

Land Record Documents Scanning

Investment: \$500,000

Benefits: \$35,000,000

Beneficiary: Citizens in reduced title insurance and increased office efficiency

Data Used:

- Base Layer: parcels
- Other Resources: county real estate documents and indices, scanning and indexing software and hardware, public access services

Description:

This analysis is based on the experiences from Dane County Wisconsin. Dane County has documented and tracked their experiences with implementation of GIS systems since the late 1980's. This analysis of benefits is based on information collected about the County Register of Deeds Office document imaging system that is linked to the county tax parcel mapping.

Land records information is a catch all terms that applies to all real estate and land management activities. It includes things like real estate tax system (mapping, assessment, valuation, tax bills etc), document filing and recording including deeds, mortgages, satisfactions, surveys and plats and land use regulation like zoning, permitting and licensing. In Wisconsin a state wide program was established in the early 1990's that increased the land records recording fees with a portion of the fees remaining in the county and a portion going to the state for grants for specific activities and support for counties that did not have sufficient document recording activity to support their GIS activities. The program is called the Wisconsin Land Information Program and its primary objective is to support local and state agencies in developing and maintaining modern land records systems including GIS.

Over the six-year period from 1999–2004 Dane County recorded an average of 159,000 land records recorded each year with 17,087 of those documents being land transfer deeds. The mortgage related transactions account for almost 70 percent of all documents recorded over the past six years.

In the mid 1990's the Register of Deeds used one of the Land Information program Grants (\$300,000) plus other retained fees and invested in a modern document imaging system complete with computerized indices for searching and retrieving records. Additionally the County purchased a tiered online access system that allows for citizens to access and print land records related to their property for a per page printing price and a second tier for title companies and abstractors to purchase full access to all land records to support title records search and abstracting. This second tier is an annual subscription fee based system. Both access systems are commercially available and are tied to the internal document imaging and document indexing system.

One of the most dramatic benefits of the system has been the reduction in title insurance fees charged in land transactions. In a typical land sale, there are two title policies, an owner’s title policy, of which the deed is the foundation, and a loan policy, of which the mortgage is the foundation. Therefore, of the various recorded documents involved in the average transaction, both the buyer and the seller typically pay for a title insurance policy. The seller pays for the new owner’s land title policy and the buyer (who is the new owner) pays for the mortgage policy. There is also a title policy during a refinance that is called a “reissue” used for refinancing mortgages that is approximately the same price as the buyer’s mortgage policy.

In 1990, the cost of title insurance in Dane County from the sale of a \$100,000 home was \$975 for the seller’s policy and \$730 for the buyer’s policy. This same home doubled in value by 2004 to \$200,000 but the basic title insurance costs for that home was actually less than in than in 1990 approximately \$400 for the seller and \$275 for the buyer.

For the period 1999 through 2004 there were 103,916 landownership transfers (sales or land contracts) with the yearly average being 17,319. The average numbers are used in Table 1 to compute benefits.

Table 1 - Comparison of Title Insurance Rates 1990-2004

	1990	2004	Savings
Average home value – normalized to 2005 values	\$ 100,000	\$ 200,000	
Title Insurance Cost (seller)	\$ 975	\$ 400	
Title Insurance cost (buyer)	\$ 730	\$ 275	
Number of transactions	17,000 (16,588 actual)	17,000 (19,310 actual)	
Re-financing mortgage title insurance (reissue)	\$ 730	\$ 275	
Number of transactions	40,000 (40,985 actual)	40,000 (54,136 actual)	
Total cost based on average number of transactions	\$58,185,000	\$ 22,475,000	\$35,710,000

The benefits of this system have been manifested in four areas.

- Staff productivity
The data show an average increase of 71 percent in the number of documents recorded per staff person since 1990.
- Cost per document
The expenses per recorded document declined by approximately 33 percent since 1990. This includes the capitol cost of the new imaging system.

- Meeting customer needs
While there are year-to-year variations, revenues have exceeded expenses by substantial amounts over the period from 1990 to 2004, particularly after the year 2000. Overall, revenues increased more than 180 percent since 1990. Following a decline in surpluses in the years of the large information technology investments, the rising trend in surpluses became impressive by 2004, increasing 271 percent since 1990. The improved services that are now offered because of the investments in information and communication technology have opened up new sources of revenues in recent years, indicating that the Register of Deeds has found new ways to satisfy the needs of its primary clients.
- Benefits to citizens in reduced title insurance costs
The increased availability of property information from the Register of Deeds through its offering of online subscription services for title searches has contributed to a reduction in fees. Over the past 15 years, title insurance fees have dramatically declined. One contributing factor is the title insurance company's shift from highly trained and qualified title search staff to more clerical staff, thus reducing their costs and the fees they charge. The improved access to archives through the online search services has been an important factor in the dramatic reductions in charges to the public for title searches.

The numbers and materials for this analysis are based on paper published in the URISA Journal in January 2009 by Jane Licht and J. David Stanfield "Modernizing the Register of Deeds in Dane County, Wisconsin".