

2019-2020 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

LRBs0082/P2ins ARG:...

1			
2	INSERT 2-6:		
3	(ro) creating a remote notary council,		
4			
5	INSERT 2-7:		
6	providing an exemption from emergency rule procedures,		
7			
8	INSERT 2-8:		
9	SECTION 1. 15.01 (4) of the statutes is amended to read:		
10	imes 15.01 (4) "Council" means a part-time body appointed to function on a		
11	continuing basis for the study, and recommendation of solutions and policy		
12	2 alternatives, of the problems arising in a specified functional area of state		
13	3 government, except the council on physical disabilities has the powers and duties		
14	4 specified in s. 46.29 (1) and (2), the state council on alcohol and other drug abuse has		
15	the powers and duties specified in s. 14.24, and the electronic recording council has		
16	the powers and duties specified in s. 706.25 (4), and the remote notary council has		
17	the powers and duties specified in s. 140.145 (11).		
	History: 1977 c. 29, 274; 1979 c. 34; 1983 a. 27, 189, 371, 410, 538; 1985 a. 29, 120, 180; 1987 s. 27, 342, 399; 1989 a. 31, 107, 202; 1991 a. 39, 269, 315; 1993 a. 16, 107, 210, 215; 1995 a. 27 ss. 74 and 9145 (1); 1995 a. 442, 462; 1997 a. 27, 237; 2001 a. 16, 105, 109; 2005 a. 25, 421; 2007 a. 20; 2009 a. 28; 2011 a. 32, 38; 2013 a. 20; 2015 a. 55, 118; 2017 a. 59.		
18	SECTION 2. 15.185 (title) of the statutes is amended to read:		
19	×15.185 (title) Same; attached boards and, offices, and councils.		
	History: 1995 a. 27, ss. 135, 136, 196, 197, 201, 203, 216, 217; 1997 a. 27; 2003 a. 33; 2017 a. 59 s. 34.		
20	Section 3. 15.185 (8) of the statutes is created to read:		
21	$\times 15.185$ (8) Remote notary council. (a) There is created a remote notary council		
22	which is attached to the department of financial institutions under s. 15.03.		

1	(b) The council shall be composed of the following members appointed for
2	3-year terms:
3	1. One member who represents an association of title insurance companies.

- 2. One member who represents attorneys who practice real estate law.
- 3. One member who represents an association of bankers.
- 4. One member who represents the providers of communication technology used to perform a notarial act involving a remotely located individual.
 - 5. The secretary of financial institutions or the secretary's designee.

INSERT 14-14:

Section 4. 140.02 (5r) of the statutes is created to read:

×140.02 (**5r**) CONFIDENTIALITY. (a) In this subsection, "communication technology" has the meaning given in s. 140.145 (1) (a).

(b) Except as provided in par. (c), a notary public or any provider of communication technology shall keep confidential all documents and information provided to the notary public or provider of communication technology or contained in any documents reviewed by the notary public or provider of communication technology while performing his, her, or its duties as a notary public or provider of communication technology and may release the documents or the information to a 3rd person only with the written consent of the person who requested the services of the notary public or the provider of communication technology. The prohibition under this paragraph does not apply when the notary public or the provider of communication technology is complying with a request from a regulatory agency or supervisory agency or is responding to a lawful subpoena or court order.

1	(c) 1. A notary public or provider of communication technology may release	
2	deposition transcripts to all parties of record in an action.	
3	2. Subject to subd. 1., a notary public or provider of communication technology	
4	may not release deposition transcripts that have not been made part of the publ	
5	record to a 3rd party without the written consent of all parties to the action and the	
6	deponent unless required by a regulatory agency or supervisory agency or	
7	response to a lawful subpoena or court order.	
8	3. When a deposition transcript has been made part of the public record, a	
9	notary public who is also a court reporter may, subject to a protective order or	
10	agreement to the contrary, release the deposition transcript or sell the transcript to	
11	3rd parties without the consent of the person who requested the services of the notary	
12	public.	
13	(c) Any notary public or provider of communication technology violating this	
14	subsection shall be subject to sub. (8) and may be required to forfeit not more than	
15	\$500 for each violation.	
16		
17	INSERT 22-23:	
18	($M^{(n)}$) Notarial act performed for remotely located individual. (1) In this	
19	section:	
20	(a) "Communication technology" means an electronic device or process that	
21	satisfies all of the following:	
22	1. The device or process allows a notary public and a remotely located	
23	individual to communicate with each other simultaneously by sight and sound.	

1	2. When necessary and consistent with other applicable law, the device or
2	process facilitates communication with a remotely located individual who has a
3	vision, hearing, or speech impairment.
4	(b) "Foreign state" means a jurisdiction other than the United States, a state,
5	or a federally recognized Indian tribe.
6	(c) "Identity proofing" means a process or service by which a 3rd person
7	provides a notary public with a means to verify the identity of a remotely located
8	individual by a review of personal information from public or private data sources.
9	(d) "Outside the United States" means a location outside the geographic
10	boundaries of the United States, Puerto Rico, the U.S. Virgin Islands, and any
11	territory, in sular possession, or other location subject to the jurisdiction of the United Alphabethalpha and and an extension an extension and an extension an extension and an extension and an extension an extension an extension and an extension an extensi
12	States.
13	(e) "Remotely located individual" means an individual who is not in the
14	physical presence of the notary public who performs a notarial act under sub. (3).
15	(1m) For purposes of determining the jurisdiction in which a notarial act is
16	performed for a remotely located individual, the location of the notary public shall
17	be determinative.
18	(2) A remotely located individual may comply with s. 140.06 by using
19	communication technology to appear before a notary public.
20	(3) A notary public located in this state may perform a notarial act using
21	communication technology for a remotely located individual if all of the following

(a) The notary public has any of the following:

1. Personal knowledge under s. 140.07 (1) of the identity of the individual.

apply:

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1	2. Satisfactory evidence of the identity of the remotely located individual by	
2	oath or affirmation from a credible witness appearing before the notary public unde	
3	s. 140.07 (2) or this section.	
5	3. Obtained satisfactory evidence of the identity of the remotely located individual by using at least two different types of identity proofing.	
6	(b) The notary public is able reasonably to confirm that a record before the	
7	notary public is the same record in which the remotely located individual made a	
8	statement or on which the individual executed a signature.	
9	(c) The notary public, or a person acting on behalf of the notary public, creates	
10	an audio-visual recording of the performance of the notarial act.	
11	(d) For a remotely located individual located outside the United States, all of	
12	the following are satisfied:	
13	1. The record satisfies any of the following requirements:	
14	a. The record is to be filed with or relates to a matter before a public official or	
15	court, governmental entity, or other entity subject to the jurisdiction of the United	
16	States.	
17	b. The record involves property located in the territorial jurisdiction of the	
18	United States or involves a transaction substantially connected with the United	
19	States.	
20	2. The act of making the statement or signing the record is not prohibited by	
21	the foreign state in which the remotely located individual is located.	
22	(4) If a notarial act is performed under this section, the certificate of notarial	
23	act required by s. 140.15 and the short form certificate provided in s. 140.16 must	

indicate that the notarial act was performed using communication technology.

1	(5) A short form certificate provided in s. 140.16 for a notarial act subject to this
2	section is sufficient if any of the following applies:
3	(a) The certificate complies with rules promulgated under sub. (8) (a).
4	(b) The certificate is in the form provided in s. 140.16 and contains a statement
5	substantially as follows: "This notarial act involved the use of communication
6	technology."
7	(6) A notary public, a guardian, conservator, or agent of a notary public, or a
8	personal representative of a deceased notary public shall retain the audio-visual
9	recording created under sub. (3) (c) or cause the recording to be retained by a
10	repository designated by or on behalf of the person required to retain the recording.
11	Unless a different period is required by rule promulgated under sub. (8) (d), the
12	recording must be retained for a period of at least 7 years after the recording is made.
13	(7) Before a notary public performs the notary public's initial notarial act under
14	this section, the notary public must notify the department that the notary public will
15	be performing notarial acts with respect to remotely located individuals and identify
16	the technologies the notary public intends to use. If the department has established
17	standards under sub. (8) and s. 140.27 for approval of communication technology or
18	identity proofing, the communication technology and identity proofing must conform
19	to the standards.
20	(8) In addition to promulgating rules under s. 140.27, the department shall
21	promulgate rules under this section regarding performance of a notarial act. The
22	rules may do any of the following:
23	(a) Prescribe the means of performing a notarial act involving a remotely
24	located individual using communication technology.

(b) Establish standards for communication technology and identity proofing.

(c) Establish requirements or procedures to approve providers of		
communication technology and the process of identity proofing.		
(d) Establish standards and a period for the retention of an audio-visual		
recording created under sub. (3) (c).		
(e) Establish any other requirement, not inconsistent with this chapter		
relating to the performance of a notarial act for a remotely located individual.		
(9) Before promulgating, amending, or repealing a rule governing performance		
of a notarial act with respect to a remotely located individual, the department must		
consider all of the following:		
(a) The most recent standards regarding the performance of a notarial act with		
respect to a remotely located individual promulgated by national standard-setting		
organizations and the recommendations of the National Association of Secretaries		
of State or any successor organization.		
(b) Standards, practices, and customs of other jurisdictions that have laws		
substantially similar to this section.		
(c) The views of governmental officials and entities and other interested		
persons.		
(10) This section does not apply to a transaction to the extent it is governed by		
any of the following:		
(a) Any law governing the creation and execution of wills, codicils, or		
testamentary trusts.		
(b) Any law governing the creation and execution of living trusts or trust		
amendments for personal use, not including a transaction, as defined in s. 137.11		

(15).

1	(c) Any law governing the creation and execution of powers of attorney, not
2	including a transaction, as defined in s. 137.11 (15).
3	(d) Any law governing the creation and execution of marital property
4	agreements.
5	(e) Any law governing the creation and execution of powers of attorney for
$\stackrel{\frown}{6}$	health care, declarations to physicians (living wills) and authorizations for use and
7	disclosure of protected health care information.
8	(11) (a) The remote notary council shall adopt standards to implement this
9	section. The department shall promulgate by rule the standards adopted, amended,
10	or repealed by the council under this paragraph.
11	(b) To keep the standards and practices of notaries public in this state in
12	harmony with the standards and practices of notaries public in other jurisdictions
13	that enact substantially this section and to keep the technology used by notaries
14	public in this state compatible with technology used by notaries public in other
15	jurisdictions that enact substantially this section, the remote notary council, so far
16	as is consistent with the purposes, policies, and provisions of this section, in
17	adopting, amending, and repealing standards shall consider all of the following:
18	1. Standards and practices of other jurisdictions.
19	2. The most recent standards promulgated by national standard-setting
20	bodies.
21	3. The views of interested persons and governmental officials and entities.
22	4. The needs of counties of varying sizes, populations, and resources.
23	5. The need for security protection to ensure that notarial acts for remotely

located individuals are accurate, authentic, adequately preserved, and resistant to

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tampering.

(c) The remote notary council shall review the statutes related to notarial acts
for remotely located individuals and shall recommend to the legislature any changes
in the statutes that the council finds necessary or advisable.
INSERT 39-11:
5. Prescribe the process of granting, renewing, conditioning, denying,
suspending, or revoking a notary public commission and assuring the
trustworthiness of an individual holding a commission as a notary public.
INSERT 40-21:
SECTION 5. 140.30 of the statutes is created to read:
×140.30 Uniformity of application and construction. In applying and
construing this chapter, consideration must be given to the need to promote
uniformity of the law with respect to its subject matter among states that enact it.
INSERT 41-3:
Section 6. 140.34 of the statutes is created to read:
140.34 Short title. This chapter may be cited as the Revised Uniform Law on
Notarial Acts (2018).
INSERT 46-10:
Section 7. Nonstatutory provisions.
(1) Emergency rules. Using the procedure under s. 227.24, the department
of financial institutions shall promulgate rules required under, and may promulgate
rules authorized under, ss. 140.145 (8) and 140.27 for the period before the effective

1	date of the permanent rules promulgated under ss. 140.145 (8) and 140.27 but no	
2	to exceed the period authorized under s. 227.24 (1) (c), subject to extension under	
3	required to provide evidence that promulgating a rule under this subsection as emergency rule is necessary for the preservation of the public peace, health, safe	
4		
5		
6		
7	promulgated under this subsection. Notwithstanding s. 227.24 (1) (e) 1d., the	
8	department of financial institutinos is not required to prepare a statement of scope	
9	of the rules promulgated under this subsection. Notwithstanding s. 227.24(1)(e) 1g.,	
10	the department of financial institutions is not required to present the rules	
11	promulgated under this subsection to the governor for approval. The department of financial institutions shall promulgate the rules under this subsection no later that the first day of the 4th month beginning after the effective date of this subsection (2) Initial terms for members of remote notary council. Notwithstanding the	
12		
13		
14		
15	length of terms of the members of the remote notary council specified in s. 15.185 (8)	
16	(b) (intro.), the following members shall be appointed for the following initial terms:	
17	(a) The member appointed under s. 15.185 (8) (b) 2. shall be appointed for an	
18	initial one-year term.	
19	(b) The member appointed under s. 15.185 (8) (b) 4. shall be appointed for an	
20	initial two-year term.	

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

 $\begin{array}{c} LRBs0082/P2dn \\ ARG:... \text{ AND} \end{array}$

- Date -

Please review the attached draft carefully to ensure that it is consistent with your intent.

In this draft, s. 140.01 (10) creates a definition of "official stamp" that applies throughout ch. 140 and is sufficiently broad to include a traditional seal or stamp and an electronic seal or stamp. Various provisions of current law that are renumbered into s. 140.02 continue to refer to the impression of a seal or imprint of a rubber stamp. See, for example, s. 140.02 (1) (e), (2) (a), and (3) (a), as renumbered. Is this okay, or do you instead want to refer only to a physical or electronic image of an official stamp throughout ch. 140? Along the same lines, I don't believe the cross-reference to s. 140.17 in s. 140.02 (3) (a), as renumbered, works very well because the "official stamp" under s. 140.17 also includes a traditional seal or rubber stamp. (The same comment also applies to s. 140.02 (4) (b), as renumbered.)

The instructed modifications to the uniform act in ss. 140.20 (2) and 140.24 (2) of the draft result in s. 140.20 (2) essentially duplicating s. 140.145 (7). Do you want to eliminate these modifications or remove one of these overlapping provisions?

The attached draft removes what was s. 140.02 (9) (b) in LRBs0082/P1, which created a fee exception for online notarial acts, subject to DFI establishing a fee limit by rule. The instructions remove this exception but allow DFI to establish by rule a maximum fee. The effect of these changes is that the fees under s. 140.02 (9), as renumbered, will apply to notarial acts for remotely located individuals unless DFI promulgates rules establishing different fees. Is this consistent with your intent?

Regarding s. 140.02 (5r), under the instructions provided, the term "communication technology" is only defined for purposes of s. 140.145. I have assumed that the term as used in s. 140.02 (5r) is intended to have the same meaning. Please advise if this assumption is incorrect.

I made some changes to the instructions language for s. 140.145 (10). In particular, when the phrase "as defined in" is used, the terms must match exactly and the cross-referenced term must actually be a definition. Please advise if the changes I made result in any provision that is not consistent with your intent.

Sections 140.145 (8) and 140.27 (1) (a) require DFI to promulgate rules and list examples of authorized rules but do not detail any rule specifically required. Please advise if there is a particular subject that must be included in the mandatory rules.

I moved the rule identified in the instructions as s. 140.27 (1) (a) 13. to s. 140.145 (8) (e) because, with the instructed modification, it fits better under s. 140.145 (8).

The provisions in s. 140.145 (11) are similar to provisions in 2005 Wisconsin Act 421 (2005 Senate Bill 616), relating to the electronic recording council and county registers of deeds. However, the provious created as s. 140.145 (11) (b) 4. in this draft would not seem necessary with respect to notaries public.

I had difficulty reconciling the instructions provisions relating to the responsibilities of the remote notary council and DFI regarding rule-making. The remote notary council must adopt standards relating to notarial acts for remotely located individuals, and must consider a variety of information related to standards, practices, and technologies in doing so. DFI must promulgate these standards as rules, and has no discretion to deviate from the work of the council. See s. 140.145 (11). Yet, under s. 140.145 (9) of the draft, before promulgating rules on the same topic, DFI must consider various factors that, under sub. (11), can play no part in the actual rules, because only the council and not DFI can dictate the standards prescribed by those rules. In addition, the authority granted to DFI under s. 140.145 (8) (and perhaps sub. (7)) is, in part, either inconsistent with the role of the council or illusory if the council is solely responsible for determining standards for notarial acts involving remotely located individuals.

This draft contains rule-making exceptions for emergency rules to expedite the emergency rule-making process. The draft does not contain any exception to the permanent rules process. The rule promulgation process is described in the Legislative Council's *Administrative Rulemaking* publication, available at http://docs.legis.wisconsin.gov/misc/lc/briefing_book/ch04_admrules_revised_withch art.pdf. Please advise if you would like me to draft a provision that allows DFI to skip any of the steps normally required to promulgate permanent rules.

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Aaron R. Gary Senior Legislative Attorney (608) 504–5850 aaron.gary@legis.wisconsin.gov

LRBs0082/P2dn ARG:amn

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

October 9, 2019

Please review the attached draft carefully to ensure that it is consistent with your intent.

In this draft, s. 140.01 (10) creates a definition of "official stamp" that applies throughout ch. 140 and is sufficiently broad to include a traditional seal or stamp and an electronic seal or stamp. Various provisions of current law that are renumbered into s. 140.02 continue to refer to the impression of a seal or imprint of a rubber stamp. See, for example, s. 140.02 (1) (e), (2) (a), and (3) (a), as renumbered. Is this okay, or do you instead want to refer only to a physical or electronic image of an official stamp throughout ch. 140? Along the same lines, I don't believe the cross-reference to s. 140.17 in s. 140.02 (3) (a), as renumbered, works very well because the "official stamp" under s. 140.17 also includes a traditional seal or rubber stamp. (The same comment also applies to s. 140.02 (4) (b), as renumbered.)

The instructed modifications to the uniform act in ss. 140.20 (2) and 140.24 (2) of the draft result in s. 140.20 (2) essentially duplicating s. 140.145 (7). Do you want to eliminate these modifications or remove one of these overlapping provisions?

The attached draft removes what was s. 140.02 (9) (b) in LRBs0082/P1, which created a fee exception for online notarial acts, subject to DFI establishing a fee limit by rule. The instructions remove this exception but allow DFI to establish by rule a maximum fee. The effect of these changes is that the fees under s. 140.02 (9), as renumbered, will apply to notarial acts for remotely located individuals unless DFI promulgates rules establishing different fees. Is this consistent with your intent?

Regarding s. 140.02 (5r), under the instructions provided, the term "communication technology" is only defined for purposes of s. 140.145. I have assumed that the term as used in s. 140.02 (5r) is intended to have the same meaning. Please advise if this assumption is incorrect.

I made some changes to the instructions language for s. 140.145 (10). In particular, when the phrase "as defined in" is used, the terms must match exactly and the cross-referenced term must actually be a definition. Please advise if the changes I made result in any provision that is not consistent with your intent.

Sections 140.145 (8) and 140.27 (1) (a) require DFI to promulgate rules and list examples of authorized rules but do not detail any rule specifically required. Please advise if there is a particular subject that must be included in the mandatory rules.

I moved the rule identified in the instructions as s. 140.27 (1) (a) 13. to s. 140.145 (8) (e) because, with the instructed modification, it fits better under s. 140.145 (8).

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Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Aaron R. Gary Senior Legislative Attorney (608) 504–5850 aaron.gary@legis.wisconsin.gov

Gary, Aaron

From: Sent:

Bob Welch <body>

Sob Welch

Monday, October 14, 2019 4:02 PM

Anderson, Bethany; Gary, Aaron

To: Subject:

Fwd: Draft review: LRB s0082/P2

Here are some comments for possible changes to the sub.

Robert Welch The Welch Group 16 North Carroll Street, Suite 600 Madison, WI 53703

608 819 0150 bob@thewelchgroup.org

----- Forwarded message -----

From: Cheri Hipenbecker < cah@knightbarry.com>

Date: Mon, Oct 14, 2019 at 3:48 PM Subject: Re: Draft review: LRB s0082/P2 To: Petersen, Lisa <PetersenL@ctt.com>

Cc: Hoeschen, Brad < BHoeschen@oldrepublictitle.com >, Bob Welch < bob@thewelchgroup.org >, Samantha

Stohlman <samantha@thewelchgroup.org>

comments on the substitute bill:

- CONFIDENTIALITY LANGUAGE on page 6 line 14 we are renumbering the current 137.01(5m) to 140.02(5m) which is ok, but then on page 13 starting at line 9 the drafter created a new section 140.02(5r) which is another confidentiality section. Thus we have 2 confidentiality sections. Is that what was intended? Seems to me we could simply delete the current 137.01(5m) and insert the new 140.02(5r) which has the confidentiality language for the RON providers.
- TECHNICAL CORRECTION: On page 17 line 17 I think "the state" should be "this state":

16	140.10 Notarial act in this state. (1) A notarial act may be	e performed within
17	this state by any of the following persons of the state:	
18	(a) A notary public of this state.	
19	(b) A judge, clerk, or deputy clerk of a court of record.	this
20	(c) A court commissioner.	

- TECHNICAL CORRECTION: On page 22 line 13 I think the reference should be to 140.07(2)(b)
- INADVERTENTLY OMITTED? On page 25 line 11 this has to deal with what transactions don't qualify for RON, the bar also excluded Section 701.0102(7) but that excluded is not in the draft. Was this intentional?
 - (10) This section does not apply to a transaction to the extent it is governed by 6 any of the following: 7 (a) Any law governing the creation and execution of wills, codicils, or 8 testamentary trusts. 9 (b) Any law governing the creation and execution of living trusts or trust 10 amendments for personal use, not including a transaction, as defined in s. 137.11 11 (15).12 governing the creation and execution of powers of attorney, not 13 including a trans 14 (d) Any law go ital property what about 701.0102(7)? 15 agreements. 16 (e) Any law govern attorney for 17 health care, declarations to physicians (living wills), and authorizations for use and disclosure of protected health care information.
- RULES AND THE REMOTE NOTARY COUNCIL Page 24 starting at line 6 (140.145(8)) identifies the rules to be promulgated by the Department. Then the remote notary council and its role in helping the department promulgate rules start on Page 25 starting at line 19 (140.145(11)). Somehow can these two sections be combined, or at least closer to one another (140.145(8) and 140.145(11))?

LRB Drafter's Notes:

The instructed modifications to the uniform act in ss. 140.20 (2) and 140.24 (2) of the draft result in s. 140.20 (2) essentially duplicating s. 140.145 (7). Do you want to eliminate these modifications or remove one of these overlapping provisions?

Agreed 140.20(2) and 140.145(7) say the same thing. But I don't think it hurts to keep the duplicative sections.

The attached draft removes what was s. 140.02 (9) (b) in LRBs0082/P1, which created a fee exception for online notarial acts, subject to DFI establishing a fee limit by rule. The instructions remove this exception but allow DFI to establish by rule a maximum fee. The effect of these changes is that the fees under s. 140.02 (9), as renumbered, will apply to notarial acts for remotely located individuals unless DFI promulgates rules establishing different fees. Is this consistent with your intent?

YES

Regarding s. 140.02 (5r), under the instructions provided, the term "communication technology" is only defined for purposes of s. 140.145. I have assumed that the term as used in s. 140.02 (5r) is intended to have the same meaning. Please advise if this assumption is incorrect.

The assumption is correct.

I made some changes to the instructions language for s. 140.145 (10). In particular, when the phrase "as defined in" is used, the terms must match exactly and the cross-referenced term must actually be a definition. Please advise if the changes I made result in any provision that is not consistent with your intent.

This question is properly placed in front of the State Bar as Section 140.145(10) is the State Bar's section on what transactions don't qualify for RON.

Sections 140.145 (8) and 140.27 (1) (a) require DFI to promulgate rules and list examples of authorized rules but do not detail any rule specifically required. Please advise if there is a particular subject that must be included in the mandatory rules.

I think all of 140.27(1)(a) should be mandatory.

I moved the rule identified in the instructions as s. 140.27 (1) (a) 13. to s. 140.145 (8) (e) because, with the instructed modification, it fits better under s. 140.145 (8).

ok thank you

The provisions in s. 140.145 (11) are similar to provisions in 2005 Wisconsin Act 421 (2005 Senate Bill 616), relating to the electronic recording council and county registers of deeds. However, the provision created as s. 140.145 (11) (b) 4. in this draft would not seem necessary with respect to notaries public.

Agreed 140.145(11)(b)4 is not necessary

I had difficulty reconciling the instructions provisions relating to the responsibilities of the remote notary council and DFI regarding rule-making. The remote notary council must adopt standards relating to notarial acts for remotely located individuals, and must consider a variety of information related to standards, practices, and technologies in doing so. DFI must promulgate these standards as rules, and has no discretion to deviate from the work of the council. See s. 140.145 (11). Yet, under s. 140.145 (9) of the draft, before promulgating rules on the same topic, DFI must consider various factors that, under sub. (11), can play no part in the actual rules, because only the council and not DFI can dictate the standards prescribed by those rules. In addition, the authority granted to DFI under s. 140.145 (8) (and perhaps sub. (7)) is, in part, either inconsistent with the role of the council or illusory if the council is solely responsible for determining standards for notarial acts involving remotely located individuals.

Agreed we need to bring 140.145(8) and 140.145(11) together - shall we discuss?

This draft contains rule-making exceptions for emergency rules to expedite the emergency rule-making process. The draft does not contain any exception to the permanent rules process. The rule promulgation process is described in the Legislative Council's Administrative Rulemaking publication, available at http://docs.legis.wisconsin.gov/misc/lc/briefing_book/ch04_admrules_revised_withch art.pdf. Please advise if you would like me to draft a provision that allows DFI to skip any of the steps normally required to promulgate permanent rules.

Makes nothing but sense - yes please do so

Cheri Hipenbecker, General Counsel

Knight Barry Title, Inc.

201 E. Pittsburgh Ave., Suite 200, Milwaukee, WI 53204

Phone: (414) 727-4545 X74033 | Direct Dial: (414) 847-4033

Cell: (262) 939-1393

cah@knightbarry.com | www.knightbarry.com

***Please note that I am out of the office on Mondays

On Mon, Oct 14, 2019 at 11:42 AM Petersen, Lisa < PetersenL@ctt.com > wrote:

Ditto

On Oct 14, 2019, at 11:34 AM, Hoeschen, Brad < BHoeschen@oldrepublictitle.com > wrote:

IMPORTANT NOTICE - This message sourced from an external mail server outside of the Company.

No objection.

Brad L.F. Hoeschen

VP | Old Republic National Title Insurance Company

North Central Division Agency Manager and Underwriting Counsel

T: 414.316.5810| C: 414.312.3672| Shoretel: 10900

bhoeschen@oldrepublictitle.com

400 Second Avenue South | Minneapolis, MN 55401

400 E. Wisconsin Ave., Suite 330A Milwaukee, WI 53202

Connect socially: www.oldrepublictitle.com/social

Important Notice: The information contained in this email is private and confidential. It is intended only for the recipient(s) named above. If you are not named above or are not an agency of the recipient(s), then you have received this email in error, and to review, distribute or copy this transmission or its attachment(s) is strictly prohibited by federal law. If you have received this email in error, please notify the sender by email immediately. If you are the proper recipient and this email contains "protected health information", you must abide by the rules of the HIPAA and other privacy laws that apply. Thank you for your attention to this notice.

From: Bob Welch < bob@thewelchgroup.org > Sent: Monday, October 14, 2019 11:28 AM
To: Cheri Hipenbecker < cah@knightbarry.com >

Cc: Hoeschen, Brad <<u>BHoeschen@OldRepublicTitle.com</u>>; Petersen, Lisa <<u>PetersenL@ctt.com</u>>; Samantha Stohlman <<u>samantha@thewelchgroup.org</u>>

Subject: Re: Draft review: LRB s0082/P2

Are we ok to share with other stakeholders?

Any feedback for Ballweg? Robert Welch The Welch Group 16 N Carroll Street, Suite 600 Madison, WI 53703 608 819 0150 Bob@thewelchgroup.org On Oct 10, 2019, at 8:26 AM, Cheri Hipenbecker <cah@knightbarry.com> wrote: I'm reviewing this morning. thanks! Cheri Hipenbecker, General Counsel Knight Barry Title, Inc. 201 E. Pittsburgh Ave., Suite 200, Milwaukee, WI 53204 Phone: (414) 727-4545 X74033 | Direct Dial: (414) 847-4033 Cell: (262) 939-1393 cah@knightbarry.com | www.knightbarry.com ***Please note that I am out of the office on Mondays On Thu, Oct 10, 2019 at 8:23 AM Bob Welch < bob@thewelchgroup.org> wrote: Hot off the presses. Do you want us to share with other stakeholders ASAP? Once you have reviewed, please let me know if we have any major concerns. Robert Welch

The Welch Group 16 North Carroll Street, Suite 600 Madison, WI 53703 608 819 0150 bob@thewelchgroup.org ----- Forwarded message ------From: Anderson, Bethany <Bethany. Anderson@legis.wisconsin.gov> Subject: Draft review: LRB s0082/P2 To: Bob Welch < bob@thewelchgroup.org> Hi Bob, Here is the bill draft for our substitute amendment. We do have our public hearing scheduled in Local Government next week Wednesday. We need to organize three people to come testify. Do you have suggestions of who we should ask? Thanks for your help! Bethany Virus-free. www.avg.com

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Gary, Aaron

From: Sent:

To: Subject:

Bar language

Here is the language that I received from Cale.

Robert Welch The Welch Group 16 North Carroll Street, Suite 600 Madison, WI 53703

608 819 0150 bob@thewelchgroup.org

----- Forwarded message -----

From: Cale Battles < cbattles@wisbar.org >

Here was the small issue

1.) Section 137.01(5m) should be renumbered <u>and</u> amended as Section 140.02(5m). Section 140.02(5r) is <u>not</u> needed. I feel the drafter interpreted (I think correctly in his view) that we wanted to <u>add</u> to 140.02(5m) instead of <u>amending</u> it. The insert in the update to the draft stated "INSERT <u>ADDITIONAL</u> CONFIDENTIALITY/PRIVACY LANGUAGE" - it should have said "<u>AMEND</u>".



Virus-free. www.avg.com

Gary, Aaron

From:

Gary, Aaron

Sent:

Tuesday, October 15, 2019 1:38 PM 'Bob Welch'; Anderson, Bethany

To: Subject:

RE: Draft review: LRB s0082/P2

Unless I hear further by 2:15 pm, I will put the changes I have made in editing so that at least you will have those in a /P3 tomorrow. On the first comment below, I will go with the option of creating the new s. 140.02 (5r) and repealing s. 137.01 (5m), because that option is quicker to do.

Aaron

From: Gary, Aaron

Sent: Tuesday, October 15, 2019 11:13 AM

To: 'Bob Welch' <bob@thewelchgroup.org>; Anderson, Bethany <Bethany.Anderson@legis.wisconsin.gov>

Subject: RE: Draft review: LRB s0082/P2

Bethany and Bob,

I have made many of the changes suggested and deleted from the email below the comments related to changes that need no clarification. However, I believe the items remaining below do not need to be changed or require clarification. Where two items relate to the same thing, I have reorganized to put them together. My comments are in red.

If you have any direction on how you would like me to proceed with the items below, please let me know as soon as possible. I have a medical appointment tomorrow morning and will not be able to respond to any comments tomorrow before the hearing.

Aaron

From: Bob Welch < bob@thewelchgroup.org > Sent: Monday, October 14, 2019 4:02 PM

To: Anderson, Bethany < Bethany. Anderson@legis.wisconsin.gov >; Gary, Aaron < Aaron. Gary@legis.wisconsin.gov >

Subject: Fwd: Draft review: LRB s0082/P2

Here are some comments for possible changes to the sub.

Robert Welch The Welch Group 16 North Carroll Street, Suite 600 Madison, WI 53703

608 819 0150 bob@thewelchgroup.org

----- Forwarded message -----

From: Cheri Hipenbecker < cah@knightbarry.com>

Date: Mon, Oct 14, 2019 at 3:48 PM Subject: Re: Draft review: LRB s0082/P2 To: Petersen, Lisa < PetersenL@ctt.com>

Cc: Hoeschen, Brad < BHoeschen@oldrepublictitle.com >, Bob Welch < bob@thewelchgroup.org >, Samantha

Stohlman < samantha@thewelchgroup.org>

comments on the substitute bill:

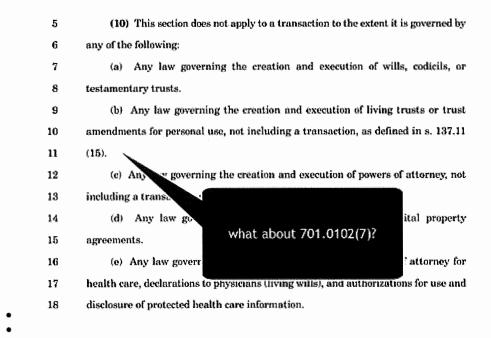
• CONFIDENTIALITY LANGUAGE on page 6 line 14 we are renumbering the current 137.01(5m) to 140.02(5m) which is ok, but then on page 13 starting at line 9 the drafter created a new section 140.02(5r) which is another confidentiality section. Thus we have 2 confidentiality sections. Is that what was intended? Seems to me we could simply delete the current 137.01(5m) and insert the new 140.02(5r) which has the confidentiality language for the RON providers.

Yes, this was an oversight to retain (renumber) s. 137.01 (5m) and create the new provision. This is the issue also flagged by Cale on behalf of the State Bar. In light of Cale's email, do you have a preference whether to renumber and amend s. 137.01 (5m) or to repeal that provision and create the new s. 140.02 (5r)? Either approach would work – doing a renumbering and amendment will be messier but flag the fact that the topic pre-existed in the statutes, but there are so many changes being made that doing a repeal and a create would be justified and also easier to read.

 TECHNICAL CORRECTION: On page 22 line 13 I think the reference should be to 140.07(2)(b)

The ULC numbering system is different. When referring to the subsection of a uniform act section, where we use "(1) or (2)" in the statutes, uniform acts use "(a) or (b)". In our meeting, a correction was handwritten to change 140.07 (b) into 140.07 (2) (b), but I think the problem was simply that the uniform act alpha sub. was not translated into a numeric sub. I compared the language of the draft to that of the uniform act, and the language is the same, so I believe the cross reference in the draft should be the same and is properly s. 140.07 (2) rather than s. 140.07 (2) (b).

• INADVERTENTLY OMITTED? On page 25 line 11 this has to deal with what transactions don't qualify for RON, the bar also excluded Section 701.0102(7) but that excluded is not in the draft. Was this intentional?



I have copied just below the related comment from the email, and further respond below:

I made some changes to the instructions language for s. 140.145 (10). In particular, when the phrase "as defined in" is used, the terms must match exactly and the cross-referenced term must actually be a definition. Please advise if the changes I made result in any provision that is not consistent with your intent.

This question is properly placed in front of the State Bar as Section 140.145(10) is the State Bar's section on what transactions don't qualify for RON.

The language the State Bar provided, and particularly the reference to s. 701.0102 (7), which is not a definition, does not work. If the State Bar provides a correction, I can add that (if it works). But adding this cross-reference after "as defined in" is not an option.

• RULES AND THE REMOTE NOTARY COUNCIL - Page 24 starting at line 6 (140.145(8)) identifies the rules to be promulgated by the Department. Then the remote notary council and its role in helping the department promulgate rules start on Page 25 starting at line 19 (140.145(11)). Somehow can these two sections be combined, or at least closer to one another (140.145(8) and 140.145(11))?

This comment above relates to the comment immediately below:

I had difficulty reconciling the instructions provisions relating to the responsibilities of the remote notary council and DFI regarding rule-making. The remote notary council must adopt standards relating to notarial acts for remotely located individuals, and must consider a variety of information related to standards, practices, and technologies in doing so. DFI must promulgate these standards as rules, and has no discretion to deviate from the work of the council. See s. 140.145 (11). Yet, under s. 140.145 (9) of the draft, before promulgating rules on the same topic, DFI must consider various factors that, under sub. (11), can play no part in the actual rules, because only the council and not DFI can dictate the standards prescribed by those rules. In addition, the authority granted to DFI under s. 140.145 (8) (and perhaps sub. (7)) is, in part, either inconsistent with the role of the council or illusory if the council is solely responsible for determining standards for notarial acts involving remotely located individuals.

Agreed we need to bring 140.145(8) and 140.145(11) together - shall we discuss?

If you would like changes to s. 140.145 (8) and (11), I need those changes specifically described. There is not a single obvious way to reconcile the provisions, and probably to adequately address this issue will require more than a minor modification to, or relocation of, these provisions.

This draft contains rule-making exceptions for emergency rules to expedite the emergency rule-making process. The draft does not contain any exception to the permanent rules process. The rule promulgation process is described in the Legislative Council's Administrative Rulemaking publication, available at http://docs.legis.wisconsin.gov/misc/lc/briefing_book/ch04_admrules_revised_withch art.pdf. Please advise if you would like me to draft a provision that allows DFI to skip any of the steps normally required to promulgate permanent rules.

Makes nothing but sense - yes please do so

I referenced the Leg Council publication because it describes the permanent rule-making steps. If you want me to create an exception or exceptions to the permanent rule-making steps, I need to know what modifications/exceptions to make. Preparing a scope statement? Governor approval? Holding a hearing? Leg Council or JCRAR review? Please review the LC publication (or the attached LRB summary) and advise how you want to deviate from the normal process.

Gary, Aaron

From:

Anderson, Bethany

Sent:

Tuesday, October 15, 2019 3:49 PM

To: Subject: Gary, Aaron FW: DFI

From: Cale Battles <cbattles@wisbar.org> Sent: Tuesday, October 15, 2019 2:18 PM

To: Anderson, Bethany <Bethany.Anderson@legis.wisconsin.gov>; 'Bob Welch' <bob@thewelchgroup.org>

Subject: RE: DFI

Okay...DFI should be okay with the following amendment. They had some concerns about costs and staffing and the following should address their concern. This was in the original DFI amendment to AB 293 and the language was removed in the rewrite. DFI would like to have the electronic service providers to register with the department and allow for a review of their systems. If you have any questions let me know.

Cale

In the sub add the following:

On page 24 - line 12 add the following:



(c) Establish requirements including registration or procedures to approve providers of communication technology and the process of identity proofing.

On page 34 – after line 7 add the following:



(c) Examine the books, records, business practices, and systems of any provider of communication technology registered under this subchapter. The department may determine the cost of any examination, which shall be paid by every registrant so examined within 30 days after demand by the department.

From: Cale Battles

Sent: Tuesday, October 15, 2019 1:34 PM

To: 'Anderson, Bethany' <Bethany.Anderson@legis.wisconsin.gov'>; 'Bob Welch' <bookst the welchgroup.org'>

Subject: DFI

Just got a call from DFI...they have an issue with one provision. Trying to work through the issue with them to see if it can be fixed.

Cale

Gary, Aaron

From:

Anderson, Bethany

Sent:

Tuesday, October 15, 2019 4:03 PM

To:

Gary, Aaron

Subject:

FW: Draft review: LRB s0082/P2

I received this email from Cale as well in response to the drafter's notes you had. Does this make sense/fall in line with the direction from the industy?

Thank you again for your help!

Bethany

From: Cale Battles <cbattles@wisbar.org>
Sent: Tuesday, October 15, 2019 12:41 PM

To: Anderson, Bethany <Bethany.Anderson@legis.wisconsin.gov>

Subject: RE: Draft review: LRB s0082/P2

Answer to question 1

Section 137.01(5m) should be renumbered <u>and</u> amended as Section 140.02(5m).

Answer to question 2

Nothing needs to change. We agree that language is correct and agree with the drafter

Answer to question 3

We like the drafter's new language and are comfortable with that change

From: Anderson, Bethany [mailto:Bethany.Anderson@legis.wisconsin.gov]

Sent: Tuesday, October 15, 2019 11:33 AM
To: Cale Battles < cbattles@wisbar.org >
Subject: Fwd: Draft review: LRB s0082/P2

Hi Cale,

Can you get me some feedback on the appropriate questions listed below in red by the drafter. Ideally we will be able to bring a finalized sub amendment to the public hearing tomorrow.

Thank you, Bethany

Sent from my iPhone

Begin forwarded message:

From: "Gary, Aaron" < <u>Aaron.Gary@legis.wisconsin.gov</u>>

Date: October 15, 2019 at 11:22:33 AM CDT

To: Bob Welch < bob@thewelchgroup.org>, "Anderson, Bethany"

< Bethany. Anderson@legis.wisconsin.gov >

Subject: RE: Draft review: LRB s0082/P2

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Aaron

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Sent: Monday, October 14, 2019 4:02 PM

To: Anderson, Bethany < Bethany. Anderson@legis.wisconsin.gov >; Gary, Aaron

<<u>Aaron.Gary@legis.wisconsin.gov</u>> **Subject:** Fwd: Draft review: LRB s0082/P2

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Robert Welch The Welch Group 16 North Carroll Street, Suite 600 Madison, WI 53703

608 819 0150 bob@thewelchgroup.org

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Cc: Hoeschen, Brad < BHoeschen@oldrepublictitle.com >, Bob Welch

<bob@thewelchgroup.org>, Samantha Stohlman <samantha@thewelchgroup.org>

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