31-LS0627\A

HOUSE BILL NO. 124

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE CLAMAN

Introduced: 4/5/19 Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the recording of documents; relating to notaries and notarization;

2 and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * **Section 1.** AS 40.17.020(a) is amended to read:

5 (a) A conveyance that is eligible for recording under AS 40.17.030 and 6 40.17.110 may be offered for recording only in the recording district in which land 7 affected by the conveyance is located. If land affected by the conveyance is located in 8 more than one recording district, an original conveyance or an electronic document 9 of the conveyance may be offered for recording in the recording district in which part 10 of the land is located and an original, [OR] a certified copy, or an electronic 11 document of the conveyance may be offered for recording in each other recording 12 district in which part of the land is located. A certified copy or an electronic 13 document of the conveyance recorded has the same effect from the time it is 14 recorded as though it were the original conveyance.

1 * Sec. 2. AS 40.17 is amended by adding a new section to read:

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Sec. 40.17.025. Validity of electronic documents. (a) If a law requires, as a condition for recording, that a document be an original, be on paper or another tangible medium, or be in writing, the requirement is satisfied by an electronic document.

6 (b) If a law requires, as a condition for recording, that a document be signed,
7 the requirement is satisfied by an electronic signature.

8 (c) A requirement that a document or a signature associated with a document 9 be notarized, acknowledged, verified, witnessed, or made under oath is satisfied if the 10 electronic signature of the person authorized to perform that act, and all other 11 information required to be included, are attached to or logically associated with the 12 document or signature. A physical or electronic image of a stamp, impression, or seal 13 need not accompany an electronic signature.

- (d) The recorder may accept for recording a tangible copy of an electronic
 record containing a notarial certificate as satisfying a requirement that a record
 accepted for recording be an original, if the notarial officer executing the notarial
 certificate certifies that the tangible copy is an accurate copy of the electronic record.
- 18 *** Sec. 3.** AS 40.17.030(a) is amended to read:
- 19 (a) Except as provided in (b), (c), and (e) of this section <u>and AS 40.17.025</u>, to
 20 be eligible for recording, a document must

(1) contain original signatures;

22 (2) be legible or capable of being converted into legible form by a
23 machine or device used in the recording office;

24 (3) be capable of being copied by the method used in the recording25 office;

(4) contain a title reflecting the overall intent of the document;

27 (5) contain the information needed to index the document under
28 regulations of the department;

29 (6) contain a book and page reference or serial number reference if the
30 document amends, corrects, extends, modifies, assigns, or releases a document
31 previously recorded in this state;

1	(7) contain the name and address of a person to whom the document
2	may be returned after recording;
3	(8) if it is a deed, contain the mailing addresses of all persons named in
4	the document who grant or acquire an interest under the document;
5	(9) contain the name of the recording district in which it is to be
6	recorded; and
7	(10) be accompanied by the applicable recording fee set by regulation;
8	if the document is to be recorded for multiple purposes, it must be accompanied by the
9	applicable fee for each of the multiple purposes.
10	* Sec. 4. AS 40.17 is amended by adding a new section to read:
11	Sec. 40.17.033. Recording of documents. (a) The recorder
12	(1) who implements a function listed in this section, shall implement
13	the function in compliance with the standards established by the department under
14	AS 40.17.800;
15	(2) may receive, index, store, archive, and transmit electronic
16	documents;
17	(3) may provide for access to and search and retrieval of documents
18	and information by electronic means;
19	(4) who accepts electronic documents for recording shall continue to
20	accept paper documents as authorized by state law and shall place entries for both
21	types of documents in the same index under AS 40.17.040;
22	(5) may convert paper documents accepted for recording into
23	electronic form;
24	(6) may convert into electronic form information recorded before the
25	recorder began to record electronic documents;
26	(7) may accept electronically a fee that the recorder is authorized to
27	collect;
28	(8) may agree with other officials of a state or a political subdivision of
29	a state or of the United States on procedures or processes to facilitate the electronic
30	satisfaction of prior approvals and conditions precedent to recording and the electronic
31	payment of fees.

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(b) In this section, "paper document" means a document that is received by the recorder in a form that is not electronic.

3 * Sec. 5. AS 40.17 is amended by adding new sections to read:

Sec. 40.17.800. Administration and standards. (a) In addition to the regulations required or authorized by this chapter, the department shall adopt standards to implement the provisions of this chapter that apply to electronic recording.

8 (b) To keep the standards, practices, and technology of this state in harmony 9 and compatible with the standards and practices of recording offices in other 10 jurisdictions that enact substantially AS 40.17.025, 40.17.033, and this section, the 11 department, so far as is consistent with the purposes, policies, and provisions of 12 AS 40.17.025, 40.17.033, and this section, in adopting, amending, and repealing 13 standards may consider

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(1) standards and practices of other jurisdictions;

15 (2) the most recent standards adopted by national standard-setting16 bodies;

17 (3) the views of interested persons and governmental officials and18 entities;

19(4) the needs of recording districts of varying size, populations, and20resources; and

(5) standards requiring adequate information security protection to
 ensure that electronic documents are accurate, authentic, adequately preserved, and
 resistant to tampering.

Sec. 40.17.810. Uniformity of application and construction. In applying and
 construing the provisions of AS 40.17.025, 40.17.033, and 40.17.800, consideration
 must be given to the need to promote uniformity of the law among the states that enact
 those provisions.

Sec. 40.17.820. Relation to Electronic Signatures in Global and National
 Commerce Act. This chapter modifies, limits, and supersedes 15 U.S.C. 7001 - 7031
 (Electronic Signatures in Global and National Commerce Act) but does not modify,
 limit, or supersede 15 U.S.C. 7001(c) or authorize electronic delivery of any of the

1	notices described in 15 U.S.C. 7003(b).
2	* Sec. 6. AS 40.17.900(5) is repealed and reenacted to read:
3	(5) "document" means information that is
4	(A) inscribed on a tangible medium or that is stored in an
5	electronic or other medium and is retrievable in perceivable form; and
6	(B) eligible to be recorded in the land records maintained by
7	the recorder;
8	* Sec. 7. AS 40.17.900 is amended by adding new paragraphs to read:
9	(11) "electronic" means relating to technology having electrical,
10	digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
11	(12) "electronic document" means a document that is received by the
12	recorder in an electronic form;
13	(13) "electronic signature" means an electronic sound, symbol, or
14	process attached to or logically associated with a document and executed or adopted
15	by a person with the intent to sign the document.
16	* Sec. 8. AS 40.17 is amended by adding a new section to read:
17	Sec. 40.17.950. Short title. AS 40.17.025, 40.17.033, and 40.17.800 may be
18	cited as the Uniform Real Property Electronic Recording Act.
19	* Sec. 9. AS 44.50.060 is amended to read:
20	Sec. 44.50.060. Duties. A notary public may
21	(1) administer oaths and affirmations;
22	(2) take the acknowledgment of or proof of execution of instruments in
23	writing, and give a notarial certificate of the proof or acknowledgment, included in or
24	attached to the instrument; the notarial certificate shall be signed by the notary public
25	in the notary public's own handwriting or by electronic means as authorized by
26	regulations adopted by the lieutenant governor:
27	(3) certify that a tangible copy of an electronic record is an
28	accurate copy of the electronic record.
29	* Sec. 10. AS 44.50.062 is amended to read:
30	Sec. 44.50.062. Prohibited acts. A notary public may not
31	(1) violate state or federal law in the performance of acts authorized by

1	this chapter;
2	(2) influence a person to enter into or avoid a transaction involving a
3	notarial act by the notary public;
4	(3) affix the notary public's signature or seal on a notarial certificate
5	that is incomplete;
6	(4) charge a fee for a notarial act unless a fee schedule has been
7	provided to the signer before the performance of the notarial act;
8	(5) affix the notary public's official seal to a document unless the
9	person who is to sign the document
10	(A) except as provided by AS 44.50.075, appears and signs
11	the document before the notary public or, for an acknowledgment, appears and
12	indicates to the notary public that the person voluntarily affixed the person's
13	signature on the document for the purposes stated within the document;
14	(B) gives an oath or affirmation if required under law or if the
15	notarial certificate states that the document was signed under oath or
16	affirmation; [AND]
17	(C) in the case of a notarial act performed in the physical
18	presence of the notary public, is personally known to the notary public,
19	produces government-issued identification containing the photograph and
20	signature of the person signing, or produces
21	(i) government-issued identification containing the
22	signature of the person signing, but without a photograph; and
23	(ii) another valid identification containing the
24	photograph and signature of the person signing; and
25	(D) in the case of a notarial act performed for a remotely
26	located individual, satisfies the requirements of AS 44.50.075;
27	(6) perform a notarial act if the notary public
28	(A) is a signer of or named in the document that is to be
29	notarized; or
30	(B) will receive directly from a transaction connected with the
31	notarial act a commission, fee, advantage, right, title, interest, cash, property,

1	or other consideration exceeding in value the normal fee charged by the notary
2	for the notarial act.
3	* Sec. 11. AS 44.50.072 is amended to read:
4	Sec. 44.50.072. Regulations. The lieutenant governor shall [MAY] adopt
5	regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes
6	of this chapter.
7	* Sec. 12. AS 44.50.072 is amended by adding new subsections to read:
8	(b) The regulations adopted by the lieutenant governor under this section must
9	provide standards for
10	(1) communication technology and identity proofing; and
11	(2) sufficient forms of notarial certificates for notarial acts performed
12	for remotely located individuals.
13	(c) The regulations adopted by the lieutenant governor under this section may
14	(1) prescribe the manner of performing notarial acts regarding tangible
15	and electronic records;
16	(2) include provisions to ensure that a change to or tampering with a
17	record bearing a certificate of a notarial act is self-evident;
18	(3) include provisions to ensure integrity in the creation, transmittal,
19	storage, or authentication of electronic records or signatures; and
20	(4) include provisions to prevent fraud or a mistake in the performance
21	of notarial acts.
22	(d) In adopting, amending, or repealing a regulation regarding notarial acts
23	with respect to electronic records, the lieutenant governor shall consider, so far as is
24	consistent with this chapter,
25	(1) the most recent standards regarding electronic records adopted by
26	national bodies;
27	(2) standards, practices, and customs of other jurisdictions with
28	substantially similar provisions; and
29	(3) the views of other governmental officials and entities and other
30	interested persons.
31	(e) A regulation adopted by the lieutenant governor regarding the performance

1	of notarial acts with respect to electronic records may not require, or accord greater
2	legal status or effect to, the implementation or application of a specific technology or
3	technical specification.
4	* Sec. 13. AS 44.50 is amended by adding a new section to read:
5	Sec. 44.50.075. Notarial act performed for remotely located individual. (a)
6	A remotely located individual may comply with AS 44.50.062(5)(A) by using
7	communication technology to appear before a notary public.
8	(b) A notary public located in this state may perform a notarial act using
9	communication technology for a remotely located individual if
10	(1) the notary public has
11	(A) personal knowledge of the identity of the individual;
12	(B) obtained satisfactory evidence of the identity of the
13	remotely located individual by oath or affirmation from a credible witness
14	appearing before the notary public under AS 44.50.062(5)(A); or
15	(C) obtained satisfactory evidence of the identity of the
16	remotely located individual by using at least two different types of identity
17	proofing;
18	(2) is able reasonably to confirm that a record before the notary public
19	is the same record in which the remotely located individual made a statement or on
20	which the individual executed a signature;
21	(3) the notary public, or a person acting on behalf of the notary public,
22	creates an audiovisual recording of the performance of the notarial act; and
23	(4) for a remotely located individual located outside the United States,
24	(A) the record
25	(i) is to be filed with or relates to a matter before a
26	public official, court, governmental entity, or other entity subject to the
27	jurisdiction of the United States; or
28	(ii) involves property located in the territorial
29	jurisdiction of the United States or involves a transaction substantially
30	connected with the United States; and
31	(B) the act of making the statement or signing the record is not

1 2 prohibited by the foreign state in which the remotely located individual is located.

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(c) If a notarial act is performed under this section, the certificate of notarial act required under AS 44.50.060 must state that the notarial act was performed using communication technology. A statement is sufficient if it states substantially as follows: "This notarial act involved the use of communication technology."

(d) A notary public, guardian, conservator, or agent of a notary public, or a
personal representative of a deceased notary public shall retain the audiovisual
recording created under (b)(3) of this section or cause the recording to be retained by a
repository designated by or on behalf of the person required to retain the recording.
Unless a different period is required by regulation adopted under (f)(4) of this section,
the recording must be retained for a period of at least 10 years after the recording is
made.

14 (e) Before a notary public performs the notary public's initial notarial act 15 under this section, the notary public shall notify the lieutenant governor that the notary 16 public will be performing notarial acts with respect to remotely located individuals 17 and identify the communication technologies the notary public intends to use. If the 18 lieutenant governor has established standards under (f)(3) of this section or 19 AS 44.50.072 for approval of communication technology or identity proofing, the 20 communication technologies and identity proofing must conform to the standards.

(f) In addition to adopting regulations under AS 44.50.072, the lieutenant
 governor may adopt regulations regarding performance of a notarial act under this
 section. The regulations may

24 (1) prescribe the means of performing a notarial act involving a
25 remotely located individual using communication technology;

26 (2) establish standards for communication technology and identity
27 proofing;

(3) establish requirements or procedures to approve providers of
 communication technology and the process of identity proofing; and

30 (4) establish standards and a period for the retention of an audiovisual
31 recording created under (b)(3) of this section.

(g) Before adopting, amending, or repealing a regulation governing performance of a notarial act with respect to a remotely located individual, the lieutenant governor shall consider

(1) the most recent standards regarding the performance of a notarial act with respect to a remotely located individual adopted by national standard-setting organizations;

7 (2) standards, practices, and customs of other jurisdictions that have
8 laws substantially similar to this section; and

9 (3) the views of other governmental officials and entities and other10 interested persons.

(h) By allowing its communication technology or identity proofing to facilitate a notarial act for a remotely located individual or by providing storage of the audiovisual recording created under (b)(3) of this section, the provider of the communication technology, identity proofing, or storage appoints the lieutenant governor as the provider's agent for service of process in any civil action in this state related to the notarial act.

17 (i) In this section,

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18 (1) "foreign state" means a jurisdiction other than the United States, a
19 state, or a federally recognized Indian tribe;

20 (2) "outside the United States" means a location outside the geographic
21 boundaries of the United States, the Commonwealth of Puerto Rico, the United States
22 Virgin Islands, and a territory, insular possession, or other location subject to the
23 jurisdiction of the United States.

24 * Sec. 14. AS 44.50 is amended by adding a new section to read:

Sec. 44.50.078. Journal. (a) A notary public shall maintain a journal in which the notary public chronicles all notarial acts that the notary public performs. The notary public shall retain the journal for 10 years after the performance of the last notarial act chronicled in the journal.

(b) A journal may be created on a tangible medium or in an electronic format.
A notary public shall maintain only one journal at a time to chronicle all notarial acts,
whether those notarial acts are performed regarding tangible or electronic records. If

1	the journal is maintained on a tangible medium, it must be in a permanent, bound
2	register with numbered pages. If the journal is maintained in an electronic format, it
3	must be in a permanent, tamper-evident electronic format complying with the
4	regulations of the lieutenant governor under AS 44.50.072.
5	(c) An entry in a journal shall be made contemporaneously with performance
6	of the notarial act and contain the following information:
7	(1) the date and time of the notarial act;
8	(2) a description of the record, if any, and type of notarial act;
9	(3) the full name and address of each individual for whom the notarial
10	act is performed;
11	(4) if identity of the individual is based on personal knowledge, a
12	statement to that effect;
13	(5) if identity of the individual is based on satisfactory evidence, a
14	brief description of the method of identification and the identification credential
15	presented, if any, including the date of issuance and expiration of the identification
16	credential; and
17	(6) the fee, if any, charged by the notary public.
18	(d) If a notary public's journal is lost or stolen, the notary public shall
19	promptly notify the lieutenant governor upon discovering that the journal is lost or
20	stolen.
21	(e) Upon resignation from, or revocation or suspension of, a notary public's
22	commission, the notary public shall retain the notary public's journal in accordance
23	with (a) of this section and inform the lieutenant governor where the journal is located.
24	(f) Instead of retaining a journal as provided in (a) and (e) of this section, a
25	current or former notary public may transmit the journal to the lieutenant governor or
26	a repository approved by the lieutenant governor.
27	(g) Notwithstanding (a) and (e) of this section, upon the death or adjudication
28	of incompetency of a current or former notary public, the notary public's personal
29	representative or guardian or another person knowingly in possession of the notary
30	public's journal shall transmit the journal to the lieutenant governor or a repository
31	approved by the lieutenant governor.

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* Sec. 15. AS 44.50 is amended by adding a new section to read:

Sec. 44.50.145. Notification regarding performance of notarial act on electronic record; selection of technology; acceptance of tangible copy of electronic record. (a) A notary public may select one or more tamper-evident technologies with which to perform notarial acts with respect to electronic records. A person may not require a notary public to perform a notarial act with respect to an electronic record with a technology that the notary public has not selected.

8 (b) Before a notary public performs the notary public's initial notarial act with 9 respect to an electronic record, a notary public shall notify the lieutenant governor that 10 the notary public will be performing notarial acts with respect to electronic records 11 and identify the technology the notary public intends to use. If the lieutenant governor 12 has established standards for approval of technology under AS 44.50.072, the 13 technology must conform to the standards. If the technology conforms to the 14 standards, the lieutenant governor shall approve the use of the technology.

15 (c) A recorder may accept for recording a tangible copy of an electronic 16 record containing a notarial certificate as satisfying any requirement that a record 17 accepted for recording be an original, if the notarial officer executing the notarial 18 certificate certifies that the tangible copy is an accurate copy of the electronic record.

19 * Sec. 16. AS 44.50 is amended by adding a new section to read:

20 Sec. 44.50.165. Validity of notarial acts. The failure of a notarial officer to 21 perform a duty or meet a requirement specified in this chapter does not invalidate a 22 notarial act performed by the notarial officer. The validity of a notarial act under this 23 chapter does not prevent an aggrieved person from seeking to invalidate the record or 24 transaction that is the subject of the notarial act or from seeking other remedies based 25 on a law of this state other than this chapter or a law of the United States. This section 26 does not validate a purported notarial act performed by an individual who does not 27 have the authority to perform a notarial act.

28 * Sec. 17. AS 44.50 is amended by adding a new section to read:

Sec. 44.50.185. Relation to Electronic Signatures in Global and National
 Commerce Act. This chapter modifies, limits, and supersedes 15 U.S.C. 7001 - 7031
 (Electronic Signatures in Global and National Commerce Act) but does not modify,

1	limit, or supersede 15 U.S.C. 7001(c) or authorize electronic delivery of any of the
2	notices described in 15 U.S.C. 7003(b).
3	* Sec. 18. AS 44.50.200(2) is amended to read:
4	(2) "notarial act" means an act, whether performed with respect to a
5	tangible or electronic record, that is identified as a notarial act under AS 09.63.120
6	and an act that a notary public is directed to perform under AS 44.50.060;
7	* Sec. 19. AS 44.50.200 is amended by adding new paragraphs to read:
8	(4) "acknowledgment" means a declaration by an individual before a
9	notarial officer that the individual has signed a record for the purpose stated in the
10	record and, if the record is signed in a representative capacity, that the individual
11	signed the record with proper authority and signed it as the act of the individual or
12	entity identified in the record;
13	(5) "communication technology" means an electronic device or process
14	that
15	(A) allows a notary public and a remotely located individual to
16	communicate with each other simultaneously by sight and sound; and
17	(B) when necessary and consistent with other applicable law,
18	facilitates communication with a remotely located individual who has a visual,
19	hearing, or speech impairment;
20	(6) "electronic" means relating to technology having electrical, digital,
21	magnetic, wireless, optical, electromagnetic, or similar capabilities;
22	(7) "electronic signature" means an electronic sound, symbol, or
23	process attached to or logically associated with a record and executed or adopted by an
24	individual with the intent to sign the record;
25	(8) "identity proofing" means a process or service by which a third
26	person provides a notary public with a means to verify the identity of a remotely
27	located individual by a review of personal information from public or private data
28	sources;
29	(9) "in a representative capacity" means acting as
30	(A) an authorized officer, agent, partner, trustee, or other
31	representative for a person other than an individual;

1 (B) a public officer, personal representative, guardian, or other 2 representative in the capacity stated in a record; 3 (C) an agent or attorney-in-fact for a principal; or 4 an authorized representative of another in any other (D) 5 capacity: 6 (10)"notarial officer" means a notary public or other individual 7 authorized to perform a notarial act; 8 "record" means information that is inscribed on a tangible (11)9 medium or that is stored in an electronic or other medium and is retrievable in 10 perceivable form; 11 (12) "remotely located individual" means an individual who is not in 12 the physical presence of a notary public who performs a notarial act under AS 44.50.075; 13 14 "sign" means, with present intent to authenticate or adopt a (13)15 record, to 16 (A) execute or adopt a tangible symbol; or 17 (B) attach to or logically associate with the record an electronic 18 symbol, sound, or process; 19 (14) "signature" means a tangible symbol or an electronic signature that evidences the signing of a record. 20 21 * Sec. 20. The uncodified law of the State of Alaska is amended by adding a new section to 22 read: 23 APPLICABILITY. (a) Sections 1 - 8 of this Act apply to an electronic document or 24 electronic signature received by the recorder on or after the effective date of secs. 1 - 8 of this Act. In this subsection, "electronic document" and "electronic signature" have the meanings 25 26 given in AS 40.17.900, as amended by sec. 7 of this Act. 27 (b) Sections 9 - 19 of this Act apply to a notarial act performed on or after the 28 effective date of secs. 9 - 19 of this Act. In this subsection, "notarial act" has the meaning 29 given in AS 44.50.200, as amended by sec. 18 of this Act. 30 * Sec. 21. The uncodified law of the State of Alaska is amended by adding a new section to 31 read:

1 TRANSITION: REGULATIONS. The Department of Natural Resources may adopt 2 regulations necessary to implement the changes made by secs. 1 - 8 of this Act. The lieutenant 3 governor may adopt regulations necessary to implement the changes made by secs. 9 - 19 of 4 this Act. The regulations adopted under this section take effect under AS 44.62 5 (Administrative Procedure Act), but not before the effective date of secs. 1 - 19 of this Act.

6 * Sec. 22. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 SAVING CLAUSE. (a) This Act does not affect the validity or effect of a document 9 recorded before the effective date of secs. 1 - 8 of this Act. In this subsection, "document" and 10 "record" have the meanings given in AS 40.17.900, as amended by sec. 6 of this Act.

(b) This Act does not affect the validity or effect of a notarial act performed before
the effective date of secs. 9 - 19 of this Act. In this subsection, "notarial act" has the meaning
given in AS 44.50.200, as amended by sec. 18 of this Act.

- 14 * Sec. 23. Section 21 of this Act takes effect immediately under AS 01.10.070(c).
- 15 * Sec. 24. Except as provided in sec. 23 of this Act, this Act takes effect January 1, 2020.