2001
RecordCnt	Record Count	7	The sequence count of each record on the file Example –2 for the second record in the file
TitleCode	Title Code	3	Value - '052'
AgencyCode	Agency Code	6	Value - 'FTB654'
CntyRecordingDate	**County Recording Date** *(Returned from the County)*	**10**	**The date the County recorded the Lien Release Structure – MM/DD/YYYY Example – 04/22/2001 for April 22, 2001**
NewLienCertNoDate	Lien Certificate Number – Year, and day-number in year	5	Certificate Number of the Lien to be Released - Two-digit year and day-number-in-year. Example - 01055 for February 24, 2001
NewLienCertNoSeq	Lien Certificate Number – Sequence Number	6	Certificate Number - Sequence Number portion
PrimaryTPFirstName	Name of Taxpayer – Primary Debtor	14	Primary debtor's first name
PrimaryTPMiddleName	Name of Taxpayer – Primary Debtor	1	Primary debtor's middle initial
PrimaryTPLastName	Name of Taxpayer – Primary Debtor	20	Primary debtor's last name
SecondaryTPFirstName	Name of Taxpayer – Secondary Debtor	14	Secondary debtor's first name
SecondaryTPMiddleName	Name of Taxpayer – Secondary Debtor	1	Secondary debtor's middle initial
SecondaryTPLastName	Name of Taxpayer – Secondary Debtor	20	Secondary debtor's last name
TP1AKA	Name of Taxpayers – AKA or DBA Name	70	May be used if the debtor uses other personal or business names Example - JOHNьSMITH
TP2AKA	Name of Taxpayers – AKA or DBA Name	70	Example – JONьSMITH
TP3AKA	Name of Taxpayers – AKA or DBA Name	70	Example – DBA Mike's Ice Creamery

XML Tag	Field Name	Length	Description
FTBID	FTB Account Number	10	Primary debtor's FTB 10 digit identification number Structure – ########## Example – 1234567890
PrimarySSN	Social Security Numbers (SSN) – Primary Debtor	11	SSN will be masked with first 5 characters replaced with 'X' Structure – XXX-XX-#### Example – XXX-XX-6789
SecondarySSN	SSN – Secondary Debtor	11	Spouse's SSN will be masked with first 5 characters replaced with 'X' Structure - XXX-XX -#### Example – XXX-XX -7890
RecDateToBeReleased	Recording Date of the Lien to be Released	10	Date the Lien to be Released was recorded by the County Structure– MM/DD/YYYY
DLNtoBeReleased	Document Locator Number (DLN) of the Lien to be Released	15	If the County used a DLN to record the Lien that is to be Released, the DLN is in this field.
LienReleaseDate	Lien Release Date	10	Date the Lien Release was generated by FTB. Structure– MM/DD/YYYY
ErrorFEECode	Error FEE Code	1	Single digit code indicating FEE / no FEE 1 = Release without FEE
ErrorReference	Error Reference	35	If the Lien to be Released was filed in error (No FEE), 'RECORDED IN ERROR. (G.C. 27361.3)' will be filled; else this field will be blank
BookNoToBeReleased	Book Number of the Lien to be Released	15	If the County used Book and Page Numbers to record the Lien that is to be Released, the Book Number is in this field.
PageNoToBeReleased	Page Number of the Lien to be Released	15	If the County used Book and Page Numbers to record the Lien that is to be Released, the Page Number of the Lien to be Released
NewBookNo	**Lien Release Book Number** *(Returned from the County)*	**15**	**The Book Number of the Lien Release** *If the County uses Book Numbers to record the Lien Release*
NewPageNo	**Lien Release Page Number** *(Returned from the County)*	**15**	**The Page Number of the Lien Release** *If the County uses Book and Page Numbers to record the Lien Release*
NewDLNCentury	**Lien Release DLN Century** *(Returned from the County)*	**2**	**The century of the Lien Release** *May be used if the County uses DLNs to record the Lien Release.*
NewDLN	**Lien Release DLN** *(Returned from the County)*	**15**	**The DLN of the Lien Release** *If the County uses DLNs to record the Lien Release.*
County	County	40	County applicable to the Lien
Image File Name	County	19	File name of the TIFF image

2.4

2.5   Summary File

The Summary File is created in XML. In order to view or print the Summary File, a custom style sheet (eLienSummary.xsl) needs to be present in the same folder as the Summary File.

This Summary file contains breakdown totals of the type of records on the Data File. The County will use this data to bill FTB for lien and lien release fees.

Below is a sample of how the Summary File will appear:

<div style="border:1px solid">

TRANSMITTAL OF RECORDED DOCUMENTS (PIT)
00/00/00

TO: COUNTY RECORDERS OFFICE
ATTN:
ADDRESS:

FROM: FRANCHISE TAX BOARD
LIEN GROUP, MAIL STOP A346
SACRAMENTO, CA 95812-2952

IF QUESTIONS CONTACT:
BRENDA SIZER (916) 845-7086

CONTROL INFORMATION:
LOW NUMBER   000000000
HIGH NUMBER   000000000

LIEN RELEASE DOCUMENT COUNT - TITLE CODE 052
    NO FEE RELEASES   #
    RELEASE WITH FEE   #
    NON-RESIDENT   #
    RESIDENT   #
LIEN ISSUED DOCUMENT COUNT - TITLE CODE 067
    NON-RESIDENT   #
    RESIDENT   #

DISK/TAPE LABEL   _____
AUTHORIZED BY: _____

</div>

2.6

2.7   Reject File

There may be circumstances when the County is unable to process all data within the Data file transmitted by the FTB. When this occurs, the County will need to send FTB a Reject file that contains information for each record that was not processed. The Reject file must be a separate file that is returned to FTB along with the recorded Data file.

The Reject file must be formatted similar to the example provided below:

Example of a **Reject File:**   [YYYYMMDD] [Version] [Identifier] [County] reject.xml
20061031 01 lien_data santa_clara_reject.xml

The file must include the following tags and the data for each failed record:

RecordCnt
Title Code
NewLienCertNoDate
NewLienCertNoSeq
Reason for the Reject (not an xml tag)

The County should continue to process the Data File, and send both the entire Data file and Reject file back to FTB. An FTB Lien Analyst will follow up on the records that the County was unable to process that are identified within the Reject file.

Section IV: TIFF Image File Specifications

1. Introduction

Counties participating in the electronic transfer of Lien data with Franchise Tax Board receive Tagged Image File Format (TIFF) image files of the Liens, Lien Releases and Lien Extensions. All TIFF images corresponding to records in the data file will be zip-compressed into a single zip file. Expect separate Data and Summary files with the zip file.

1.1   TIFF File Specifications

- Each Lien document will be in a separate TIFF image file.
- Images will be compressed using Group IV compression.
- Documents are 300-dpi resolution.
- Approximate size of a single TIFF image file is 34 Kb.
- Approximate size of a single zip-compressed TIFF image is 29 Kb.
- All TIFF images are zip-compressed into a single file named using the following convention: [YYYYMMDD] [Version] [Identifier] images.zip
  (e.g. 20050128 01 Lien_data images.zip) .
- Dynazip-NX library for Microsoft .NET is used to create a Zip file of TIFF images for the County.

In order to receive TIFF images and associated files, the County or Vendor should allocate sufficient disk space to accommodate the expected volumes for the County.

1.2   TIFF File Naming Conventions

The name format of the TIFF image files will correspond to the certificate number in its associated record in the XML data file.

The <ImageFileName> tag in the XML corresponds to the TIFF image name. The name is derived by concatenating the <NewLienCertNoDate> tag value, the < NewLienCertNoSeq> tag value, and the <TitleCode> tag value. Each image file uses the ".tif" Extension, denoting a TIFF image file.

For example, where:
<NewLienCertNoDate> value = "03121" and
<NewLienCertNoSeq> value = "665245" and
<TitleCode> value = "052"

the following TIFF image filename and <ImageFileName> tag value will be generated:

Name of the TIFF image filename: **03121665245.052.tif**
<ImageFileName> tag value: **03121665245.052.tif**

Section V: Testing

2. Introduction

Our testing process includes both testing the SWIFT Connection and evaluating the format and content of the test files. These testing efforts can occur simultaneously, but are independent of each other.

We strongly recommend you copy your test files and work from the copies.

2.1   FTP Connection Test Process

Please refer to Section II for SWIFT Setup instructions. When we begin testing with you, we will provide additional contact information to enable you to connect with FTB.

2.2   County Receives Test Files

- Our test files will contain approximately 27 records including Lien notices, Lien Extension notices, Lien Release notices, and Lien Release notices filed in error. A set of test files will consist of the following three files:

    - **Data fil**e – This file is used to populate the recording information and is returned to FTB for processing. A sample filename would be:
        - 20061024 01 lien_data imperial.xml
    - **Summary file** (also know as a Transmittal) – This file is used for billing purposes. It identifies the total number of records and type of records in the document file. A sample filename would be:
        - 20061024 01 lien_data imperial.summary.xml
    - **Zip file** – This file contains zip-compressed TIFF image files. The images are recordable notices. A sample filename would be:
        - 20061024 01 lien_data images.zip

2.3   County Returns Test Files

- After the test files are processed, the County will return the Data file and the TIFF images, both, which show recording information and recording dates. The naming convention should not be changed when returning these files.
- Create a Reject file to be returned to FTB for each round of testing. Reject one record arbitrarily. The Reject file should contain the RecordCnt, Title Code, NewLienCertNoDate and NewLienCertNoSeq tags, and a Reject reason.
- Use E-mail to return the three test files (i.e. e-mail attachment). It is preferred that the County establishes a SEC (Secure Electronic Communication) account to exchange

these files with FTB. This will also allow the exchange of confidential information (e.g. corrupted file) with FTB in the future.

2.4   File Processing Test Process

- FTB will validate the format of the XML schema, recording information and dates for all records in the returned Data file.
- FTB will compare the information in the recording box of the returned TIFF image files to the recording information provided in the returned data file.
- If FTB determines changes or corrections are needed, we will return the file to the County/Vendor for additional testing.
- Test files may be exchanged several times.

2.5   Pitfalls to Avoid

- Naming Convention – The file should be returned without changes to its name.
- New DLN Century / New DLN – (Document Locator Number) Only ONE of these fields should be populated with a Century. The following are examples of the Correct and Incorrect methods to populate the DLN information in the return file.

Correct: **New DLN Century**   >**20**<
               New DLN   >**06**-XXXXXXX<

                              OR

               New DLN Century   >   <
               New DLN   >**2006**-XXXXXXX<

Incorrect: **New DLN Century**   >**20**<
                New DLN   >**2006**-XXXXXXX<

FTB's system will use the combination of both the NewDLNCentury and the NewDLN to create the recording number.

Section VI: Appendix

1. Appendix A

The following four pages present examples of the four notice types.

1.1   NOTICE OF STATE TAX LIEN (New Lien)
    [FTB 2930 V1 ARCS (REV 12-2010)]

1.2   NOTICE OF STATE TAX LIEN (Extension)
    [FTB 2930 V4 ARCS (REV 03-2008)]

1.3   RELEASE OF LIEN
    [FTB 2730 ARCS (REV 12-2009)]

1.4   RELEASE OF LIEN (Release without FEE)
    [FTB 2730 A ARCS (REV 12-2009)]

NOTICE OF STATE TAX LIEN

FILED WITH: CERTIFICATE NUMBER:

The Franchise Tax Board of the State of California hereby certifies that the following named taxpayer(s) is liable under parts 10 or 11 of Division 2 of the Revenue and Taxation Code to the State of California for amount due and required to be paid by said taxpayer as follows:

Name of Taxpayer(s)   :

FTB Account Number   :

Social Security Number(s) :

Last Known Address   :
                                        :

For Taxable Years   :

Total Lien Amount *   :

Further interest and fees will accrue at the rate prescribed by law until paid; that the Franchise Tax Board of the State of California complied with all of the provisions of parts 10 or 11 of Division 2 of the Revenue and Taxation Code of the State of California in computing, levying, determining and assessing the tax; the said amounts are due and payable and have not been paid. Said lien attaches to all property and rights to such property now owned or later acquired by the taxpayer.

IN WITNESS WHEREOF, the Franchise Tax Board of the State of California has duly authorized the undersigned to execute this Notice in its name.

DATED: FRANCHISE TAX BOARD
                                                     of the State of California

Collection Bureau
Telephone Number: (916) 845-4350   By:

                                                     Authorized facsimile signature.

 *Additional interest is accruing at the rate prescribed by law.

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Sacramento CA 95812-2952

And When Recorded Mail to

Special Procedures Section
PO BOX 2952
Sacramento CA 95812-2952

NOTICE OF STATE TAX LIEN

FILED WITH:

Certificate Number   :
Extend Certificate No.   :
Document No./ Book & Page : /
Recorded   :

The Franchise Tax Board of the State of California hereby certifies that the following named taxpayer(s) is liable under parts 10 or 11 of Division 2 of the Revenue and Taxation Code to the State of California for amount due and required to be paid by said taxpayer as follows:

Name of Taxpayer(s)   :
                              :

FTB Account Number   :

Social Security Number(s) :

Last Known Address   :
                              :

For Taxable Years   :

Total Lien Amount   :

Further interest and fees will accrue at the rate prescribed by law until paid; that the Franchise Tax Board of the State of California complied with all of the provisions of parts 10 or 11 of Division 2 of the Revenue and Taxation Code of the State of California in computing, levying, determining and assessing the tax; the said amounts are due and payable and have not been paid. Said lien attaches to all property and rights to such property now owned or later acquired by the taxpayer.

IN WITNESS WHEREOF, the Franchise Tax Board of the State of California has duly authorized the undersigned to execute this Notice in its name.

DATED:

FRANCHISE TAX BOARD
of the State of California

Collection Bureau
Telephone Number: (916) 845-4350

By:

*Additional interest is accruing at the rate prescribed by law.

Authorized facsimile signature.

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Sacramento CA 95812-2952

Special Procedures Section
PO Box 2952
Sacramento CA 95812-2952

STATE OF CALIFORNIA
FRANCHISE TAX BOARD

LIEN RELEASE NOTICE

The Franchise Tax Board (FTB) of the State of California hereby releases the lien listed below (Government Code Section 7174). FTB authorizes the undersigned to execute this release in its name.

Certificate Number   :
Recorded Against   :
                            :
                            :
                            :
                            :
                            :

FTB Account Number   :
Social Security Number (s) :
Corporate Number   :
FEIN   :
Recorded With   :
Lien Recorded   :
Document No./Book No.   :
Page   :

DATED: FRANCHISE TAX BOARD
                                                of the State of California

Collection Bureau
Telephone Number: (916) 845-4350   By:

FTB 2730 ARCS (REV 12-2009)

Recording Requested by

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
SACRAMENTO CA 95812-2952

And When Recorded Mail to

SPECIAL PROCEDURES SECTION
PO BOX 2952
SACRAMENTO CA 95812-2952

STATE OF CALIFORNIA
FRANCHISE TAX BOARD

LIEN RELEASE NOTICE — LIEN RECORDED IN ERROR

The Franchise Tax Board (FTB) of the State of California hereby releases the lien, listed below, as recorded in error (California Revenue and Taxation Code Section 21019). FTB authorizes the undersigned to execute this release in its name.

Certificate Number   :
Recorded Against   :
                            :
                            :
                            :
                            :

FTB Account Number   :
Social Security Number (s) :
Corporate Number   :
FEIN   :
Recorded With   :
Lien Recorded   :
Document No./Book No.   :
Page   :

DATED: FRANCHISE TAX BOARD
                                            of the State of California

Collection Bureau
Telephone Number: (916) 845-4350   By:

                                            Authorized facsimile signature.

RELEASE WITHOUT FEE. RECORDED IN ERROR (GOVERNMENT CODE 27361.3).

FTB 2730 A ARCS (REV 12-2009)

ATTACHMENT III

(Board Letter 2005)

COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNY B. McCORMACK
Registrar-Recorder/County Clerk

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

August 30, 2005

66   **AUG 3 0 2005**

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

<div align="center">

**RESOLUTION FOR PARTICIPATION IN THE
STATE OF CALIFORNIA
ELECTRONIC RECORDING DELIVERY ACT OF 2004
(All Districts) (3 Votes)**

</div>

IT IS RECOMMENDED THAT YOUR BOARD:

1.   Adopt a resolution (Attachment I) approving the County of Los Angeles (County) participation in the State of California Electronic Recording Delivery Act of 2004 as enacted by Assembly Bill No. 578; and authorize the Registrar-Recorder/County Clerk (RR/CC), or her designee, to execute a Memorandum of Understanding (MOU) substantially similar to Attachment II with the California Department of Justice (DOJ) for County participation in the Electronic Recording Delivery System.

2.   Authorize the RR/CC, or her designee, to amend or terminate the MOU as needed provided that County Counsel approval is obtained prior to executing an amendment or termination.

3.   Authorize the RR/CC, or her designee, to negotiate and execute Submitter Agreements, in accordance with the rules and regulations established by the California Attorney General for use with Title companies and lending institutions who wish to submit Real Property records electronically, providing County Counsel reviews said Submitter Agreement and approval as to form is obtained.

4. Pursuant to Government Code section (GC) 27397(c) (2) & (3), authorize the RR/CC, or her designee, provided that approval by the Board of Supervisors is obtained and the matter is brought before a public hearing, to 1) impose a fee upon any vendor seeking approval of software and other services as part of an electronic recording delivery system and 2) impose a fee upon any person seeking a Submitter Agreement

5. Delegate the authority to the RR/CC, provided that approval by the Board of Supervisors is obtained and the matter is brought before a public hearing, to assess a statutory surcharge on recorded Real Property instruments and to increase or decrease the fee as needed, up to a maximum charge not to exceed one dollar ($1.00) per document to offset the cost of the Electronic Recording Delivery System.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to allow the County participation in the California Electronic Recording Delivery System. Participation in the program will enable the County to improve and modernize its systems of recording and handling Real Property instruments by permitting the electronic delivery, recording and return of specified instruments.

Implementation of Strategic Plan Goals

This request supports the County Strategic Plan as follows:

Goal No. 3: Organizational Effectiveness: Ensure that service delivery systems are efficient, effective, and goal-oriented. Approval of the recommended action will convert the current manual paper-based system of recording Real Property instruments to an electronic recording delivery system which will greatly improve efficiency and effectiveness, and service delivery to County residents

FISCAL IMPACT/FINANCING

Pursuant to AB 578, GC 27393 requires the Attorney General to develop regulations for review, approval and oversight. GC 27397 requires any county establishing an E-recording system to pay the Attorney General for cost of regulations and oversight and allows county recorders to establish a new fee up to one dollar ($1.00) per recorded document to cover cost to Attorney General, E-recording system, the review and approval of vendors and authorized submitters, and security testing. The total fees assessed by a county can not exceed the reasonable cost for maintaining the system and Attorney General oversight.

The initial cost to the County to participate in the Electronic Recording Delivery System, which was determined by the total number of Real Property instruments recorded during the 2004 calendar year, is $252,249. The cost will be paid from the Recorder Modernization Trust Fund monies. Thereafter, the annual cost will be determined by the total number of Real Property instruments recorded in the previous calendar year. The annual cost and any other service related costs will be paid by the statutory surcharge assessed on recorded Real Property instruments. There is no impact to the NCC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

AB 578 was signed into law on September 21, 2004 and took effect immediately. The legislative action authorized county recorders to establish electronic recording systems for the electronic recording of Real Property instruments and requires the Attorney General to develop regulations for review, approval and oversight of the program. AB 578 requires an MOU by participating counties; approval by resolution of the Board of Supervisors; and requires interested counties to submit a Letter of Intent. As such, RR/CC submitted the Letter of Intent (Attachment III) on June 17, 2005 as a notice of interest to participate in the program.

In September 2005, the DOJ will mail an MOU substantially similar to Attachment II to counties that submitted a Letter of Intent. The terms of the MOU are negotiable to meet the specific needs of each participating county. RR/CC will work with County Counsel to ensure County requirements are met and secure County Counsel approval as to form prior to submitting MOU to DOJ. The final signed MOU is due to the DOJ on October 14, 2005.

The Chief Administrative Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and approved as to form the attached resolution.

IMPACT ON CURRENT SERVICES

Approval of the recommended action will provide a fast, efficient, and effective method of recording Real Property instruments to better serve County residents.

CONCLUSION

Upon approval of the recommendation, it is requested that the Executive Officer/Clerk of the Board return one originally stamped copy of the adopted Board letter to:

County of Los Angeles
Registrar-Recorder/County Clerk
12400 Imperial Highway, Room 7201
Norwalk, CA 90650

Attention: Ngozi Ume
Head, Management Services

Respectfully submitted,
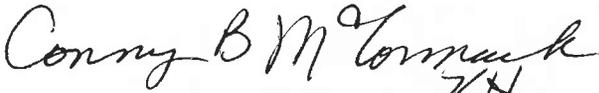
CONNY B. McCORMACK
Registrar-Recorder/County Clerk

CBM:NU:rl

Attachment (3)

c: Chief Administrative Officer
County Counsel

RESOLUTION OF THE COUNTY OF LOS ANGELES

BOARD OF SUPERVISORS

APPROVING THE COUNTY OF LOS ANGELES

PARTICIPATION

IN THE

ELECTRONIC RECORDING DELIVERY ACT OF 2004

RESOLUTION OF THE COUNTY OF LOS ANGELES BOARD OF SUPERVISORS APPROVING THE COUNTY OF LOS ANGELES PARTICIPATION IN THE ELECTRONIC RECORDING DELIVERY ACT OF 2004

WHEREAS, California Assembly Bill No. 578 of 2004 has been enacted to authorize a county recorder to establish an Electronic Recording Delivery System for the recording of specified digitized and digital electronic records; and

WHEREAS, said legislation requires a resolution from the County of Los Angeles Board of Supervisors to authorize County participation in the Electronic Recording Delivery System; and

WHEREAS, AB 578, GC 27397 authorizes a county recorder to impose a fee in an amount up to and including one dollar ($1) for each Real Property instrument that is recorded by county; and

WHEREAS, AB 578, GC 27397 (c) (2 & 3) authorizes a county recorder to impose a fee upon any vendor seeking approval of software and other services as part of an electronic recording delivery system and upon any person seeking a Submitter Agreement; and

WHEREAS, the California Attorney General has been delegated the authority and responsibility for establishing regulations and the regulation and oversight of the Electronic Recording Delivery System; and

NOW, THEREFORE, BE IT RESOLVED that the County of Los Angeles Board of Supervisors:

1. Approves the County participation in Electronic Recording Delivery Act of 2004;

2. Appoints the County of Los Angeles Registrar-Recorder/County Clerk, or her designee, as agent to conduct all negotiations and execute and submit all documents which may be necessary for the completion of the aforementioned project.

3. Approves the County of Los Angeles Registrar-Recorder/County Clerk, or her designee, as agent, to impose a fee to be adopted by the Board of Supervisors and after a public hearing, in an amount up to and including one dollar ($1) for each Real Property instrument that is recorded by the County.

4. Approves the County of Los Angeles Registrar Recorder/County Clerk, or her designee, as agent to impose a fee to be adopted by the Board of Supervisors and brought before a Public Hearing, upon any vendor seeking approval of software and other services as part of an electronic recording delivery system and to impose a fee upon any person seeking a Submitter Agreement.

5. Approves the County of Los Angeles Registrar Recorder/County Clerk, or her designee, as agent to issue payments to the California Attorney General through the Department of Justice for County's allocated share of the direct cost of program oversight.

The foregoing resolution was on the __30th__ day of August, 2005, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive
Officer-Clerk of the Board of Supervisors
of the County of Los Angeles

By: _Sylvia J. Villalobos_
                    Deputy

APPROVED AS TO FORM:

BY THE OFFICE OF COUNTY COUNSEL
RAYMOND G. FORTNER JR, County Counsel

By _____ HALVOR S. MELOM
    for Derrick Au
    Senior Deputy County Counsel

Electronic Recording Delivery System
Costs for Developing and Implementing Regulations
Memorandum of Understanding

> **NOTE: Each county's Memorandum of Understanding (MOU) will be written to meet their individual county needs, including for multiple years**

Parties

This Memorandum of Understanding (MOU) is between the California Department of Justice, hereinafter, referred to as "DOJ" and the County of _____, hereinafter referred to as "County."

Purpose

The purpose of this MOU is to comply with the Electronic Recording Delivery Act of 2004 (Gov. Code, §§ 27390-27399; "Act")[1] It is the intent of the Legislature "to develop a system to permit the electronic delivery; recording, and return of instruments affecting right, title, or interest in real property." (Stats. 2004, ch. 621, § 1, subd. (a).) The purpose of the electronic recording delivery system is to enable the County to improve: and modernize the counties' systems for recording and handling documents by permitting the electronic delivery, recording and return of specified instruments.

Acknowledgments

Both County and DOJ acknowledge that under the Act specific statutory duties must be performed *before* a county puts its electronic recording system into operation. For example, the Attorney General must adopt regulations "for the review, approval, and oversight of electronic recording delivery systems" (§ 27393); evaluate and certify the system selected by each county (§§ 27391, subd. (a); 27392, subd. (a)); "approve software and other services" (§ 27392, subd. (b)); establish a list of approved computer security auditors (§ 27394), after conducting criminal background checks (§ 27395); and certify that each county's submission method will be secure (§ 27397.5, subd. (d)). These initial duties of the Attorney General bring with them "start up" costs--costs that cannot be adequately met by the Act's scheme of generating revenue through the collection of recording fees authorized in section 2739. Furthermore, each county is responsible for paying the costs of developing, operating, and monitoring its electronic recording system. (§ 27397, subd. (a).) :

> "(a) A county establishing an electronic recording delivery system under this article *shall pay for the direct cost of regulation and oversight by the Attorney General.*"

---

[1] Hereafter, references to the Government Code are by section number only.

Agreement

DOJ and County hereby consent and agree that County will pay DOJ for an allocated share of the direct cost of developing and implementing regulations and other costs in support of the Electronic Recording Delivery Act (ERDA) of 2004, as set forth in Article 6 (commencing with Section 27390) to Chapter 6 of Division 2 of Title 3. The development of regulations is being pursued to enable the Attorney General to provide review, approval and oversight of electronic recording delivery systems.

General Provisions

County agrees to pay DOJ for an allocated share of the direct costs of developing and implementing regulations which may include all or part of the following direct costs: staff, consultant, and vendor costs for program development and implementation including hearings, meetings, travel, site visits, minutes, mailing, legal review of regulations, procedure and forms development, advertisement, and drafting and writing of regulations. Continuation of this Memorandum of Understanding beyond the first year will allow the DOJ to issue a new estimated cost figure for the next fiscal year without the necessity of a new Letter of Intent from the County. Continuation of this Memorandum of Understanding beyond the first year shall allow the DOJ' to include the cost of regulation and oversight.

County to County Formula

The direct cost of establishing the regulations and regulation and oversight is allocated to each county by the total documents recorded and filed as reported to the Office of the Insurance Commissioner, as provided in Government Code section 27296, for the previous year. The formula to determine a county's proportionate cost is set by the total documents recorded and filed per individual counties divided by the total documents recorded and filed by all participating counties. The percentage figure obtained for each county is applied to the estimated annual costs of the Attorney General to arrive at an individual county figure.. .

Estimated Cost of the Attorney General

The estimated costs of the Attorney General are those costs projected to be incurred in the next fiscal year and the costs incurred to date in establishing the regulations. County agrees to pay the DOJ for actual expenditures incurred and in accordance with the estimated costs specified herein, which is attached hereto and made a part of this MOU. The County shall annually provide the total documents recorded and filed as reported to the Office of the Insurance Commissioner, as provided in Government Code section 27296, for the previous year. The DOJ shall issue an annual estimated cost to the County based on the Cost to County Formula. The estimated cost to the County will be incorporated herein by reference.

Payback and/or Carry Over

If the actual costs exceed the estimated costs, the parties will amend this MOU to capture the additional costs. If the total actual costs are less than the estimated costs, DOJ will provide a refund to the County or allow for a carry over and credit toward the next Fiscal year at the County's discretion.

DOJ Reporting

DOJ shall report to the County every ninety (90) days on the expenditures made by the DOJ in developing and implementing regulations.

Payment

County shall pay to DOJ a lump sum of the estimated cost to the County, as incorporated herein by reference, toward the direct cost to be incurred by DOJ. Said lump sum payment to be delivered to DOJ within thirty (30) days of execution of the MOU. Payments to DOJ shall be deposited in the Electronic Recording Authorization Account, which is hereby created in the Special Deposit Fund.

Payment shall include a reference to this MOU and shall be made to:

> California Department of
> Justice Accounting Office
> 1300 I Street
> Sacramento, CA 95814

Term of MOU

The term of this MOU will be from the date this MOU is signed by the DOJ and County MOU representatives until the end of the next fiscal year. An MOU will automatically renew unless one or both parties object or there are modifications to the MOU which would require mutual agreement and signatures by both parties.

A County Recorder reserves the right to terminate this MOU upon thirty (30) days written notice to the DOJ, however, no refund of start-up costs for establishing the regulations will be granted. Refunds of payment toward regulation and oversight will be prorated as incurred in the fiscal year at the time of termination. Upon termination of the Memorandum of Understanding without the mutual intent of the parties to renew, the County Recorder shall cease operation of its electronic recording delivery system.

MOU Representatives

The MOU representatives during the term of this MOU will be:

County of
Name: Phone:
Fax:
E-mail:

Department of Justice
Name: Paul Pane
Phone: (916) 227-4705
Fax: (916) 227-2545 E-Mail:
paul.pane@.doj.ca.gov

Agreed and Accepted

Certification of MOU Representatives

I certify that I have read and understand the aforementioned statements and agree to comply with the requirements contained herein:

County of Registrar-Recorder/County Clerk
Name:

Department of Justice
Name: Paul Pane

Signed:_____

Signed: _____

Dated: _____

Dated: _____

Attachment: Estimated Costs: Attachment 1

Letter of Intent

Letter of Intent From County Participants
Fiscal Year 2004/05 and Fiscal Year 2005/06

TO: Paul Pane, Manager
Department of Justice
Field Operations / Electronic Recording Delivery System
4949 Broadway, Suite C-217B
Sacramento, CA 95820

INTENT TO PARTICIPATE

On behalf of the County of __Los Angeles__, I hereby notify the Attorney General of the County's intent to participate in the electronic recording delivery system established under the Electronic Recording Delivery Act of 2004. Pursuant to the Act, a participating county is responsible for paying the direct cost of establishing the regulations and the regulation and oversight by the Attorney General. I understand that the cost allocated to the County will depend on the number of participating counties and that the County shall receive the cost of participation from the California Department of Justice (DOJ). In order to determine the cost to the County of __Los Angeles__, enclosed herewith is a copy of the report of documents filed and recorded with the Office of the Insurance Commissioner as provided by Government Code section 27296, for the previous year. The DOJ shall respond with the cost to the County along with the estimated costs of the Attorney General for regulation and oversight to be incurred in the next fiscal year and the costs incurred to date in establishing the regulations.

Upon review and acceptance of the cost to the County, the County Recorder shall notify the DOJ of their interest to participate. The DOJ shall confirm the estimated cost to allow for any adjustments caused by a decrease or increase in county participation. If the final cost is satisfactory, the County will agree to enter into a Memorandum of Understanding with the DOJ to cover the direct cost of regulation and oversight.

Signature: _Conny B. M'Cormack_   **Date:** 6/17/05
County Recorder
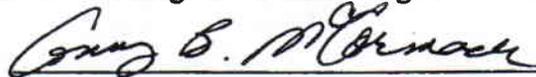
INTENT TO NOT PARTICIPATE

On behalf of the County of _____, I hereby notify the Attorney General of the County's intent to not participate in the electronic recording delivery system established under the Electronic Recording Delivery Act of 2004.

Signature: _____   **Date:** _____
County Recorder