

2001 DRAFTING REQUEST

Bill

Received: **01/03/2002**

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7597**

By/Representing: **Mawdsley**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters: **kuesejt
nelsorp1
jkreye
rkite**

Subject: **Fin. Inst. - miscellaneous
Public Record
Trade Regulation - electron com
Trade Regulation - other**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Mawdsley -

Toplc:

UETA (with changes)

Instructions:

See Attached. Based on LRB-2998/1 (i.e. 2001 budget draft, with changes reflected in LRB-1536/2), plus additional changes.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 01/07/2002	csicilia 01/14/2002		_____			S&L
	kuesejt 01/12/2002			_____			
	rmarchan			_____			

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	01/14/2002			_____			
/1			rschluet 01/14/2002	_____	lrb_docadmin 01/14/2002		S&L
/2	kuesejt 01/14/2002	hhagen 01/14/2002	pgreensl 01/14/2002	_____	lrb_docadmin 01/14/2002		

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/?	rmarchan 01/07/2002 kuesejt 01/12/2002 rmarchan	csicilia 01/14/2002 12 hmb 1/14/02	Y/14 P8	Y/14 P8/LE			S&L

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

01/14/2002

/1

rschluet
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lrb_docadmin
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1?	rmarchan 01/07/2002 kuesejt	1 ijs 1/14/02	pb	pb			
				1-14-2			

FE Sent For:

<END>

2001 DRAFTING REQUEST

re-entered
as LRB-4542

Bill

Received: 01/02/2002

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Mawdsley**

This file may be shown to any legislator: **NO**

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May Contact:

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/?	rmarchan			_____			

FE Sent For:

<END>

Marchant, Robert

From: Mawdsley, Kathryn
Sent: Wednesday, January 02, 2002 10:50 AM
To: Marchant, Robert
Cc: Grinde, Kirsten; Miller, Steve
Subject: UETA drafting request

Rob -- please consider this a drafting request for the 2001-03 budget adjustment bill. As we discussed earlier on the phone, the intent of this request is to include the changes to LRB 2998/1 which are made in the attached document. As I mentioned and you will see below, I received this language from Amy Moran who made these changes after discussions with concerned agencies.

Please let me know if you have any questions.

Thank you,
Kate

Kate Mawdsley
Executive Policy & Budget Analyst
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53707-7864
608-266-7597
kathryn.mawdsley@doa.state.wi.us

-----Original Message-----

From: Moran, Amy
Sent: Thursday, December 27, 2001 1:53 PM
To: Mawdsley, Kathryn
Cc: Reines, Bruce; Puntillo, Susan; Eckes-Meyer, Shirley - DEG
Subject: UETA Draft

Kate,

Attached is a copy of draft language for the UETA portion of the Budget Adjustment bill. This draft is essentially a slightly modified version of what had been numbered as LRB 2998/1. The modifications arose from changes requested by a few interested agencies with whom we had negotiated. The primary LRB drafter, Rob Marchant, will recognize these changes as items 1, 2 and 4 from the memo from me to Rep. Montgomery dated September 20, 2001.

Please feel free to call with any questions.

Regards.

Amy



UETA Budget Adj.
Bill Draft.do...

AN ACT *to repeal* 137.04, 137.06 and 224.30 (2); *to renumber and amend* 137.05 (title) and 137.05; *to amend* chapter 137 (title), subchapter I (title) of chapter 137 [precedes s. 137.01], 137.01 (3) (a), 137.01 (4) (a), 137.01 (4) (b), subchapter II (title) of chapter 137 [precedes 137.04], 889.29 (1), 910.01 (1), 910.02 and 910.03; and *to create* 137.11 to 137.24 and 137.25 (2) of the statutes; **relating to:** electronic notarization and acknowledgement, electronic transactions and records, and granting rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Chapter 137 (title) of the statutes is amended to read:

CHAPTER 137

AUTHENTICATIONS AND ELECTRONIC

TRANSACTIONS AND RECORDS

SECTION 2. Subchapter I (title) of chapter 137 [precedes s. 137.01] of the statutes is amended to read:

CHAPTER 137

SUBCHAPTER I

NOTARIES AND COMMISSIONERS

OF DEEDS; ELECTRONIC AND

NONELECTRONIC NOTARIZATION AND

ACKNOWLEDGEMENT

SECTION 3. 137.01 (3) (a) of the statutes is amended to read:

137.01 (3) (a) ~~Every~~ Except as authorized in sub. (4) (a) and s. 137.19, every notary public shall provide an engraved official seal which makes a distinct and legible impression or official rubber stamp which makes a distinct and legible imprint on paper. The impression of the seal or the imprint of the rubber stamp shall state only the following: "Notary Public," "State of Wisconsin" and the name of the notary. But any notarial seal in use on August 1, 1959, shall be considered in compliance.

SECTION 4. 137.01 (4) (a) of the statutes is amended to read:

137.01 (4) (a) Every official act of a notary public shall be attested by the notary public's written signature or electronic signature, as defined in s. ~~137.04 (2)~~ 137.11 (8). The department of electronic government and the secretary of state shall jointly promulgate rules prescribing a method for attaching or associating an electronic signature and other required information with a signature or record under s. 137.19. The department of electronic government and the secretary of state shall jointly promulgate rules establishing requirements that a notary public must satisfy in order to use an electronic signature for any attestation other than an attestation under s. 137.19. All joint rules promulgated under this paragraph shall be numbered as rules of each agency in the Wisconsin Administrative Code.

SECTION 5. 137.01 (4) (b) of the statutes is amended to read:

137.01 (4) (b) ~~All~~ Except as authorized par. (a) and in s. 137.19, all certificates of acknowledgments of deeds and other conveyances, or any written instrument

required or authorized by law to be acknowledged or sworn to before any notary public, within this state, shall be attested by a clear impression of the official seal or imprint of the rubber stamp of said officer, and in addition thereto shall be written or stamped either the day, month and year when the commission of said notary public will expire, or that such commission is permanent.

SECTION 6. Subchapter II (title) of chapter 137 [precedes 137.04] of the statutes is amended to read:

CHAPTER 137

SUBCHAPTER II

~~ELECTRONIC SIGNATURES~~

TRANSACTIONS AND RECORDS;

ELECTRONIC NOTARIZATION

AND ACKNOWLEDGEMENT

SECTION 7. 137.04 of the statutes is repealed.

SECTION 8. 137.05 (title) of the statutes is renumbered 137.25 (title) and amended to read:

137.25 (title) Submission of ~~written documents~~ records to governmental units; interoperability.

SECTION 9. 137.05 of the statutes is renumbered 137.25 (1) and amended to read:

137.25 (1) Unless otherwise ~~prohibited~~ provided by law, with the consent of a governmental unit of this state that is to receive a record, any ~~document~~ record that is required by law to be submitted in writing to a that governmental unit and that

requires a written signature may be submitted ~~by transforming the document into~~
~~as an electronic format, but only with the consent of the governmental unit that is~~
~~to receive the document~~ record, and if submitted as an electronic record may
incorporate an electronic signature.

SECTION 10. 137.06 of the statutes is repealed.

SECTION 11. 137.11 to 137.24 of the statutes are created to read:

137.11 Definitions. In this subchapter:

- (1) "Agreement" means the bargain of the parties in fact, as found in their language or inferred from other circumstances and from rules, regulations, and procedures given the effect of agreements under laws otherwise applicable to a particular transaction.
- (2) "Automated transaction" means a transaction conducted or performed, in whole or in part, by electronic means or by the use of electronic records, in which the acts or records of one or both parties are not reviewed by an individual in the ordinary course in forming a contract, performing under an existing contract, or fulfilling an obligation required by the transaction.
- (3) "Computer program" means a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result.
- (4) "Contract" means the total legal obligation resulting from the parties' agreement as affected by this subchapter and other applicable law.
- (5) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(6) "Electronic agent" means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records or performances in whole or in part, without review or action by an individual.

(7) "Electronic record" means a record that is created, generated, sent, communicated, received, or stored by electronic means.

(8) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(9) "Governmental unit" means:

(a) An agency, department, board, commission, office, authority, institution, or instrumentality of the federal government or of a state or of a political subdivision of a state or special purpose district within a state, regardless of the branch or branches of government in which it is located.

(b) A political subdivision of a state or special purpose district within a state.

(c) An association or society to which appropriations are made by law.

(d) Any body within one or more of the entities specified in pars. (a) to (c) that is created or authorized to be created by the constitution, by law, or by action of one or more of the entities specified in pars. (a) to (c).

(e) Any combination of any of the entities specified in pars. (a) to (d).

(10) "Information" means data, text, images, sounds, codes, computer programs, software, databases, or the like.

(11) "Information processing system" means an electronic system for creating,

generating, sending, receiving, storing, displaying, or processing information.

(12) "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.

(13) "Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record.

The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, callback, or other acknowledgment procedures.

(14) "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. The term includes an Indian tribe or band, or Alaskan native village, which is recognized by federal law or formally acknowledged by a state.

(15) "Transaction" means an action or set of actions occurring between 2 or more persons relating to the conduct of business, commercial, or governmental affairs.

137.115 Relation to federal law. For the purpose of satisfying 15 USC 7002

(a) (2) (B) as that statute relates to this subchapter, this state acknowledges the existence of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001 to 7031.

137.12 Application. (1) Except as otherwise provided in subs. (2) and (2m) and except in s. 137.25, this subchapter applies to electronic records and electronic

signatures relating to a transaction.

(2) Except as otherwise provided in sub. (3), this subchapter does not apply to a transaction to the extent it is governed by:

(a) Any law governing the execution of wills or the creation of testamentary trusts; or

(b) Chapters 401 and 403 to 410, other than ss. 401.107 and 401.206.

(2m) This subchapter does not apply to any of the following records or any transaction evidenced by any of the following records:

(a) Deeds to real estate.

(b) Records governed by any law relating to adoption, divorce, or other matters of family law.

(c) Court orders, judgments or notices.

(d) Official court documents (including, but not limited to, briefs, pleadings, affidavits, memorandum decisions, opinions and other writings) required to be executed in connection with court proceedings

(e) Records required by law to accompany any transportation or handling of hazardous materials, pesticides, or other toxic or dangerous materials.

(f) Notices of cancellation or termination of utility services, including heat, water, power and basic local telecommunications services.

(g) Notices of default, acceleration, repossession, foreclosure, or eviction, or the right to cure, under a credit agreement secured by, or a rental agreement for, a primary residence of an individual.

(h) Notices of the cancellation or termination of health insurance or benefits or

life insurance benefits other than annuities.

(i) Notices of the recall of a product, or the material failure of a product, that risks endangering health or safety.

(3) This subchapter applies to an electronic record or electronic signature otherwise excluded from the application of this subchapter under sub. (2) to the extent it is governed by a law other than those specified in sub. (2).

(4) A transaction subject to this subchapter is also subject to other applicable substantive law.

(5) This subchapter applies to the state of Wisconsin, unless otherwise expressly provided.

137.13 Use of electronic records and electronic signatures; variation

by agreement. (1) This subchapter does not require a record or signature to be created, generated, sent, communicated, received, stored, or otherwise processed or used by electronic means or in electronic form.

(2) This subchapter applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Whether the parties agree to conduct a transaction by electronic means is determined from the context and surrounding circumstances, including the parties' conduct.

(3) A party that agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means. The right granted by this subsection may not be waived by agreement.

(4) Except as otherwise provided in this subchapter, the effect of any provision of this subchapter may be varied by agreement. Use of the words "unless otherwise

agreed,” or words of similar import, in this subchapter shall not be interpreted to preclude other provisions of this subchapter from being varied by agreement.

(5) Whether an electronic record or electronic signature has legal consequences is determined by this subchapter and other applicable law.

137.14 Construction. This subchapter shall be construed and applied:

- (1) To facilitate electronic transactions consistent with other applicable law;
- (2) To be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices; and
- (3) To effectuate its general purpose to make uniform the law with respect to the subject of this subchapter among states enacting laws substantially similar to the Uniform Electronic Transactions Act as approved and recommended by the National Conference of Commissioners on Uniform State Laws in 1999.

137.15 Legal recognition of electronic records, electronic signatures, and electronic contracts. (1) A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.

(2) A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.

(3) If a law requires a record to be in writing, an electronic record satisfies that requirement in that law.

(4) If a law requires a signature, an electronic signature satisfies that requirement in that law.

137.16 Provision of information in writing; presentation of records.

(1) If parties have agreed to conduct a transaction by electronic means and a law

requires a person to provide, send, or deliver information in writing to another person, a party may satisfy the requirement with respect to that transaction if the information is provided, sent, or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

(2) If a law other than this subchapter requires a record to be posted or displayed in a certain manner, to be sent, communicated, or transmitted by a specified method, or to contain information that is formatted in a certain manner, then:

(a) The record shall be posted or displayed in the manner specified in the other law.

(b) Except as otherwise provided in sub. (4) (b), the record shall be sent, communicated, or transmitted by the method specified in the other law.

(c) The record shall contain the information formatted in the manner specified in the other law.

(3) If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient.

(4) The requirements of this section may not be varied by agreement, but:

(a) To the extent a law other than this subchapter requires information to be provided, sent, or delivered in writing but permits that requirement to be varied by agreement, the requirement under sub. (1) that the information be in the form of an electronic record capable of retention may also be varied by agreement; and

(b) A requirement under a law other than this subchapter to send, communicate, or transmit a record by 1st-class or regular mail or with postage prepaid may be varied by agreement to the extent permitted by the other law.

137.17 Attribution and effect of electronic records and electronic

signatures. (1) An electronic record or electronic signature is attributable to a person if the electronic record or electronic signature was created by the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.

(2) The effect of an electronic record or electronic signature that is attributed to a person under sub. (1) is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

137.18 Effect of change or error. (1) If a change or error in an electronic record occurs in a transmission between parties to a transaction, then:

(a) If the parties have agreed to use a security procedure to detect changes or errors and one party has conformed to the procedure, but the other party has not, and the nonconforming party would have detected the change or error had that party also conformed, the conforming party may avoid the effect of the changed or erroneous electronic record.

(b) In an automated transaction involving an individual, the individual may avoid the effect of an electronic record that resulted from an error made by the individual in dealing with the electronic agent of another person if the electronic

agent did not provide an opportunity for the prevention or correction of the error and, at the time the individual learns of the error, the individual:

1. Promptly notifies the other person of the error and that the individual did not intend to be bound by the electronic record received by the other person;
2. Takes reasonable steps, including steps that conform to the other person's reasonable instructions, to return to the other person or, if instructed by the other person, to destroy the consideration received, if any, as a result of the erroneous electronic record; and
3. Has not used or received any benefit or value from the consideration, if any, received from the other person.

(2) If neither sub. (1) (a) nor (b) applies, the change or error has the effect provided by other law, including the law of mistake, and the parties' contract, if any.

(3) Subsections (1) (b) and (2) may not be varied by agreement.

137.19 Notarization and acknowledgement. If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if, consistent with any applicable rules promulgated under s. 137.01 (4) (a), the electronic signature of the person authorized to administer the oath or to make the notarization, acknowledgment, or verification, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record.

137.20 Retention of electronic records; originals. (1) Except as provided in sub. (6), if a law requires that a record be retained, the requirement is satisfied by retaining the information set forth in the record as an electronic record which:

- (a) Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
 - (b) Remains accessible for later reference.
- (2) A requirement to retain a record in accordance with sub. (1) does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.
- (3) A person may comply with sub. (1) by using the services of another person if the requirements of that subsection are satisfied.
- (4) Except as provided in sub. (6), if a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, a person may comply with that law by using an electronic record that is retained in accordance with sub. (1).
- (5) Except as provided in sub. (6), if a law requires retention of a check, that requirement is satisfied by retention of an electronic record containing the information on the front and back of the check in accordance with sub. (1).
- (6) (a) Except as provided in par. (b), a record retained as an electronic record in accordance with sub. (1) satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after the effective date of this paragraph [revisor inserts date], specifically prohibits the use of an electronic record for the specified purpose.
- (b) A governmental agency that is party to a transaction subject to this act is also further subject to (1) the records retention requirements for state government records established

by s. 16.61 and 16.611 and (2) the records retention requirements for local government records established by s. 16.612.

(7) This section does not preclude the public records board, the department of administration or other governmental agency of this state from specifying additional requirements upon a governmental agency for retention by the agency of a record subject to the agency's jurisdiction. The public records board may promulgate records retention standards for state and local government agencies to follow in compliance with this act.

137.21 Admissibility in evidence. In a proceeding, a record or signature may not be excluded as evidence solely because it is in electronic form.

137.22 Automated transactions. In an automated transaction:

(1) A contract may be formed by the interaction of electronic agents of the parties, even if no individual was aware of or reviewed the electronic agent's actions or the resulting terms and agreements.

(2) A contract may be formed by the interaction of an electronic agent and an individual, acting on the individual's own behalf or for another person, including by an interaction in which the individual performs actions that the individual is free to refuse to perform and which the individual knows or has reason to know will cause the electronic agent to complete the transaction or performance.

(3) The terms of a contract under sub. (1) or (2) are governed by the substantive law applicable to the contract.

137.23 Time and place of sending and receipt. (1) Unless otherwise agreed between the sender and the recipient, an electronic record is sent when it:

(a) Is addressed properly or otherwise directed properly to an information

processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record;

(b) Is in a form capable of being processed by that system; and

(c) Enters an information processing system outside the control of the sender or of a person that sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.

(2) Unless otherwise agreed between a sender and the recipient, an electronic record is received when:

(a) It enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record; and

(b) It is in a form capable of being processed by that system.

(3) Subsection (2) applies even if the place where the information processing system is located is different from the place where the electronic record is deemed to be received under sub. (4).

(4) Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient, an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business.

For purposes of this subsection:

(a) If the sender or recipient has more than one place of business, the place of

business of that person is the place having the closest relationship to the underlying transaction.

(b) If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.

(5) An electronic record is received under sub. (2) even if no individual is aware of its receipt.

(6) Receipt of an electronic acknowledgment from an information processing system described in sub. (2) establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.

(7) If a person is aware that an electronic record purportedly sent under sub. (1), or purportedly received under sub. (2), was not actually sent or received, the legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted by the other law, the requirements of this subsection may not be varied by agreement.

137.24 Transferable records. (1) In this section, "transferable record" means an electronic record that would be a note under ch. 403 or a record under ch. 407 if the electronic record were in writing.

(1m) An electronic record qualifies as a transferable record under this section only if the issuer of the electronic record expressly has agreed that the electronic record is a transferable record.

(2) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

(3) A system satisfies the requirements of sub. (2), and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that:

(a) A single authoritative copy of the transferable record exists which is unique, identifiable, and, except as otherwise provided in pars. (d) to (f), unalterable;

(b) The authoritative copy identifies the person asserting control as the person to which the transferable record was issued or, if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;

(c) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(d) Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(f) Any revision of the authoritative copy is readily identifiable as authorized or unauthorized.

(4) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in s. 401.201 (20), of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under chs. 401 to 411, including, if the applicable statutory requirements under s. 403.302 (1), 407.501, or 409.308 are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable record of title has been duly negotiated, or a purchaser,

respectively. Delivery, possession, and endorsement are not required to obtain or exercise any of the rights under this subsection.

(5) Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under chs. 401 to 411.

(6) If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

SECTION 12. 137.25 (2) of the statutes is created to read:

137.25 (2) The department of electronic government shall promulgate rules concerning the use of electronic records and electronic signatures by governmental units, which shall govern the use of electronic records or signatures by governmental units, unless otherwise provided by law. The rules shall include standards regarding the receipt of electronic records or electronic signatures that promote consistency and interoperability with other standards adopted by other governmental units of this state and other states and the federal government and nongovernmental persons interacting with governmental units of this state. The standards may include alternative provisions if warranted to meet particular applications.

SECTION 13. 224.30 (2) of the statutes is repealed.

SECTION 14. 889.29 (1) of the statutes is amended to read:

889.29 (1) If any business, institution or member of a profession or calling in the regular course of business or activity has kept or recorded any memorandum, writing, entry, print, representation or combination thereof, of any act, transaction, occurrence or event, and in the regular course of business has caused any or all of the same to be recorded, copied or reproduced by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing the original, or to be recorded on an optical disk or in electronic format, the original may be destroyed in the regular course of business, unless its preservation is required by law. Such reproduction or optical disk record, when reduced to comprehensible format and when satisfactorily identified, is as admissible in evidence as the original itself in any judicial or administrative proceeding whether the original is in existence or not and an enlargement or facsimile of such reproduction of a record or an enlarged copy of a record generated from an original record stored in optical disk or electronic format is likewise admissible in evidence if the original reproduction is in existence and available for inspection under direction of court. The introduction of a reproduced record, enlargement or facsimile, does not preclude admission of the original. This subsection does not apply to records governed by s. 137.20.

SECTION 15. 910.01 (1) of the statutes is amended to read:

910.01 (1) WRITINGS AND RECORDINGS. "Writings" and "recordings" consist of letters, words or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photographing, magnetic impulse, mechanical or electronic recording, or other form of data compilation or recording.

SECTION 16. 910.02 of the statutes is amended to read:

910.02 Requirement of original. To prove the content of a writing, recording or photograph, the original writing, recording or photograph is required, except as otherwise provided in chs. 901 to 911, s. 137.21, or by other statute.

SECTION 17. 910.03 of the statutes is amended to read:

910.03 Admissibility of duplicates. A duplicate is admissible to the same extent as an original unless (1) a genuine question is raised as to the authenticity of the original or (2) in the circumstances it would be unfair to admit the duplicate in lieu of the original. This section does not apply to records of transactions governed by s. 137.21.

SECTION 18. Nonstatutory provisions; administration.

(1) **USE OF ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES BY GOVERNMENTAL UNITS; EMERGENCY RULES.** Using the procedure under section 227.24 of the statutes, the department of electronic government may promulgate emergency rules under section 137.25 (2) of the statutes, as created by this act, for the period before the effective date of permanent rules initially promulgated under section 137.25 (2) of the statutes, as created by this act, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(2) **USE OF ELECTRONIC SIGNATURES BY NOTARIES PUBLIC; EMERGENCY RULES.** Using

the procedure under section 227.24 of the statutes, the secretary of state and the department of electronic government may promulgate emergency rules under section 137.01 (4) (a) of the statutes, as affected by this act, for the period before the effective date of permanent rules initially promulgated under section 137.01 (4) (a) of the statutes, as affected by this act. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the secretary of state and the department are not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and are not required to provide a finding of emergency for a rule promulgated under this subsection.

(3) USE OF ELECTRONIC SIGNATURES BY NOTARIES PUBLIC; PERMANENT RULES. The secretary of state and department of electronic government shall initially promulgate permanent rules under section 137.01 (4) (a) of the statutes, as affected by this act, to become effective no later than January 1, 2004.

SECTION 19. Initial applicability; administration.

(1) ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES. The treatment of sections 137.01 (3) (a) and (4) (a) and (b), 137.04, 137.05 (title), 137.06, 137.11 to 137.24, 224.30 (2), 889.29 (1), 910.01 (1), 910.02, and 910.03, subchapters I (title) and II (title) of chapter 137, and chapter 137 (title) of the statutes, the renumbering and amendment of section 137.05 of the statutes, and the creation of section 137.25 (2) of the statutes first apply to electronic records or electronic signatures that are created, generated, sent, communicated, received, or initially stored on the effective date of this subsection.

(END)

(a) Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and

(b) Remains accessible for later reference.

(2) A requirement to retain a record in accordance with sub. (1) does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.

(3) A person may comply with sub. (1) by using the services of another person if the requirements of that subsection are satisfied.

(4) Except as provided in sub. (6), if a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, a person may comply with that law by using an electronic record that is retained in accordance with sub. (1).

(5) Except as provided in sub. (6), if a law requires retention of a check, that requirement is satisfied by retention of an electronic record containing the information on the front and back of the check in accordance with sub. (1).

(6) (a) Except as provided in par. (b), a record retained as an electronic record in accordance with sub. (1) satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after the effective date of this paragraph [revisor inserts date], specifically prohibits the use of an electronic record for the specified purpose.

(b) A governmental agency that is party to a transaction subject to this act is also further subject to (1) the records retention requirements for state government records established

137.20(a)
↓

by s. 16.61 and 16.611 and (2) the records retention requirements for local government records established by s. 16.612.

(7) This section does not preclude the public records board, the department of administration or other governmental agency of this state from specifying additional requirements upon a governmental agency for retention by the agency of a record subject to the agency's jurisdiction. The public records board may promulgate records retention standards for state and local government agencies to follow in compliance with this act.

137.21 Admissibility in evidence. In a proceeding, a record or signature may not be excluded as evidence solely because it is in electronic form.

137.22 Automated transactions. In an automated transaction:

(1) A contract may be formed by the interaction of electronic agents of the parties, even if no individual was aware of or reviewed the electronic agent's actions or the resulting terms and agreements.

(2) A contract may be formed by the interaction of an electronic agent and an individual, acting on the individual's own behalf or for another person, including by an interaction in which the individual performs actions that the individual is free to refuse to perform and which the individual knows or has reason to know will cause the electronic agent to complete the transaction or performance.

(3) The terms of a contract under sub. (1) or (2) are governed by the substantive law applicable to the contract.

137.23 Time and place of sending and receipt. (1) Unless otherwise agreed between the sender and the recipient, an electronic record is sent when it:

(a) Is addressed properly or otherwise directed properly to an information

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2001 - 2002 LEGISLATURE

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LRB-2998/I

JTK/RM/RK/RC/RN/JK:cjs:jf

SAV

DoA Budget
2001 BILL

stays
PWR
DNR

Do not give cat (and don't keep old cat either - use ...)

1 AN ACT to repeal 137.04, 137.06 and 224.30 (2); to renumber and amend
2 137.05 (title) and 137.05; to amend chapter 137 (title), subchapter I (title) of
3 chapter 137 [precedes s. 137.01], 137.01 (3) (a), 137.01 (4) (a), 137.01 (4) (b),
4 subchapter II (title) of chapter 137 [precedes 137.04], 889.29 (1), 910.01 (1),
5 910.02 and 910.03; and to create 137.11 to 137.24 and 137.25 (2) of the statutes;
6 relating to: electronic notarization and acknowledgement, electronic
7 transactions and records, and granting rule-making authority.

COMMERCE AND ECONOMIC DEVELOPMENT ← head
Commerce ← sub
Analysis by the Legislative Reference Bureau ← stays

In 1999, the National Conference of Commissioners on Uniform State Laws approved the Uniform Electronic Transactions Act (UETA) and recommended it for enactment in all the states. Generally, UETA establishes a legal framework that facilitates and validates certain electronic transactions. This bill enacts a version of UETA in Wisconsin, with certain changes.

Current law regarding electronic documents, transactions, and signatures

Currently, a combination of state and federal laws govern the use of electronic records, transactions, and signatures in this state. The most significant federal law in this regard is the Electronic Signatures in Global and National Commerce Act, commonly known as "E-sign," which was enacted after UETA was recommended for enactment in all of the states. With certain exceptions relating to existing or pending

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document retention requirements, E-sign took effect on October 1, 2000. Although much of E-sign represents new law in this state, some of the issues addressed in E-sign were addressed under state law previous to E-sign. With certain exceptions, E-sign preempts the state law to the extent that the treatment is inconsistent with the treatment under E-sign.

1. PUBLIC RECORDS

Under E-sign, any law that requires retention of a contract or document relating to a transaction in or affecting interstate or foreign commerce may be satisfied by retaining an electronic document, as long as the retained information satisfies certain requirements relating to accuracy and accessibility. Thus, under E-sign, a custodian of a public record relating to a covered transaction is likely permitted to destroy the original record if a proper electronic copy is retained. This authority is consistent with current provisions in state law that, in most cases, permit electronic retention of public records; however, the state law in certain cases imposes additional quality control and evidentiary preservation requirements that must be followed if a public record is to be retained electronically. It is unclear whether these additional requirements continue to apply or would be preempted as inconsistent with these provisions of E-sign.

2. ACCEPTANCE OF ELECTRONIC DOCUMENTS BY GOVERNMENTAL UNITS

Current law relating to the acceptance of electronic documents by governmental units in this state is ambiguous. Under current state law, any document that is required by law to be submitted in writing to a governmental unit and that requires a written signature may be submitted in an electronic format, as long as the governmental unit consents. Current state law does not require any governmental unit to accept documents in an electronic format, but provides that an electronic signature may be substituted for a manual signature if certain requirements are met.

E-sign, however, may require any governmental unit that is a "governmental agency" under E-sign (an undefined term) to accept certain electronic documents that relate to transactions in or affecting interstate or foreign commerce. E-sign states that it does not require any person to agree to use or accept electronic documents or electronic signatures, other than a governmental agency with respect to any document that is not a contract to which it is a party. Although no provision of E-sign specifically requires a governmental agency to use or accept electronic documents or signatures, under E-sign, a document relating to a covered transaction may not be denied legal effect solely because it is in electronic form. Thus, E-sign implies that a governmental agency may be required under E-sign to accept an electronic document relating to a covered transaction, as long as the document is not a contract to which the governmental agency is a party. This implication conflicts with another provision of E-sign, which states that E-sign generally does not limit or supersede any requirement imposed by a state regulatory agency (an undefined term) that documents be filed in accordance with specified standards or formats.

BILL**3. ELECTRONIC DOCUMENTS AND SIGNATURES IN COMMERCE***Promissory notes*

Currently, this state's version of the Uniform Commercial Code contains the primary legal framework allowing for transactions in this state involving promissory notes (commonly, loan documents). Title II of E-sign contains the primary legal framework relating to a new type of promissory note, termed a "transferrable record," which allows for the marketing of electronic versions of promissory notes in transactions secured by real property.

Other documents and records

The primary electronic commerce provisions of E-sign are contained in Title I, which establishes a legal framework relating to electronic transactions in or affecting interstate or foreign commerce. Generally, Title I contains provisions that relate to the use of "electronic records" and signatures in covered transactions, the retention of "electronic records" of covered transactions, and the notarization and acknowledgement of covered electronic transactions. Title I broadly defines the term "electronic record" to include, among other things, any information that is stored by means of electrical or digital technology and that is retrievable in perceivable form. This definition likely covers such things as information stored on a computer disk or a voice mail recording. Because of this broad definition, in this analysis of E-sign, the term "document" is generally used in place of the term record. Title I also defines "transaction" broadly to mean any action or set of actions relating to the conduct of business, consumer, or commercial affairs between two or more persons, including governmental agencies.

Currently, under Title I, a signature, contract, or other document relating to a covered transaction may not be denied legal effect, validity, or enforceability solely because it is in an electronic form, as long as the electronic contract or record, if it is otherwise required to be in writing, is capable of being retained and accurately reproduced by the relevant parties. Similarly, a contract relating to a covered transaction may not be denied legal effect solely because an electronic signature or electronic document was used in its formation.

Title I also permits electronic notarization, acknowledgement, or verification of a signature or document relating to a covered transaction, as long as the electronic signature of the person performing the notarization, acknowledgement, or verification is accompanied by all other information required by law. In addition, Title I provides that no person is required under Title I to agree to use or accept electronic records or signatures.

However, under Title I, any law that requires retention of a contract or document relating to a covered transaction may be satisfied by retaining an electronic document, as long as the retained information satisfies certain requirements relating to accuracy and accessibility. Title I contains similar provisions with regard to laws requiring retention of a check. An electronic contract or document retained in compliance with these provisions generally has the same legal status as an original document. As discussed above with regard to public records custodians, this provision of Title I also likely permits any *private* custodian

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of records relating to covered transactions to destroy original records if a proper electronic copy is retained.

Consumer protections

Under Title I, with regard to consumer transactions in or affecting interstate or foreign commerce, existing laws requiring written disclosure currently may be satisfied electronically only if the consumer consents after being informed of certain rights and of the technical requirements necessary to access and retain the electronic document. In addition, the consumer must consent or confirm his or her consent electronically in a manner that reasonably demonstrates that the consumer can access the information that is required to be provided to the consumer. The legal effect of a contract, though, may not be denied solely because of a failure to obtain the consumer's electronic consent consistent with this requirement. Title I also specifies that the use of electronic documents permitted under these consumer provisions does not include the use of an oral communication, such as a voice mail recording, unless that use is permitted under other applicable law.

Any federal regulatory agency, with respect to a matter within the agency's jurisdiction, may exempt a specified category or type of document from the general consumer consent requirement, if the exemption is necessary to eliminate a substantial burden on electronic commerce and will not increase the material risk of harm to consumers.

Exemptions

All of the following are exempt from coverage under the primary electronic commerce provisions of E-sign and, as a result, currently may not be provided in electronic format unless otherwise authorized by law:

1. A document to the extent that it is governed by a law covering the creation and execution of wills, codicils, or testamentary trusts.
2. A document to the extent that it is governed by a law covering adoption, divorce, or other matters of family law.
3. A document to the extent that it is governed by certain sections of the Uniform Commercial code.
4. Court orders or notices and official court documents, including briefs, pleadings, and other writings.
5. Notices of cancellation or termination of utility services, including water, heat, and power.
6. Notices of default, acceleration, repossession, foreclosure, or eviction or the right to cure under a credit agreement secured by, or a rental agreement for, a primary residence of an individual.
7. Notices of the cancellation or termination of health insurance or life insurance, other than annuities.
8. Product recall notices.
9. Documents required to accompany the transportation of hazardous materials.

A federal regulatory agency may remove any of these exemptions, as the particular exemption applies to a matter within the agency's jurisdiction, if the agency finds that the exemption is no longer necessary for the protection of

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consumers and that the elimination of the exemption will not increase the material risk of harm to consumers.

Limits on the scope of Title I

In addition to these specific exemptions, Title I has a limited effect upon certain specified laws. For example, Title I states that it does not affect any requirement imposed by state law relating to a person's rights or obligations other than the requirement that contracts or other documents be in nonelectronic form. However, this provision may conflict with other provisions of Title I which appear to specifically affect obligations other than writing or signature requirements. Title I also has a limited effect on any state law enacted before E-sign that expressly requires verification or acknowledgement of receipt of a document. Under Title I, this type of document may be provided electronically only if the method used also provides verification or acknowledgement of receipt. In addition, Title I does not affect any law that requires a warning, notice, disclosure, or other document to be posted, displayed, or publicly affixed within a specified proximity.

State authority under Title I

Title I provides that a state regulatory agency that is responsible for rule making under any statute may interpret the primary electronic commerce provisions of Title I with respect to that statute, if the agency is authorized by law to do so. Rules, orders, or guidance produced by an agency under this authority must meet specific requirements relating to consistency with existing provisions of Title I; to regulatory burden; to justification for the rule, order, or guidance; and to neutrality with regard to the type of technology needed to satisfy the rule, order, or guidance. A state agency may also mandate specific performance standards with regard to document retention, in order to assure accuracy, integrity, and accessibility of retained electronic documents. However, under state law, the rule-making authority of a state agency is limited to interpretation and application of state law and no state agency may promulgate a rule that conflicts with state law.

Relationship between E-sign and UETA

E-sign generally preempts state law unless the state law qualifies for one of two exceptions to preemption. The first exception to preemption permits a state to supersede the effect of the primary electronic commerce provisions of Title I by enacting a law that constitutes an enactment of UETA as approved and recommended for enactment in all the states. The second exception to preemption permits a state to supersede the effect of the primary electronic commerce provisions of Title I by enacting a law that specifies alternative procedures or requirements for the use or acceptance of electronic records or signatures to establish the legal effect of contracts or other records. Among other things, the alternative procedures or requirements generally must be consistent with E-sign. It is difficult to predict how a court would apply this second exception to preemption. As a result, it is difficult to predict whether and to what extent any state law that does not constitute an enactment of UETA would qualify for this second exception from preemption.

Because this bill makes certain substantive changes to UETA and in some cases it is not clear whether the text is consistent with the intent of the version of UETA recommended for enactment in all of the states, it is difficult to determine whether

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the bill qualifies for an exception from preemption and, if enacted, the extent to which the bill would likely supplant the primary electronic commerce provisions of E-sign in this state. ~~Certain provisions of UETA and, as a result, this bill, are susceptible to varying interpretations. Many of these provisions are similar to current law under E-sign. In order to attempt to avoid preemption, this bill generally does not clarify these provisions.~~

UETA

The following analysis of the version of UETA contained in this bill generally reflects an interpretation that is consistent with the prefatory note and official comments accompanying UETA, which generally discuss the intent of each recommended provision of UETA. For the provisions that are subject to varying interpretations, this analysis discusses each primary interpretation and indicates which interpretation, if any, is supported by the prefatory note or comments. Although the prefatory note and comments have no legal effect, in the past courts have often relied on the prefatory notes and comments to other uniform laws when interpreting ambiguous provisions of those laws. In some instances, the interpretation supported by the prefatory note or comments is difficult to derive from the text of the bill.

1. PUBLIC RECORDS

Although the version of UETA recommended for enactment in all the states contains a provision potentially affecting the maintenance of public records that is similar to the provision currently in effect under E-sign, ~~this bill likely has no effect on the maintenance of public records.~~ Thus, under this bill, the maintenance of public records is likely governed by current law, as affected by E-sign.

Provides that public records retention requirements currently in effect in this state continue to apply. The bill also permits the public records board to promulgate rules prescribing additional records retention standards consistent with the bill's provisions.

2. ACCEPTANCE OF ELECTRONIC DOCUMENTS BY GOVERNMENTAL UNITS

The same ambiguities regarding the acceptance of electronic documents by governmental units exist under this bill as exist currently under E-sign, although under this bill it is more likely that a governmental unit is not required to accept electronic documents. This bill attempts, in a manner consistent with UETA, to restore the law as it existed in this state before E-sign regarding the acceptance of electronic documents by governmental units. Thus, under this bill, any document that is required by law to be submitted in writing to a governmental unit and that requires a written signature may be submitted in an electronic format if the governmental unit consents. Although this bill, like current law under E-sign, also states that a document relating to a transaction may not be denied legal effect solely because it is in electronic form, it is more likely under this bill that this provision has no effect on the authority of a governmental unit to refuse to accept an electronic document. Unlike current law under E-sign, this bill does not contain any statement that a governmental unit is required to accept an electronic document.

With certain exceptions, this bill grants the department of administration (DOA) primary rule-making authority with regard to the use of electronic documents and signatures by governmental units and grants DOA and the secretary of state joint rule-making authority with regard to electronic notarizations. In addition, this bill requires DOA's rules to include standards regarding the receipt of electronic documents and the acceptance or electronic signatures by governmental

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units, in order to promote consistency and interoperability with similar standards adopted by other governmental units, the federal government, and other persons interacting with governmental units of this state.

1. ELECTRONIC DOCUMENTS AND SIGNATURES IN COMMERCE*Rule of construction*

This bill specifies that it must be construed and applied to facilitate electronic transactions consistent with other applicable law, to be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices, and to bring about uniformity in the law of electronic transactions.

Applicability and definitions

Generally, the bill applies to the use of electronic records and electronic signatures relating to transactions. Like current law under E-sign, this bill broadly defines the term "electronic record" to include, among other things, any information that is stored by means of electrical or digital technology and that is retrievable in a perceivable form. This definition would likely cover such things as information stored on a computer disk or a voice mail recording. Because of this broad definition, in this analysis of the version of UETA contained in this bill, the term "document" is generally used in place of the term "record." Under the bill, an "electronic signature" includes, among other things, a sound, symbol, or process that relates to electrical technology, that is attached to or logically associated with a document, and that is executed or adopted by a person with intent to sign the document.

The bill defines "transaction" to mean an action or set of actions between two or more persons relating to the conduct of business, commercial, or governmental affairs. Although this definition may be interpreted broadly to include a typical interaction with the government like the filing of a document, the prefatory note and comments to UETA imply that a narrower interpretation is intended which covers the actions of the government as a market participant. In addition, although the definition does not expressly cover consumer-to-consumer or consumer-to-business transactions, it is possible to interpret this definition, consistent with the official comments, to cover these transactions. *(with certain modifications)*

This bill contains all of the exemptions currently in effect under E-sign. Thus, among other things, this bill does not apply to a transaction governed by a law relating to the execution of wills or the creation of testamentary trusts, to a transaction governed by any chapter of this state's version of the Uniform Commercial Code (UCC) other than the chapter dealing with sales of goods, to a certain utility cancellation notices, to certain court documents, or to product recall notices. Unlike current law under E-sign, the bill also specifically exempts deeds. With the exception of the provisions relating to wills, trusts, and the UCC, these exceptions are not included in the version of UETA recommended for enactment in all the states.

Agreements to use electronic documents and electronic signatures

This bill does not require the use of electronic documents or electronic signatures. Rather, the bill applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Under the bill, this

*and cancellation notices
for basic local telecomm-
unications
services*

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agreement is determined from the context, the surrounding circumstances, and the parties' conduct. A party that agrees to conduct one transaction by electronic means may refuse to conduct other transactions by electronic means. Although the bill also states that a document relating to a transaction may not be denied legal effect solely because it is in electronic form, it is likely that, consistent with the comments, these provisions permit a person to deny the legal effect of an electronic document relating to a transaction if a party to the transaction never agreed to conduct the transaction electronically. With certain exceptions, the parties to any transaction may agree to vary the effect of this bill as it relates to that transaction.

Consumer protections

Unlike current law under E-sign, this bill does not contain any protections that specifically apply only to consumers. The consumer protections currently in effect under E-sign would likely have no effect in this state upon the enactment of this bill.

Legal effect of electronic documents and electronic signatures

As noted earlier, this bill specifies that a document or signature may not be denied legal effect or enforceability solely because it is in electronic form. The bill also specifies that a contract may not be denied legal effect or enforceability solely because an electronic document was used in its formation. These provisions are similar to provisions in current law under E-sign. Unlike E-sign, this bill further states that an electronic document satisfies any law requiring a record to be in writing and that an electronic signature satisfies any law requiring a signature.

Effect of laws relating to the provision of information

Under this bill, if the parties to a transaction have agreed to conduct the transaction electronically and if a law requires a person to provide, send, or deliver information in writing to another person, a party may, with certain exceptions, satisfy the requirement with respect to that transaction by providing, sending, or delivering the information in an electronic document that is capable of retention by the recipient at the time of receipt. Although the bill also states that a document relating to a transaction may not be denied legal effect solely because it is in electronic form, it is likely that, consistent with the comments, the bill permits a person to deny the legal effect of an electronic document relating to a transaction if the electronic document is provided, sent, or delivered in violation of this provision. The bill further provides that an electronic document is not enforceable against the recipient of the document if the sender inhibits the ability of the recipient to store or print the document.

The bill also specifies that, with certain exceptions, a document must satisfy any law requiring the document to be posted or displayed in a certain manner; to be sent, communicated, or transmitted by a specified method; or to contain information that is formatted in a certain manner. There are three possible interpretations of this provision. First, the provision may prohibit the use of an electronic document if a law requires the document to be posted, displayed, sent, communicated, transmitted, or formatted on paper. Second, the provision may instead require a paper document to be used in addition to an electronic document in these circumstances. Third, consistent with the comments, the provision may require the parties to a transaction

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to comply with any legal requirement relating to the provision of information *other than a requirement that the information be provided on paper.*

Attribution of electronic documents

Under this bill, an electronic document or electronic signature is attributable to a person whose act created the document or signature. The act of a person may be shown in any manner, including through the use of a security procedure that determines the person to whom an electronic document or electronic signature is attributable.

Effect of change or error

This bill contains three provisions that determine the effect of a change or error in an electronic document that occurs in a transmission between the parties to a transaction. First, if the parties have agreed to use a security procedure to detect changes or errors and if one of the parties fails to use a security procedure and an error or change occurs that the nonconforming party would have detected had the party used the security procedure, the other party may avoid the effect of the changed or erroneous electronic document. Second, in an automated transaction involving an individual, the individual may avoid the effect of an electronic document that results from an error made by the individual in dealing with the automated agent of another person; if the automated agent did not provide an opportunity for prevention or correction of the error. However, an individual may avoid the effect of the electronic document only if the individual, at the time he or she learns of the error, has received no benefit from the thing of value received from the other party under the transaction and only if the individual satisfies certain requirements relating to notification of the other party and return or destruction of the thing of value received. Third, if neither of these provisions applies to the transaction, the change or error has the effect provided by other law, including the law of mistake, and by any applicable contract between the parties.

Electronic notarization and acknowledgement

Like current law under E-sign, this bill permits electronic notarization, acknowledgement, or verification of a signature or document relating to a transaction, as long as the electronic signature of the person performing the notarization, acknowledgement, or verification is accompanied by all other information required by law. Unlike current law under E-sign and the version of UETA recommended for enactment in all the states, an electronic notarization under this bill must also comply with rules promulgated by DOA and the secretary of state.

Retention of electronic documents

Under this bill, any law that requires retention of a document may, with certain exceptions, be satisfied by retaining an electronic document, as long as the retained information satisfies certain requirements relating to accuracy and accessibility. The bill contains similar provisions with regard to laws requiring retention of a check, although the term “check” is not defined under the bill and, as a result, may not include a share draft or money order. These provisions are similar to current law under E-sign. However, unlike E-sign and the version of UETA recommended for enactment in all the states, this bill preserves the treatment of public records under

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current law, as affected by E-sign (see page 2. of this analysis for a discussion of E-sign's effect upon public records). In addition, unlike E-sign, this bill specifies that an electronic document that is required to be retained must accurately reflect the information set forth in the document *after it was first generated in its final form as an electronic document or otherwise*. The comments indicate that this provision is intended to ensure that the content of a document is retained when documents are converted or reformatted to allow for ongoing electronic retention.

The bill provides that an electronic document retained in compliance with these provisions need not contain any information the sole purpose of which is to enable the document to be sent, communicated, or received. Under current law, this ancillary information is normally required to be retained along with the document to which it is attached. In addition, as under E-sign, an electronic contract or document retained in compliance with these provisions generally has the same legal status as an original document. Like E-sign, this bill also provides that a person may comply with these electronic document retention provisions using the services of another person.

The bill provides that ~~the state may enact laws~~ after enactment of this bill, that prohibit a person from using an electronic document to satisfy any requirement that the person retain a document for evidentiary, audit, or like purposes. It is unclear, though, what types of retention requirements are enacted for "evidentiary, audit, or like purposes." It is also unclear how this provision relates to other provisions of the bill which provide that an electronic document satisfies any retention requirement as long as specified requirements relating to accuracy and accessibility are also satisfied.

In addition, the bill specifies that it does not preclude a governmental-unit of this state from specifying additional requirements for the retention of any document subject to its jurisdiction. It is unclear how this provision relates to other provisions of the bill which provide that an electronic document satisfies any retention requirement as long as specified requirements relating to accuracy and accessibility are also satisfied. It is also unclear whether this provision grants rule-making authority or merely references any authority that may exist currently. ~~Also, although it is unclear from the text whether this provision applies to nongovernmental documents or only to documents in the possession of a governmental-unit, the official comments imply that the provision is intended to apply to nongovernmental documents that are subject to a governmental unit's jurisdiction.~~

Evidence

Under this bill, a document or signature may not be excluded as evidence solely because it is in electronic form. This provision confirms the treatment of electronic documents and signatures under current law.

Automated transactions

This bill validates contracts formed in automated transactions by the interaction of automated agents of the parties or by the interaction of one party's automated agent and an individual. Under current law, it is possible to argue that an automated transaction may not result in an enforceable contract because, at the

it does not apply to only new laws enacted by this state

of another governmental unit

~~Also, although it is unclear from the text whether this provision applies to nongovernmental documents or only to documents in the possession of a governmental-unit, the official comments imply that the provision is intended to apply to nongovernmental documents that are subject to a governmental unit's jurisdiction.~~

This provision is narrower than a corresponding provision included in the version of UETA recommended for enactment in all the states in that the corresponding provision is not

specifically limited in its application to documents of Governmental Units.

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time of the transaction, either or both of the parties lack an expression of human intent to form the contract.

Time and location of electronic sending and receipt

Under this bill, an electronic document is sent when the electronic document a) is addressed or otherwise properly directed to an information processing system that the intended recipient has designated or uses for the purpose of receiving electronic documents or information of the type sent and from which the recipient is able to retrieve the electronic document; b) is in a form capable of being processed by that information processing system; and c) enters an information processing system outside of the control of the sender or enters a region of the information processing system used or designated by the recipient that is under the recipient's control. An electronic document is received when the electronic document enters and is in a form capable of being processed by an information processing system that the recipient has designated or uses for the purpose of receiving electronic documents or information of the type sent and from which the recipient is able to retrieve the electronic document. The bill permits the parties to a transaction to agree to alter the effect of these provisions with respect to the transaction. Under the bill, an electronic document may be received even if no individual is aware of its receipt. Furthermore, under the bill, an electronic acknowledgment of receipt from the information processing system used or designated by the recipient establishes that the electronic document was received but does not establish that the information sent is the same as the information received.

These provisions may be interpreted to alter laws under which the date of receipt of a public record submitted for filing is the date on which a paper copy is received or postmarked, so that the date of electronic filing constitutes the date of receipt instead. However, as noted earlier, this bill specifically states that it applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Although the definition of "transaction" may be interpreted broadly to include a typical governmental action like the filing of a document, the prefatory note and comments to UETA imply that a narrower interpretation is intended which covers only the actions of the government as a market participant. If the narrower interpretation applies, then these provisions will likely have no effect upon the filing of most public records.

Under this bill, an electronic document is deemed to be sent from the sender's place of business that has the closest relationship to the underlying transaction and to be received at the recipient's place of business that has the closest relationship to the underlying transaction. If the sender or recipient does not have a place of business, the electronic document is deemed to be sent or received from the sender's or recipient's residence. The bill also permits a sender to expressly provide in an electronic document that the document is deemed to be sent from a different location. The bill also permits the parties to a transaction to agree to alter the effect of these provisions on the transaction. To the extent that an electronic document may constitute a sale, with the seller receiving payment electronically, these provisions may be interpreted to permit a seller to argue that a sale occurred in a jurisdiction where the seller is not subject to a tax that would otherwise be imposed under

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NONELECTRONIC NOTARIZATION AND
ACKNOWLEDGEMENT

1
2
3 **SECTION 3.** 137.01 (3) (a) of the statutes is amended to read:

4 137.01 (3) (a) Every Except as authorized in sub. (4) (a) and s. 137.19, every
5 notary public shall provide an engraved official seal which makes a distinct and
6 legible impression or official rubber stamp which makes a distinct and legible
7 imprint on paper. The impression of the seal or the imprint of the rubber stamp shall
8 state only the following: “Notary Public,” “State of Wisconsin” and the name of the
9 notary. But any notarial seal in use on August 1, 1959, shall be considered in
10 compliance.

11 **SECTION 4.** 137.01 (4) (a) of the statutes is amended to read:

12 137.01 (4) (a) Every official act of a notary public shall be attested by the notary
13 public’s written signature or electronic signature, as defined in s. 137.04 (2) 137.11
14 (8). The department of administration and the secretary of state shall jointly
15 promulgate rules prescribing a method for attaching or associating an electronic
16 signature and other required information with a signature or record under s. 137.19.
17 The department of administration and the secretary of state shall jointly promulgate
18 rules establishing requirements that a notary public must satisfy in order to use an
19 electronic signature for any attestation other than an attestation under s. 137.19.
20 All joint rules promulgated under this paragraph shall be numbered as rules of each
21 agency in the Wisconsin Administrative Code.

22 **SECTION 5.** 137.01 (4) (b) of the statutes is amended to read:

23 137.01 (4) (b) All Except as authorized par. (a) and in s. 137.19, all certificates
24 of acknowledgments of deeds and other conveyances, or any written instrument
25 required or authorized by law to be acknowledged or sworn to before any notary

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1 public, within this state, shall be attested by a clear impression of the official seal or
2 imprint of the rubber stamp of said officer, and in addition thereto shall be written
3 or stamped either the day, month and year when the commission of said notary public
4 will expire, or that such commission is permanent.

5 **SECTION 6.** Subchapter II (title) of chapter 137 [precedes 137.04] of the statutes
6 is amended to read:

CHAPTER 137**SUBCHAPTER II****ELECTRONIC SIGNATURES****TRANSACTIONS AND RECORDS;****ELECTRONIC NOTARIZATION****AND ACKNOWLEDGEMENT**

13 **SECTION 7.** 137.04 of the statutes is repealed.

14 **SECTION 8.** 137.05 (title) of the statutes is renumbered 137.25 (title) and
15 amended to read:

16 **137.25 (title) Submission of written documents records to**
17 **governmental units; interoperability.**

18 **SECTION 9.** 137.05 of the statutes is renumbered 137.25 (1) and amended to
19 read:

20 137.25 (1) Unless otherwise ~~prohibited~~ provided by law, with the consent of a
21 governmental unit of this state that is to receive a record, any document record that
22 is required by law to be submitted in writing to a that governmental unit and that
23 requires a written signature may be submitted by ~~transforming the document into~~
24 as an electronic format, but only with the consent of the governmental unit that is

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1 ~~to receive the document record, and if submitted as an electronic record may~~
2 ~~incorporate an electronic signature.~~

3 **SECTION 10.** 137.06 of the statutes is repealed.

4 **SECTION 11.** 137.11 to 137.24 of the statutes are created to read:

5 **137.11 Definitions.** In this subchapter:

6 (1) “Agreement” means the bargain of the parties in fact, as found in their
7 language or inferred from other circumstances and from rules, regulations, and
8 procedures given the effect of agreements under laws otherwise applicable to a
9 particular transaction.

10 (2) “Automated transaction” means a transaction conducted or performed, in
11 whole or in part, by electronic means or by the use of electronic records, in which the
12 acts or records of one or both parties are not reviewed by an individual in the ordinary
13 course in forming a contract, performing under an existing contract, or fulfilling an
14 obligation required by the transaction.

15 (3) “Computer program” means a set of statements or instructions to be used
16 directly or indirectly in an information processing system in order to bring about a
17 certain result.

18 (4) “Contract” means the total legal obligation resulting from the parties’
19 agreement as affected by this subchapter and other applicable law.

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

22 (6) “Electronic agent” means a computer program or an electronic or other
23 automated means used independently to initiate an action or respond to electronic
24 records or performances in whole or in part, without review or action by an
25 individual.

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1 (7) “Electronic record” means a record that is created, generated, sent,
2 communicated, received, or stored by electronic means.

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

6 (9) “Governmental unit” means:

7 (a) An agency, department, board, commission, office, authority, institution, or
8 instrumentality of the federal government or of a state or of a political subdivision
9 of a state or special purpose district within a state, regardless of the branch or
10 branches of government in which it is located.

11 (b) A political subdivision of a state or special purpose district within a state.

12 (c) An association or society to which appropriations are made by law.

13 (d) Any body within one or more of the entities specified in pars. (a) to (c) that
14 is created or authorized to be created by the constitution, by law, or by action of one
15 or more of the entities specified in pars. (a) to (c).

16 (e) Any combination of any of the entities specified in pars. (a) to (d).

17 (10) “Information” means data, text, images, sounds, codes, computer
18 programs, software, databases, or the like.

19 (11) “Information processing system” means an electronic system for creating,
20 generating, sending, receiving, storing, displaying, or processing information.

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

23 (13) “Security procedure” means a procedure employed for the purpose of
24 verifying that an electronic signature, record, or performance is that of a specific
25 person or for detecting changes or errors in the information in an electronic record.

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1 The term includes a procedure that requires the use of algorithms or other codes,
2 identifying words or numbers, encryption, callback, or other acknowledgment
3 procedures.

4 (14) "State" means a state of the United States, the District of Columbia,
5 Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession subject
6 to the jurisdiction of the United States. The term includes an Indian tribe or band,
7 or Alaskan native village, which is recognized by federal law or formally
8 acknowledged by a state.

9 (15) "Transaction" means an action or set of actions occurring between 2 or
10 more persons relating to the conduct of business, commercial, or governmental
11 affairs.

12 **137.115 Relation to federal law.** For the purpose of satisfying 15 USC 7002
13 (a) (2) (B) as that statute relates to this subchapter, this state acknowledges the
14 existence of the Electronic Signatures in Global and National Commerce Act, 15 USC
15 7001 to 7031.

16 **137.12 Application.** (1) Except as otherwise provided in subs. (2) and (2m)
17 and except in s. 137.25, this subchapter applies to electronic records and electronic
18 signatures relating to a transaction.

19 (2) Except as otherwise provided in sub. (3), this subchapter does not apply to
20 a transaction to the extent it is governed by:

21 (a) Any law governing the execution of wills or the creation of testamentary
22 trusts; or

23 (b) Chapters 401 and 403 to 410, other than ss. 401.107 and 401.206.

24 (2m) This subchapter does not apply to any of the following records or any
25 transaction evidenced by any of the following records:

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- 1 (a) Deeds.
- 2 (b) Records governed by any law relating to adoption, divorce, or other matters
3 of family law.
- 4 (c) Notices provided by a court.
- 5 (d) Court orders *or judgments*
- 6 (e) ~~Records~~ *Official court documents, including, but not limited to, briefs, pleadings, affidavits, memorandum decisions, and other writings,* required to be executed in connection with court proceedings.
- 7 (f) Records required by law to accompany any transportation or handling of
8 hazardous materials, pesticides, or other toxic or dangerous materials.
- 9 (g) Notices of cancelation or termination of utility services, including heat,
10 water, and power. *basic local telecommunications services,*
- 11 (h) Notices of default, acceleration, repossession, foreclosure, or eviction, or the
12 right to cure, under a credit agreement secured by, or a rental agreement for, a
13 primary residence of an individual.
- 14 (i) Notices of the cancellation or termination of health insurance or benefits or
15 life insurance benefits other than annuities.
- 16 (j) Notices of the recall of a product, or the material failure of a product, that
17 risks endangering health or safety.
- 18 (3) This subchapter applies to an electronic record or electronic signature
19 otherwise excluded from the application of this subchapter under sub. (2) to the
20 extent it is governed by a law other than those specified in sub. (2).
- 21 (4) A transaction subject to this subchapter is also subject to other applicable
22 substantive law.
- 23 (5) This subchapter applies to the state of Wisconsin, unless otherwise
24 expressly provided.

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1 **137.13 Use of electronic records and electronic signatures; variation**
2 **by agreement.** (1) This subchapter does not require a record or signature to be
3 created, generated, sent, communicated, received, stored, or otherwise processed or
4 used by electronic means or in electronic form.

5 (2) This subchapter applies only to transactions between parties each of which
6 has agreed to conduct transactions by electronic means. Whether the parties agree
7 to conduct a transaction by electronic means is determined from the context and
8 surrounding circumstances, including the parties' conduct.

9 (3) A party that agrees to conduct a transaction by electronic means may refuse
10 to conduct other transactions by electronic means. The right granted by this
11 subsection may not be waived by agreement.

12 (4) Except as otherwise provided in this subchapter, the effect of any provision
13 of this subchapter may be varied by agreement. Use of the words "unless otherwise
14 agreed," or words of similar import, in this subchapter shall not be interpreted to
15 preclude other provisions of this subchapter from being varied by agreement.

16 (5) Whether an electronic record or electronic signature has legal consequences
17 is determined by this subchapter and other applicable law.

18 **137.14 Construction.** This subchapter shall be construed and applied:

19 (1) To facilitate electronic transactions consistent with other applicable law;

20 (2) To be consistent with reasonable practices concerning electronic
21 transactions and with the continued expansion of those practices; and

22 (3) To effectuate its general purpose to make uniform the law with respect to
23 the subject of this subchapter among states enacting laws substantially similar to
24 the Uniform Electronic Transactions Act as approved and recommended by the
25 National Conference of Commissioners on Uniform State Laws in 1999.

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1 **137.15 Legal recognition of electronic records, electronic signatures,**
2 **and electronic contracts.** (1) A record or signature may not be denied legal effect
3 or enforceability solely because it is in electronic form.

4 (2) A contract may not be denied legal effect or enforceability solely because an
5 electronic record was used in its formation.

6 (3) If a law requires a record to be in writing, an electronic record satisfies that
7 requirement in that law.

8 (4) If a law requires a signature, an electronic signature satisfies that
9 requirement in that law.

10 **137.16 Provision of information in writing; presentation of records.**

11 (1) If parties have agreed to conduct a transaction by electronic means and a law
12 requires a person to provide, send, or deliver information in writing to another
13 person, a party may satisfy the requirement with respect to that transaction if the
14 information is provided, sent, or delivered, as the case may be, in an electronic record
15 capable of retention by the recipient at the time of receipt. An electronic record is not
16 capable of retention by the recipient if the sender or its information processing
17 system inhibits the ability of the recipient to print or store the electronic record.

18 (2) If a law other than this subchapter requires a record to be posted or
19 displayed in a certain manner, to be sent, communicated, or transmitted by a
20 specified method, or to contain information that is formatted in a certain manner,
21 then:

22 (a) The record shall be posted or displayed in the manner specified in the other
23 law.

24 (b) Except as otherwise provided in sub. (4) (b), the record shall be sent,
25 communicated, or transmitted by the method specified in the other law.

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1 (c) The record shall contain the information formatted in the manner specified
2 in the other law.

3 (3) If a sender inhibits the ability of a recipient to store or print an electronic
4 record, the electronic record is not enforceable against the recipient.

5 (4) The requirements of this section may not be varied by agreement, but:

6 (a) To the extent a law other than this subchapter requires information to be
7 provided, sent, or delivered in writing but permits that requirement to be varied by
8 agreement, the requirement under sub. (1) that the information be in the form of an
9 electronic record capable of retention may also be varied by agreement; and

10 (b) A requirement under a law other than this subchapter to send,
11 communicate, or transmit a record by 1st-class or regular mail or with postage
12 prepaid may be varied by agreement to the extent permitted by the other law.

13 **137.17 Attribution and effect of electronic records and electronic**
14 **signatures.** (1) An electronic record or electronic signature is attributable to a
15 person if the electronic record or electronic signature was created by the act of the
16 person. The act of the person may be shown in any manner, including a showing of
17 the efficacy of any security procedure applied to determine the person to which the
18 electronic record or electronic signature was attributable.

19 (2) The effect of an electronic record or electronic signature that is attributed
20 to a person under sub. (1) is determined from the context and surrounding
21 circumstances at the time of its creation, execution, or adoption, including the
22 parties' agreement, if any, and otherwise as provided by law.

23 **137.18 Effect of change or error.** (1) If a change or error in an electronic
24 record occurs in a transmission between parties to a transaction, then:

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1 (a) If the parties have agreed to use a security procedure to detect changes or
2 errors and one party has conformed to the procedure, but the other party has not, and
3 the nonconforming party would have detected the change or error had that party also
4 conformed, the conforming party may avoid the effect of the changed or erroneous
5 electronic record.

6 (b) In an automated transaction involving an individual, the individual may
7 avoid the effect of an electronic record that resulted from an error made by the
8 individual in dealing with the electronic agent of another person if the electronic
9 agent did not provide an opportunity for the prevention or correction of the error and,
10 at the time the individual learns of the error, the individual:

11 1. Promptly notifies the other person of the error and that the individual did
12 not intend to be bound by the electronic record received by the other person;

13 2. Takes reasonable steps, including steps that conform to the other person's
14 reasonable instructions, to return to the other person or, if instructed by the other
15 person, to destroy the consideration received, if any, as a result of the erroneous
16 electronic record; and

17 3. Has not used or received any benefit or value from the consideration, if any,
18 received from the other person.

19 (2) If neither sub. (1) (a) nor (b) applies, the change or error has the effect
20 provided by other law, including the law of mistake, and the parties' contract, if any.

21 (3) Subsections (1) (b) and (2) may not be varied by agreement.

22 **137.19 Notarization and acknowledgement.** If a law requires a signature
23 or record to be notarized, acknowledged, verified, or made under oath, the
24 requirement is satisfied if, consistent with any applicable rules promulgated under
25 s. 137.01 (4) (a), the electronic signature of the person authorized to administer the

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1 oath or to make the notarization, acknowledgment, or verification, together with all
2 other information required to be included by other applicable law, is attached to or
3 logically associated with the signature or record.

4 **137.20 Retention of electronic records; originals.** (1) Except as provided
5 in sub. (6), if a law requires that a record be retained, the requirement is satisfied
6 by retaining the information set forth in the record as an electronic record which:

7 (a) Accurately reflects the information set forth in the record after it was first
8 generated in its final form as an electronic record or otherwise; and

9 (b) Remains accessible for later reference.

10 (2) A requirement to retain a record in accordance with sub. (1) does not apply
11 to any information the sole purpose of which is to enable the record to be sent,
12 communicated, or received.

13 (3) A person may comply with sub. (1) by using the services of another person
14 if the requirements of that subsection are satisfied.

15 (4) Except as provided in sub. (6), if a law requires a record to be presented or
16 retained in its original form, or provides consequences if the record is not presented
17 or retained in its original form, a person may comply with that law by using an
18 electronic record that is retained in accordance with sub. (1).

19 (5) Except as provided in sub. (6), if a law requires retention of a check, that
20 requirement is satisfied by retention of an electronic record containing the
21 information on the front and back of the check in accordance with sub. (1).

22 (6) (a) Except as provided in par. (b), a record retained as an electronic record
23 in accordance with sub. (1) satisfies a law requiring a person to retain a record for
24 evidentiary, audit, or like purposes, unless a law enacted after the effective date of

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this paragraph [revisor inserts date], specifically prohibits the use of an electronic record for the specified purpose.

3 (b) Subsections (1), (4), and (5) do not authorize the treatment of a record
4 inconsistent with s. 16.61 (7), 16.11 (2), 16.612, or 19.21 (4) (c).

5 (7) This section does not preclude a governmental unit of this state from
6 specifying additional requirements for the retention of any record subject to the
7 jurisdiction of that governmental unit.

8 **137.21 Admissibility in evidence.** In a proceeding, a record or signature
9 may not be excluded as evidence solely because it is in electronic form.

10 **137.22 Automated transactions.** In an automated transaction:

11 (1) A contract may be formed by the interaction of electronic agents of the
12 parties, even if no individual was aware of or reviewed the electronic agent's actions
13 or the resulting terms and agreements.

14 (2) A contract may be formed by the interaction of an electronic agent and an
15 individual, acting on the individual's own behalf or for another person, including by
16 an interaction in which the individual performs actions that the individual is free to
17 refuse to perform and which the individual knows or has reason to know will cause
18 the electronic agent to complete the transaction or performance.

19 (3) The terms of a contract under sub. (1) or (2) are governed by the substantive
20 law applicable to the contract.

21 **137.23 Time and place of sending and receipt.** (1) Unless otherwise
22 agreed between the sender and the recipient, an electronic record is sent when it:

23 (a) Is addressed properly or otherwise directed properly to an information
24 processing system that the recipient has designated or uses for the purpose of

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1 receiving electronic records or information of the type sent and from which the
2 recipient is able to retrieve the electronic record;

3 (b) Is in a form capable of being processed by that system; and

4 (c) Enters an information processing system outside the control of the sender
5 or of a person that sent the electronic record on behalf of the sender or enters a region
6 of the information processing system designated or used by the recipient which is
7 under the control of the recipient.

8 (2) Unless otherwise agreed between a sender and the recipient, an electronic
9 record is received when:

10 (a) It enters an information processing system that the recipient has
11 designated or uses for the purpose of receiving electronic records or information of
12 the type sent and from which the recipient is able to retrieve the electronic record;
13 and

14 (b) It is in a form capable of being processed by that system.

15 (3) Subsection (2) applies even if the place where the information processing
16 system is located is different from the place where the electronic record is deemed
17 to be received under sub. (4).

18 (4) Unless otherwise expressly provided in the electronic record or agreed
19 between the sender and the recipient, an electronic record is deemed to be sent from
20 the sender's place of business and to be received at the recipient's place of business.

21 For purposes of this subsection:

22 (a) If the sender or recipient has more than one place of business, the place of
23 business of that person is the place having the closest relationship to the underlying
24 transaction.

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1 (b) If the sender or the recipient does not have a place of business, the place of
2 business is the sender's or recipient's residence, as the case may be.

3 (5) An electronic record is received under sub. (2) even if no individual is aware
4 of its receipt.

5 (6) Receipt of an electronic acknowledgment from an information processing
6 system described in sub. (2) establishes that a record was received but, by itself, does
7 not establish that the content sent corresponds to the content received.

8 (7) If a person is aware that an electronic record purportedly sent under sub.
9 (1), or purportedly received under sub. (2), was not actually sent or received, the legal
10 effect of the sending or receipt is determined by other applicable law. Except to the
11 extent permitted by the other law, the requirements of this subsection may not be
12 varied by agreement.

13 **137.24 Transferable records.** (1) In this section, "transferable record"
14 means an electronic record that would be a note under ch. 403 or a record under ch.
15 407 if the electronic record were in writing.

16 (1m) An electronic record qualifies as a transferable record under this section
17 only if the issuer of the electronic record expressly has agreed that the electronic
18 record is a transferable record.

19 (2) A person has control of a transferable record if a system employed for
20 evidencing the transfer of interests in the transferable record reliably establishes
21 that person as the person to which the transferable record was issued or transferred.

22 (3) A system satisfies the requirements of sub. (2), and a person is deemed to
23 have control of a transferable record, if the transferable record is created, stored, and
24 assigned in such a manner that:

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1 (a) A single authoritative copy of the transferable record exists which is unique,
2 identifiable, and, except as otherwise provided in pars. (d) to (f), unalterable;

3 (b) The authoritative copy identifies the person asserting control as the person
4 to which the transferable record was issued or, if the authoritative copy indicates
5 that the transferable record has been transferred, the person to which the
6 transferable record was most recently transferred;

7 (c) The authoritative copy is communicated to and maintained by the person
8 asserting control or its designated custodian;

9 (d) Copies or revisions that add or change an identified assignee of the
10 authoritative copy can be made only with the consent of the person asserting control;

11 (e) Each copy of the authoritative copy and any copy of a copy is readily
12 identifiable as a copy that is not the authoritative copy; and

13 (f) Any revision of the authoritative copy is readily identifiable as authorized
14 or unauthorized.

15 (4) Except as otherwise agreed, a person having control of a transferable record
16 is the holder, as defined in s. 401.201 (20), of the transferable record and has the same
17 rights and defenses as a holder of an equivalent record or writing under chs. 401 to
18 411, including, if the applicable statutory requirements under s. 403.302 (1),
19 407.501, or 409.308 are satisfied, the rights and defenses of a holder in due course,
20 a holder to which a negotiable record of title has been duly negotiated, or a purchaser,
21 respectively. Delivery, possession, and endorsement are not required to obtain or
22 exercise any of the rights under this subsection.

23 (5) Except as otherwise agreed, an obligor under a transferable record has the
24 same rights and defenses as an equivalent obligor under equivalent records or
25 writings under chs. 401 to 411.

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1 (6) If requested by a person against which enforcement is sought, the person
2 seeking to enforce the transferable record shall provide reasonable proof that the
3 person is in control of the transferable record. Proof may include access to the
4 authoritative copy of the transferable record and related business records sufficient
5 to review the terms of the transferable record and to establish the identity of the
6 person having control of the transferable record.

7 **SECTION 12.** 137.25 (2) of the statutes is created to read:

8 137.25 (2) The department of administration shall promulgate rules
9 concerning the use of electronic records and electronic signatures by governmental
10 units, which shall govern the use of electronic records or signatures by governmental
11 units, unless otherwise provided by law. The rules shall include standards regarding
12 the receipt of electronic records or electronic signatures that promote consistency
13 and interoperability with other standards adopted by other governmental units of
14 this state and other states and the federal government and nongovernmental
15 persons interacting with governmental units of this state. The standards may
16 include alternative provisions if warranted to meet particular applications.

17 **SECTION 13.** 224.30 (2) of the statutes is repealed.

18 **SECTION 14.** 889.29 (1) of the statutes is amended to read:

19 889.29 (1) If any business, institution or member of a profession or calling in
20 the regular course of business or activity has kept or recorded any memorandum,
21 writing, entry, print, representation or combination thereof, of any act, transaction,
22 occurrence or event, and in the regular course of business has caused any or all of the
23 same to be recorded, copied or reproduced by any photographic, photostatic,
24 microfilm, microcard, miniature photographic, or other process which accurately
25 reproduces or forms a durable medium for so reproducing the original, or to be

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1 recorded on an optical disk or in electronic format, the original may be destroyed in
2 the regular course of business, unless its preservation is required by law. Such
3 reproduction or optical disk record, when reduced to comprehensible format and
4 when satisfactorily identified, is as admissible in evidence as the original itself in any
5 judicial or administrative proceeding whether the original is in existence or not and
6 an enlargement or facsimile of such reproduction of a record or an enlarged copy of
7 a record generated from an original record stored in optical disk or electronic format
8 is likewise admissible in evidence if the original reproduction is in existence and
9 available for inspection under direction of court. The introduction of a reproduced
10 record, enlargement or facsimile, does not preclude admission of the original. This
11 subsection does not apply to records governed by s. 137.20.

12 **SECTION 15.** 910.01 (1) of the statutes is amended to read:

13 910.01 (1) WRITINGS AND RECORDINGS. “Writings” and “recordings” consist of
14 letters, words or numbers, or their equivalent, set down by handwriting, typewriting,
15 printing, photostating, photographing, magnetic impulse, mechanical or electronic
16 recording, or other form of data compilation or recording.

17 **SECTION 16.** 910.02 of the statutes is amended to read:

18 **910.02 Requirement of original.** To prove the content of a writing, recording
19 or photograph, the original writing, recording or photograph is required, except as
20 otherwise provided in chs. 901 to 911, s. 137.21, or by other statute.

21 **SECTION 17.** 910.03 of the statutes is amended to read:

22 **910.03 Admissibility of duplicates.** A duplicate is admissible to the same
23 extent as an original unless (1) a genuine question is raised as to the authenticity of
24 the original or (2) in the circumstances it would be unfair to admit the duplicate in

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1 lieu of the original. This section does not apply to records of transactions governed
2 by s. 137.21. (9101) ✓

3 **SECTION 17. Nonstatutory provisions; administration.**

4 (1) USE OF ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES BY GOVERNMENTAL
5 UNITS; EMERGENCY RULES. Using the procedure under section 227.24 of the statutes,
6 the department of administration may promulgate emergency rules under section
7 137.25 (2) of the statutes, as created by this act, for the period before the effective date
8 of permanent rules initially promulgated under section 137.25 (2) of the statutes, as
9 created by this act, but not to exceed the period authorized under section 227.24 (1)
10 (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of
11 the statutes, the department is not required to provide evidence that promulgating
12 a rule under this subsection as an emergency rule is necessary for the preservation
13 of the public peace, health, safety, or welfare and is not required to provide a finding
14 of emergency for a rule promulgated under this subsection.

15 (2) USE OF ELECTRONIC SIGNATURES BY NOTARIES PUBLIC; EMERGENCY RULES. Using
16 the procedure under section 227.24 of the statutes, the secretary of state and the
17 department of administration may promulgate emergency rules under section
18 137.01 (4) (a) of the statutes, as affected by this act, for the period before the effective
19 date of permanent rules initially promulgated under section 137.01 (4) (a) of the
20 statutes, as affected by this act. Notwithstanding section 227.24 (1) (a), (2) (b), and
21 (3) of the statutes, the secretary of state and the department are not required to
22 provide evidence that promulgating a rule under this subsection as an emergency
23 rule is necessary for the preservation of the public peace, health, safety, or welfare
24 and are not required to provide a finding of emergency for a rule promulgated under
25 this subsection.

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(3) USE OF ELECTRONIC SIGNATURES BY NOTARIES PUBLIC; PERMANENT RULES. The secretary of state and department of administration shall initially promulgate permanent rules under section 137.01 (4) (a) of the statutes, as affected by this act, to become effective no later than January 1, 2004.

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SECTION 18. Initial applicability; administration.

(1) ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES. The treatment of sections 137.01 (3) (a) and (4) (a) and (b), 137.04, 137.05 (title), 137.06, 137.11 to 137.24, 224.30 (2), 889.29 (1), 910.01 (1), 910.02, and 910.03, subchapters I (title) and II (title) of chapter 137, and chapter 137 (title) of the statutes, the renumbering and amendment of section 137.05 of the statutes, and the creation of section 137.25 (2) of the statutes first apply to electronic records or electronic signatures that are created, generated, sent, communicated, received, or initially stored on the effective date of this subsection.

(END)