

1 H.645

2 Introduced by Representatives Pinsonault of Dorset, Pritchard of Pawlet, and

3 Southworth of Walden

4 Referred to Committee on

5 Date:

6 Subject: Municipal and county government; town clerks; land records;

7 recording and indexing; indorsement; procedure for expedited or

8 delayed indorsement and recording; professions and occupations; real

9 estate broker or salesperson; property; conveyance of real estate;

10 attorneys; affidavit

11 Statement of purpose of bill as introduced: This bill proposes to establish a

12 registry of secure real property transactors who utilize an approved identity

13 verification platform to verify the identity of grantors in a real property

14 transaction. This bill also proposes to establish a procedure for town clerks to

15 expedite the indorsement of instruments submitted for recording if the grantor,

16 grantee, attorney for the grantor or grantee, real estate broker or salesperson for

17 the grantor or grantee, title insurer, or mortgage lender is a secure real property

18 transactor or otherwise uses an approved identity verification platform. This

19 bill also proposes to require attorneys, real estate brokers, and real estate

20 salespersons to take reasonable steps to verify the identity of their clients who

21 are grantors in a real property transaction.

1 An act relating to identity verification in real property transactions

2 It is hereby enacted by the General Assembly of the State of Vermont:

3 Sec. 1. 24 V.S.A. § 1159a is added to read:

4 § 1159a. PROCEDURE FOR EXPEDITED OR DELAYED

5 INDORSEMENT AND RECORDING

6 (a) Prior to indorsing a certificate on an instrument conveying any interest
7 in real property pursuant to section 1159 of this chapter, the town clerk shall
8 verify that the grantor, grantee, attorney for the grantor or grantee, real estate
9 broker or salesperson for the grantor or grantee, title insurer, or mortgage
10 lender:

11 (1) is registered with the Secretary of State as a secure real property
12 transactor; or

13 (2) has submitted documentation concerning the verification of the
14 grantor's identity using a platform approved by the Secretary of State.

15 (b) The town clerk shall prioritize and expedite the indorsement of
16 instruments that meet the requirements of subsection (a) of this section.

17 (c) If the town clerk is not able to verify the information required by
18 subsection (a) of this section, the clerk shall provide notice to the parties that
19 the instrument shall not be indorsed or deemed recorded until the date that the
20 required information is received or 15 days after the date that the instrument
21 was submitted for recording, whichever is sooner.

1 (d) The Secretary of State shall maintain a list of approved identity
2 verification platforms that may be used to verify the grantor's identity in a real
3 property transfer. The Secretary of State may adopt procedures governing the
4 requirements that a platform must meet before being added to the list. At
5 minimum, the procedures shall establish minimum standards for the identity
6 documents used by the platform, data privacy and security, and methods for
7 verifying that the grantor is the person submitting the identity documentation
8 through the platform.

9 (e) The Secretary of State shall maintain a registry of secure real property
10 transactors. A person may register as a secure real property transactor by
11 submitting to the Secretary of State:

12 (1) an annual registration fee of \$20.00;
13 (2) a statement that the person is a grantor, grantee, attorney, title
14 insurer, or mortgage lender; and
15 (3) documentation that demonstrates that the person uses an approved
16 identity verification platform to verify the identity of the grantor in real
17 property transactions.

18 (f) A person's registration as a secure real property transactor shall expire
19 one year after the date of registration and may be renewed. A secure real
20 property transactor shall notify the Secretary of State and amend their

1 registration if at any point during the term of the registration the secure real
2 property transactor begins using a different identity verification platform.

3 Sec. 2. 26 V.S.A. § 2296 is amended to read:

4 **§ 2296. UNPROFESSIONAL CONDUCT**

5 In addition to the conduct set forth in 3 V.S.A. § 129a, the following
6 conduct by those regulated under this chapter constitutes unprofessional
7 conduct:

8 * * *

9 (5) failing to fully disclose to a buyer the existence of an agency
10 relationship between the licensee and the seller; and
11 (6) failing to verify the identity of a seller pursuant to section 2300 of
12 this subchapter.

13 Sec. 3. 26 V.S.A. § 2300 is added to read:

14 **§ 2300. DUTY TO VERIFY CLIENT IDENTITY**

15 Every real estate broker or salesperson who represents a grantor of real
16 property shall take reasonable measures to verify the identity of the client. A
17 real estate broker or salesperson may fulfill the duty to verify client identity by
18 using an identity verification platform approved by the Secretary of State
19 pursuant to 24 V.S.A. § 1159a.

20 Sec. 4. 27 V.S.A. § 310 is added to read:

21 **§ 310. ATTORNEY; AFFIDAVIT OF VERIFIED GRANTOR**

1 An attorney representing a grantor in any transaction that is subject to this
2 chapter shall verify the identity of the attorney's client. Prior to the
3 conveyance of land or an estate or interest in land by the execution of a deed,
4 the attorney representing the grantor shall sign an affidavit stating that the
5 attorney has taken reasonable measures to verify the identity of the grantor.
6 The affidavit shall be included in the documents submitted for recording in the
7 land records and indexing in the general index.
8 Sec. 5. EFFECTIVE DATE
9 This act shall take effect on January 1, 2027.