

No. 171. An act relating to modernizing land records and notarial acts law.

(H.512)

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

Sec. 1. FINDINGS AND INTENT

(a) The General Assembly finds:

(1) Uniform laws, standards, and best practices provide desirable and practicable uniformity that:

(A) benefits core aspects of government operations and commerce;

(B) facilitates intrastate and interstate business transactions,

commerce, and economic development; and

(C) provides consistency for individuals and businesses.

(2) Notarial acts and the recording of deeds and other property records are:

(A) core aspects of government operations and commerce that benefit from uniformity; and

(B) common intrastate and interstate business transactions that should be consistent and facilitated through the enactment of uniform laws and adoption of uniform standards and best practices.

(3) The Uniform Law Commission, also known as the National Conference of Commissioners on Uniform State Laws, has adopted uniform laws related to notarial acts and the recording of deeds and other property

records that have been accepted and enacted into law by a substantial number of states, including:

(A) the Revised Uniform Law on Notarial Acts or “RULONA” of 2010, which was enacted by the General Assembly pursuant to 2018 Acts and Resolves No. 160 to govern actions by a notary public;

(B) the Uniform Electronic Transaction Act or “UETA” of 1999, which was enacted by the General Assembly pursuant to 2003 Acts and Resolves No. 46 to establish the legal equivalence of electronic records and signatures with paper records and manually signed signatures and remove barriers to electronic commerce; and

(C) the Uniform Real Property Electronic Recording Act or “URPERA” of 2004, which has not been enacted by the General Assembly to allow local recording offices to accept deeds and other property records in electronic form and to provide electronic access to recordings.

(4) The COVID-19 pandemic exacerbated the need to modernize:

(A) notarial acts to include those performed on electronic records and for remotely located individuals; and

(B) the acceptance, recording, and availability of deeds and other property records in electronic form.

(5) The COVID-19 pandemic underscored the need for approaches to modernization that are carefully planned; coordinated and comprehensive;

multi-jurisdictional; and include fiscal, governance, and operational sustainability.

(b) Therefore, it is the intent of the General Assembly to provide a practical step forward to modernizing notarial acts and the recording of deeds and other property records in the State of Vermont through legislation that promotes uniformity within Vermont and with other states, specifically:

(1) uniform laws that have been accepted and enacted into law by a substantial number of states;

(2) uniform standards and best practices that have been accepted and adopted by a substantial number of states; and

(3) uniform approaches to modernization that are carefully planned; coordinated; comprehensive; multi-jurisdictional; and have fiscal, governance, and operational sustainability.

Sec. 2. 27 V.S.A. chapter 5, subchapter 8 is added to read:

Subchapter 8. Uniform Real Property Electronic Recording Act

§ 621. SHORT TITLE

This subchapter may be cited as the Uniform Real Property Electronic Recording Act.

§ 622. DEFINITIONS

For the purposes of this subchapter:

(1) “Document” means information that is:

(A) inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form; and

(B) eligible to be recorded in the land records maintained by the recorder.

(2) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) “Electronic document” means a document that is received by the recorder in an electronic form.

(4) “Electronic signature” means an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign the document.

(5) “Person” means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; public corporation; government; governmental subdivision, agency, or instrumentality; or any other legal or commercial entity.

(6) “Recorder” means a town clerk, pursuant to 24 V.S.A. § 1154, or a county clerk, pursuant to subchapter 3 of this chapter, responsible for recording deeds and other instruments or evidences respecting real estate.

(7) “State” means a state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

§ 623. 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 satisfying this subchapter.

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

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

§ 624. RECORDING OF DOCUMENTS

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

(b) A recorder:

(1) who implements any of the functions listed in this section shall do so in compliance with the most recent standards and best practices;

(2) may receive, index, store, transmit, and preserve electronic documents;

(3) may provide for access to, and for search and retrieval of, documents and information by electronic means;

(4) who accepts electronic documents for recording shall continue to accept paper documents as authorized by State law and shall place entries for both types of documents in the same index;

(5) may convert paper documents accepted for recording into electronic form;

(6) may convert into electronic form information recorded before the recorder began to record electronic documents;

(7) may accept electronically any fee the recorder is authorized to collect; and

(8) may agree with other officials of this State or a political subdivision thereof, or of the United States, on procedures or processes to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording and the electronic payment of fees.

§ 625. STANDARDS AND BEST PRACTICES

To ensure consistency in the standards and best practices of, and the technologies used by, recorders in this State, all recordings of deeds and other instruments or evidences respecting real estate, regardless of format, shall comply with standards and best practices issued by the Vermont State Archives and Records Administration pursuant to 3 V.S.A. § 117. Recorders shall seek services from the Vermont State Archives and Records Administration to comply with the standards and best practices issued in accordance with this subchapter. No provisions of this subchapter shall be implemented unless a

recorder has complied with the standards and best practices issued by the Vermont State Archives and Records Administration in accordance with this subchapter.

§ 626. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

This subchapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001, et seq.) but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. § 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. § 7003(b)).

Sec. 3. VERMONT STATE ARCHIVES AND RECORDS
ADMINISTRATION; REPORT

(a)(1) On or before January 15, 2024, the Vermont State Archives and Records Administration shall submit a report to the House Committees on Commerce and Economic Development and on Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning the fiscal, governance, and operational sustainability of uniform approaches to the modernization of the acceptance, recording, and availability of deeds and other property records, regardless of format.

(2) For the report required by this subsection, the Vermont State Archives and Records Administration shall consult with:

(A) the Joint Fiscal Office;

(B) the Vermont League of Cities and Towns;

(C) the Vermont Municipal Clerks' and Treasurers' Association;

(D) representatives from the banking, bar, title insurance, and real estate industry; and

(E) other interested parties.

(b) The report shall be based on analyses of the following:

(1) services requested by recorders pursuant to 27 V.S.A. § 625 to achieve consistency and uniformity in standards and best practices;

(2) systems currently deployed by recorders and associated costs; and

(3) anticipated recorder costs to transition to electronic recording pursuant to 27 V.S.A. chapter 5, subchapter 8.

(c) On or before January 15, 2023, the Vermont State Archives and Records Administration shall prepare an interim report concerning the information and analyses required by this section and submit the interim report to the House Committees on Commerce and Economic Development and Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and Government Operations

Sec. 4. VERMONT STATE ARCHIVES AND RECORDS

ADMINISTRATION; POSITION

There is created within Vermont State Archives and Records Administration one new permanent classified position to facilitate and provide

the services described in 27 V.S.A. § 625. Any funding necessary to support the position created in this section shall be derived from the Secretary of State Services Fund, with no General Fund dollars.

Sec. 5. 26 V.S.A. chapter 103 is amended to read:

CHAPTER 103. NOTARIES PUBLIC

* * *

§ 5304. DEFINITIONS

As used in this chapter:

* * *

(4) “Communication technology” means an electronic device or process operating in accordance with section 5380 of this chapter and any standards adopted by the Office pursuant to section 5323 of this chapter that:

(A) allows a notary public and a remotely located individual to communicate with each other simultaneously by sight and sound; and

(B) when necessary and consistent with other applicable laws, facilitates communication with a remotely located individual who has a vision, hearing, or speech impairment.

(5) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

~~(5)~~(6) “Electronic signature” means an electronic symbol, sound, or process attached to or logically associated with a record and executed or adopted by an individual with the intent to sign the record.

(7) “Foreign state” means a government other than the United States, a state, or a federally recognized Indian tribe.

(8) “Identity proofing” means a process or service operating in accordance with section 5380 of this chapter and any standards adopted by the Office pursuant to section 5323 of this chapter by which a third person provides a notary public with a means to verify the identity of a remotely located individual by a review of personal information from public or private data sources.

~~(6)~~(9) “In a representative capacity” means acting as:

* * *

~~(7)~~(10)(A) “Notarial act” means an act, whether performed with respect to a tangible or an electronic record, that a notary public may perform under the law of this State. The term includes taking an acknowledgment, administering an oath or affirmation, taking a verification on oath or affirmation, attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument.

* * *

~~(8)~~(11) “Notarial officer” means ~~an individual authorized to perform a notarial act under authority and within the jurisdiction of another state, under authority and within the jurisdiction of a federally recognized Indian tribe, under authority of federal law, under authority and within the jurisdiction of a foreign state or constituent unit of the foreign state, or under authority of a~~

~~multinational or international governmental organization~~ a notary public or other individual authorized to perform a notarial act.

(9)(12) “Notary public” means an individual commissioned to perform a notarial act by the Office.

(10)(13) “Office” means the Office of Professional Regulation within the Office of the Secretary of State.

(11)(14) “Official stamp” means a physical image affixed to or embossed on a tangible record or an electronic ~~process, seal, or image or electronic information~~ attached to or logically associated with an electronic record.

(15) “Outside the United States” means a location outside the geographic boundaries of the United States; Puerto Rico; the U.S. Virgin Islands; and any territory, insular possession, or other location subject to the jurisdiction of the United States.

(12)(16) “Person” means an individual, corporation, business trust, statutory trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13)(17) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(18) “Remotely located individual” means an individual who is not in the physical presence of the notary public who performs a notarial act under section 5379 of this chapter.

~~(14)~~(19) “Sign” means, with present intent to authenticate or adopt a record:

* * *

~~(15)~~(20) “Signature” means a tangible symbol or an electronic signature that evidences the signing of a record.

~~(16)~~(21) “Stamping device” means:

* * *

~~(17)~~(22) “State” means a state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

~~(18)~~(23) “Verification on oath or affirmation” means a declaration, made by an individual on oath or affirmation before a notary public, that a statement in a record is true.

* * *

§ 5323. RULES

(a) The Office, with the advice of the advisor appointees, may adopt rules to implement this chapter. The rules may:

* * *

(4) prescribe the process of granting, renewing, conditioning, denying, suspending, or revoking the commission or special commission endorsement of or otherwise disciplining a notary public and assuring the trustworthiness of an individual holding a commission or special commission endorsement as notary public;

(5) include provisions to prevent fraud or mistake in the performance of notarial acts; ~~and~~

~~(6) prescribe standards for remote online notarization, including standards for credential analysis, the process through which a third person affirms the identity of an individual, the methods for communicating through a secure communication link, the means by which the remote notarization is certified, and the form of notice to be appended disclosing the fact that the notarization was completed remotely on any document acknowledged through remote online notarization~~ the means of performing a notarial act involving a remotely located individual using communication technology;

(7) establish standards for communication technology and identity proofing;

(8) establish standards and a period for the retention of an audiovisual recording created under section 5379 of this chapter; and

(9) prescribe methods for a notary public to confirm, under subsections 5379(c) and (d) of this chapter, the identity of a tangible record.

(b) Rules adopted regarding the performance of notarial acts with respect to electronic records and remote online notarization may not require, or accord greater legal status or effect to, the implementation or application of a specific technology or technical specification. In adopting, amending, or repealing rules regarding notarial acts with respect to electronic records and remote online notarization, the Office shall consider, as far as is consistent with this chapter:

(1) the most recent standards regarding electronic records ~~and remote online notarization~~ promulgated by national bodies, such as the National Association of Secretaries of State;

(2) standards, practices, and customs of other jurisdictions that have laws substantially ~~enact~~ similar to this chapter; and

* * *

~~(c) Neither electronic notarization nor remote online notarization shall be allowed until the Secretary of State has adopted rules and prescribed standards in these areas. [Repealed.]~~

§ 5324. FEES

(a) For the issuance of a commission as a notary public, the Office shall collect a fee of ~~\$15.00~~ \$30.00.

(b) For issuance of a special endorsement authorizing the performance of electronic and remote notarial acts in accordance with subsection 5341(d) of this chapter, the Office shall collect a fee of \$30.00.

* * *

§ 5341. COMMISSION AS NOTARY PUBLIC; QUALIFICATIONS; NO
IMMUNITY OR BENEFIT

* * *

(d) ~~Upon compliance with this section, the Office shall issue a commission as a notary public to an applicant, which shall be valid through the then current commission term end date~~ A notary public shall not perform a notarial act on an electronic record or for a remotely located individual without obtaining a special endorsement from the Office. A notary public shall hold a notary public commission to be eligible for a special endorsement to perform notarial acts on electronic records and for remotely located individuals. The Office shall adopt rules for obtaining and regulating a special commission endorsement authorizing a notary public to perform notarial acts on electronic records and for remotely located individuals. These rules shall require notaries public performing notarial acts on electronic records and for remotely located individuals to ensure the communication technology and identity proofing used for the performance of the notarial act on electronic records or for remotely located individuals comply with the requirements of section 5380 of this chapter and any rules adopted by the Office in accordance with section 5323 of this chapter. A notary public shall apply for the special commission endorsement for the performance of notarial acts on electronic records and for remotely located individuals by filing with the Office an application provided

by the Office accompanied by the required fees and evidence of eligibility, as required in rules adopted by the Office in accordance with section 5323 of this chapter.

(e) A commission to act as a notary public authorizes the notary public to perform notarial acts except for notarial acts on electronic records or for remotely located individuals. A commission with a special endorsement issued under subsection (d) of this section authorizes a notary public to perform notarial acts on electronic records and for remotely located individuals. The commission does not provide the notary public any immunity or benefit conferred by law of this State on public officials or employees.

* * *

§ 5362. AUTHORIZED NOTARIAL ACTS

(a) A notary public may perform a notarial act as authorized by and in accordance with the requirements of this chapter or otherwise by law of this State.

* * *

(c) A notary public may certify that a tangible copy of an electronic record is an accurate copy of the electronic record.

§ 5363. REQUIREMENTS FOR CERTAIN NOTARIAL ACTS

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(e) Copies. A notary public who certifies or attests a copy of a record or an item that was copied shall determine that the copy is a full, true, and accurate transcription or reproduction of the record or item.

§ 5364. PERSONAL APPEARANCE REQUIRED

(a) If a notarial act relates to a statement made in or a signature executed on a record, the individual making the statement or executing the signature shall appear personally before the notary public.

~~(b) The requirement for a personal appearance is satisfied if:~~

~~(1) the notary public and the person executing the signature are in the same physical place; or~~

~~(2) the notary public and the person are communicating through a secure communication link using protocols and standards prescribed in rules adopted by the Secretary of State pursuant to the rulemaking authority set forth in this chapter. [Repealed.]~~

* * *

§ 5368. SHORT-FORM CERTIFICATES

The following short-form certificates of notarial acts shall be sufficient for the purposes indicated, if completed with the information required by subsections 5367(a) and (b) of this chapter:

* * *

(5) For certifying a copy of a record:

State of _____

County of _____

I certify that this is a true and correct copy of a record in the possession of

Dated _____

Signature of notarial officer _____

Stamp _____

Title of office _____ [My commission expires: _____]

* * *

§ 5371. NOTIFICATION REGARDING PERFORMANCE OF NOTARIAL
ACT ON ELECTRONIC RECORD; SELECTION OF
TECHNOLOGY

(a) A notary public holding a special commission endorsement pursuant to subsection 5341(d) of this title and who is thus authorized to perform notarial acts on electronic records may select one or more tamper-evident technologies to perform notarial acts with respect to electronic records ~~from the tamper-evident technologies approved by the Office by rule~~. A person shall 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.

(b) ~~Before a notary public performs the notary public's initial notarial act with respect to an electronic record, the notary public shall notify the Office~~

~~that the notary public will be performing notarial acts with respect to electronic records and identify the technology the notary public intends to use from the list of technologies approved by the Office by rule. If the Office has established standards by rule for approval of technology pursuant to section 5323 of this chapter, the technology shall conform to the standards. If the technology conforms to the standards, the Office shall approve the use of the technology~~ A recorder, as defined in 27 V.S.A. § 622, may accept for recording a tangible copy of an electronic record containing a notarial certificate as satisfying any requirement that a record accepted for recording be an original, if the notary public executing the notarial certificate certifies that the tangible copy is an accurate copy of the electronic record.

* * *

§ 5379. NOTARIAL ACT PERFORMED FOR REMOTELY LOCATED
INDIVIDUAL

(a) A remotely located individual may comply with section 5364 of this chapter by using communication technology to appear before a notary public with a special commission endorsement.

(b) A notary public located in this State may perform a notarial act using communication technology for a remotely located individual if:

(1) the notary public holds a special commission endorsement pursuant to subsection 5341(d) of this title;

(2) the notary public:

(A) has personal knowledge under subsection 5365(a) of this chapter of the identity of the individual;

(B) has satisfactory evidence of the identity of the remotely located individual by oath or affirmation from a credible witness appearing before the notary public under subsection 5365(b) of this chapter; or

(C) has obtained satisfactory evidence of the identity of the remotely located individual by using at least two different types of identity proofing;

(3) the notary public is reasonably able to confirm that a record before the notary public is the same record in which the remotely located individual made a statement or on which the individual executed a signature;

(4) the notary public, or a person acting on behalf of the notary public, creates an audiovisual recording of the performance of the notarial act; and

(5) for a remotely located individual located outside the United States:

(A) the record:

(i) is to be filed with or relates to a matter before a public official or court, governmental entity, or other entity subject to the jurisdiction of the United States; or

(ii) involves property located in the territorial jurisdiction of the United States or involves a transaction substantially connected with the United States; and

(B) the act of making the statement or signing the record is not prohibited by the foreign state in which the remotely located individual is located.

(c) A notary public in this State may use communication technology under subsection (b) of this section to take an acknowledgement of a signature on a tangible record physically present before the notary public if the record is displayed to and identified by the remotely located individual during the audiovisual recording under subdivision (b)(4) of this section.

(d) The requirement under subdivision (b)(3) of this section for the performance of a notarial act with respect to a tangible record not physically present before the notary public is satisfied if:

(1) the remotely located individual:

(A) during the audiovisual recording under subdivision (b)(4) of this section, signs:

(i) the record; and

(ii) a declaration, in substantially the following form, that is part of or securely attached to the record:

I declare under penalty of perjury that the record of which this declaration is part or to which it is attached is the same record on which (name of notary public), a notary public, performed a notarial act and before whom I appeared by means of communication technology on _____ (date).

Signature of remotely located individual

Printed name of remotely located

individual _____ ; and

(B) sends the record and declaration to the notary public not later than three days after the notarial act was performed; and

(2) the notary public:

(A) in the audiovisual recording under subdivision (b)(4) of this section, records the individual signing the record and declaration; and

(B) after receipt of the record and declaration from the individual, executes a certificate of notarial act under section 5367 of this chapter, which must include a statement in substantially the following form:

I, (name of notary public), witnessed, by means of communication technology, (name of remotely located individual) sign the attached record and declaration on (date).

(e) A notarial act performed in compliance with subsection (d) of this section complies with subdivision 5367(a)(1) of this chapter and is effective on the date the remotely located individual signed the declaration under subdivision (d)(1)(A)(ii) of this section.

(f) Subsection (d) of this section does not preclude use of another procedure to satisfy subdivision (b)(3) of this section for a notarial act performed with respect to a tangible record.

(g) A notary public located in this State may use communication technology under subsection (b) of this section to administer an oath or affirmation to a remotely located individual if, except as otherwise provided by other law of this State, the notary public:

(1) identifies the individual under subdivision (b)(2) of this section;

(2) creates or causes the creation under subdivision (b)(4) of this section of an audiovisual recording of the individual taking the oath or affirmation;
and

(3) retains or causes the retention under subsection (k) of this section of the recording.

(h) The notary public shall ensure that the communication technology and identity proofing used to perform a notarial act for a remotely located individual complies with section 5380 of this chapter and any standards adopted by the Office in accordance with section 5323 of this chapter.

(i) If a notarial act is performed under this section, the certificate of notarial act required by section 5367 of this chapter and the short-form certificate provided in section 5368 of this chapter must indicate that the notarial act was performed using communication technology.

(j) A short-form certificate provided in section 5368 of this chapter for a notarial act subject to this section is sufficient if it:

(1) complies with rules adopted under section 5323 of this chapter; or

(2) is in the form provided in section 5367 of this chapter and contains a statement substantially as follows: “This notarial act involved the use of communication technology.”

(k) 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 subdivision (b)(4) 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 rules adopted under section 5323 of this chapter, the recording must be retained for a period of at least 10 years after the recording is made.

(l) Providers of the communication technologies, identity proofing, or storage must be registered with the Secretary of State to do business in Vermont and, by allowing communication technology or identity proofing to facilitate a notarial act of an electronic record or for a remotely located individual or by providing storage of the audiovisual recording under subdivision (b)(3) of this section, providers of the communication technology, identity proofing, or storage consent and agree that the service or process being provided is in compliance with the requirements set forth in this chapter and with any rules adopted by the Office.

§ 5380. COMPUTER TECHNOLOGY AND IDENTITY PROOFING

PROVIDERS; MINIMUM STANDARDS

(a) Communication technology and identity proofing providers shall develop, maintain, and implement processes and services that are consistent with the requirements of this chapter and industry standards and best practices for the process or service provided. Providers must also comply with all applicable federal and State regulations, rules, and standards, including:

(1) with respect to communication technology, regulations, rules, and standards specific to simultaneous communication by sight and sound and information and communication technology for individuals with physical, sensory, and cognitive disabilities; and

(2) with respect to identity proofing, regulations, rules, and standards specific to the enrollment and verification of an identity used in digital authentication.

(b) A provider of communication technology or identity proofing shall provide evidence to the notary public's satisfaction of the provider's ability to satisfy the requirements of this chapter for the service or process being provided.

Sec. 6. EFFECTIVE DATES

(a) This section and Sec. 4 (Vermont State Archives and Records Administration; position) shall take effect on passage.

(b) Secs. 1, 2, 3, and 5 shall take effect on July 1, 2022.

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Date Governor signed bill: June 2, 2022