

To House Government Operations Committee

From: Taskforce Created by Senate Government Operations – Digitization of Land Records.

Date: June 16, 2020

Regarding: Revised Proposal for Implementing Digitization of Land Records.

In light of the Committee’s guidance regarding the Digitization Committee’s original proposal for funding of an \$18,000,000 program to digitize all the land records in Vermont from 1980 to the current date, with ongoing digitization of all subsequently recorded documents, the Digitization Committee respectfully submits an alternate proposal in substantially reduced scale. The Digitization Committee believes that the project conceived by the Committee is of critical importance to the citizens of the State of Vermont and will provide significant economic benefit to all landowners whose most valuable asset is their home and to business owners who use their real property as key financial assets in operating and growing their business. Nonetheless, given the scope of the demand relative to the assets, the Digitization Committee believes that a reduced scale project as an initial project has merit. Funding of and completion of the remainder of the full scope of the project may come at a different time.

Proposal. Grant program to facilitate towns who wish to commence maintaining digital records as of 2020.

If the Legislature were to allocate \$500,000 to \$750,000 to a grant program operated by a suitable State entity (Agency of Administration or Agency of Commerce and Community Development), that would fund startup costs for a limited number of municipalities. The grants might target the first round of towns that have enough volume of transactions, or the potential for significant volume of transactions to make the investment a reasonable one. The start-up costs would enable the recipients to begin digitizing the current and future recorded documents but would not address any historical documents. The proposed sum would potentially pay:

Avenu		COTTS**	
\$500,000	\$750,000	\$500,000	\$750,000
74 Towns	111 Towns	23 Towns	35 Towns

** Given the remarkable difference in startup costs, it may be possible to adjust the equipment requirements for a COTTS system for towns with lower volumes, which would increase the potential coverage.

The criteria for participating in the grant program might involve a ranking based on: (a) population and (b) volume of real estate transactions and /or (c) the number of parcels in the applicant town. At this point in time, we can rank towns for population size based on existing data, but as of the date of this proposal, we have no useful data on the number of transactions occurring in each town. The number of parcels in the town is available from the Tax Department. Collecting that data would have to be part of the grant application. Additional qualifying criteria might also include the earmarked resources available to the town by assigning a portion of the records preservation funds to the project. It would be important to note that not all records preservation money can be used for digitization because the Towns are still required to maintain their paper records. Maintaining the paper records would account for some records preservation money. By ranking the towns according to population size and volume of real estate transactions, and the number of parcels in the municipality, the limited funds available could be dedicated to funding the communities, residents and land owners with the highest level of need, resulting in the best use of the funds.

This proposal would begin to address the major impact of the pandemic on citizens' access to the public records establishing their ownership of their most important resource and would, over an extended period of time, mitigate the impact of future events. The process of beginning widespread digitization of the land records would assist in future events that result in limited access to public buildings and public records.

The proposed partial solution is just that-a partial solution. Until all the relevant land records are available in digital format to all citizens, the process is incomplete, and does not completely solve the problem disclosed by the Covid 19 pandemic. Vermont is one of the last states in the Union to have mostly paper records (and which are public records), locked away in offices that are not accessible at all times (even during customary business hours). However, a partial solution is better than doing nothing and we would greatly appreciate the committee's support in securing the requested funding. If it turns out that additional "Tier 2" funds become available we request that as much of those funds as is possible, up to the \$18 million cost of a complete solution, also be dedicated to this undertaking.

Respectfully Submitted

Land Records Digitization Task Force

Legislative Affairs Subcommittee