+Second Regular Session Seventy-second General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 20-0051.01 Thomas Morris x4218

SENATE BILL 20-096

SENATE SPONSORSHIP

Rodriguez and Holbert, Bridges, Fields, Ginal, Lee, Marble, Smallwood, Sonnenberg, Story, Tate, Todd, Williams A.

HOUSE SPONSORSHIP

Duran and Carver,

Senate Committees

Judiciary Appropriations

House Committees

Business Affairs & Labor Appropriations

A BILL FOR AN ACT

101	CONCERNING AN AUTHORIZATION FOR NOTARIES PUBLIC TO PERFORM
102	NOTARIAL ACTS USING AUDIO-VIDEO COMMUNICATION, AND, IN
103	CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Current law requires an individual who wishes to have a document notarized to appear personally before a notary public. The bill authorizes a notary public to perform a notarial act on behalf of an individual who is not in the notary's physical presence, but only with respect to an electronic document. HOUSE
Amended 2nd Reading

SENATE 3rd Reading Unamended March 11, 2020

> SENATE Amended 2nd Reading March 10, 2020

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

To perform a "remote notarization", a notary must use an electronic system that conforms to standards established by rules of the secretary of state, including using real-time audio-video communication. The bill establishes the standards that a notary must comply with to have satisfactory evidence of the identity of the individual seeking the remote notarization.

The bill also prohibits the use or sale of personal information of a remotely located individual by a remote notary and the provider of a remote notarization system except in specific, limited circumstances.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** Legislative declaration. The general assembly 3 recognizes the importance of protecting personal information that is 4 disclosed and recorded, including both audio and video, during the remote 5 notarization process. Data privacy is an essential part of Colorado's 6 authorization of remote notarization and the security of personal data 7 from unauthorized use or theft is of critical importance in the 8 implementation of remote notarization requirements in Colorado. 9 **SECTION 2.** In Colorado Revised Statutes, 24-21-502, add (1.3), 10 (1.7), (10.5), (11.3), (11.5), (11.7), and (15.5) as follows: 11 **24-21-502. Definitions.** In this part 5: 12 (1.3) "AUDIO-VIDEO COMMUNICATION" MEANS COMMUNICATION 13 BY WHICH AN INDIVIDUAL IS ABLE TO SEE, HEAR, AND COMMUNICATE WITH 14 A REMOTELY LOCATED INDIVIDUAL IN REAL TIME USING ELECTRONIC 15 MEANS. 16 (1.7) "CREDENTIAL" MEANS A TANGIBLE RECORD EVIDENCING THE 17 IDENTITY OF AN INDIVIDUAL. 18 (10.5) "REAL-TIME" OR "IN REAL TIME" MEANS, WITH RESPECT TO 19 AN INTERACTION BETWEEN INDIVIDUALS BY MEANS OF AUDIO-VIDEO 20 COMMUNICATION, THAT THE INDIVIDUALS CAN SEE AND HEAR EACH OTHER

-2-

2	DISCONNECTION. DELAYS OF A FEW SECONDS THAT ARE INHERENT IN THE
3	METHOD OF COMMUNICATION DO NOT PREVENT THE INTERACTION FROM
4	BEING CONSIDERED TO HAVE OCCURRED IN REAL TIME.
5	(11.3) "REMOTELY LOCATED INDIVIDUAL" MEANS AN INDIVIDUAL
6	WHO IS NOT IN THE PHYSICAL PRESENCE OF THE NOTARY PUBLIC WHO
7	PERFORMS A NOTARIAL ACT UNDER THIS SECTION.
8	(11.5) "Remote notarization" means an electronic
9	NOTARIAL ACT PERFORMED WITH RESPECT ONLY TO AN ELECTRONIC
10	RECORD BY MEANS OF REAL-TIME AUDIO-VIDEO COMMUNICATION IN
11	ACCORDANCE WITH SECTION 24-21-514.5 AND RULES ADOPTED BY THE
12	SECRETARY OF STATE.
13	(11.7) "REMOTE NOTARIZATION SYSTEM" MEANS AN ELECTRONIC
14	DEVICE OR PROCESS THAT:
15	(a) Allows a notary public and a remotely located
16	INDIVIDUAL TO COMMUNICATE WITH EACH OTHER SIMULTANEOUSLY BY
17	SIGHT AND SOUND; AND
18	(b) WHEN NECESSARY AND CONSISTENT WITH OTHER APPLICABLE
19	LAW, FACILITATES COMMUNICATION WITH A REMOTELY LOCATED
20	INDIVIDUAL WHO HAS A VISION, HEARING, OR SPEECH IMPAIRMENT.
21	(15.5) "TAMPER-EVIDENT" MEANS THE USE OF A SET OF
22	APPLICATIONS, PROGRAMS, HARDWARE, SOFTWARE, OR OTHER
23	TECHNOLOGIES THAT WILL DISPLAY EVIDENCE OF ANY CHANGES MADE TO
24	AN ELECTRONIC RECORD.
25	SECTION 3. In Colorado Revised Statutes, amend 24-21-506 as
26	follows:
27	24-21-506. Personal appearance required - definition. (1) If

SUBSTANTIALLY SIMULTANEOUSLY AND WITHOUT INTERRUPTION OR

1

-3- 096

2	record, the individual making the statement or executing the signature
3	shall appear personally before the notarial officer.
4	(2) FOR PURPOSES OF THIS SECTION, "APPEAR PERSONALLY"
5	MEANS:
6	(a) BEING IN THE SAME PHYSICAL LOCATION AS ANOTHER
7	INDIVIDUAL AND CLOSE ENOUGH TO SEE, HEAR, COMMUNICATE WITH, AND
8	EXCHANGE TANGIBLE IDENTIFICATION CREDENTIALS WITH THAT
9	INDIVIDUAL; OR
10	(b) INTERACTING WITH A REMOTELY LOCATED INDIVIDUAL BY
11	MEANS OF REAL-TIME AUDIO-VIDEO COMMUNICATION IN COMPLIANCE
12	WITH SECTION 24-21-514.5 AND RULES ADOPTED BY THE SECRETARY OF
13	STATE.
14	SECTION 4. In Colorado Revised Statutes, add 24-21-514.5 as
15	follows:
16	24-21-514.5. Audio-video communication - definitions. (1) As
17	USED IN THIS SECTION:
18	(a) "Credential analysis" means a process or service that
19	COMPLIES WITH ANY RULES ADOPTED BY THE SECRETARY OF STATE
20	THROUGH WHICH A THIRD PARTY AFFIRMS THE VALIDITY OF A
21	GOVERNMENT-ISSUED IDENTIFICATION CREDENTIAL THROUGH THE REVIEW
22	OF PUBLIC OR PROPRIETARY DATA SOURCES.
23	(b) "DYNAMIC, KNOWLEDGE-BASED AUTHENTICATION
24	ASSESSMENT" MEANS AN IDENTITY ASSESSMENT THAT IS BASED ON A SET
25	OF QUESTIONS FORMULATED FROM PUBLIC OR PRIVATE DATA SOURCES FOR
26	WHICH THE REMOTELY LOCATED INDIVIDUAL TAKING THE ASSESSMENT
27	HAS NOT PREVIOUSLY PROVIDED AN ANSWER AND THAT MEETS ANY RULES

a notarial act relates to a statement made in or a signature executed on a

-4- 096

1	ADOPTED BY THE SECRETARY OF STATE.
2	(c) "OUTSIDE THE UNITED STATES" MEANS A LOCATION OUTSIDE
3	THE GEOGRAPHIC BOUNDARIES OF THE UNITED STATES, PUERTO RICO, THE
4	UNITED STATES VIRGIN ISLANDS, AND ANY TERRITORY OR INSULAR
5	POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.
6	(d) "Public key certificate" means an electronic
7	CREDENTIAL THAT IS USED TO IDENTIFY A REMOTELY LOCATED
8	$INDIVIDUAL\ WHO\ SIGNED\ AN\ ELECTRONIC\ RECORD\ WITH\ THE\ CREDENTIAL.$
9	(e) "REMOTE PRESENTATION" MEANS TRANSMISSION TO THE
10	NOTARY PUBLIC THROUGH COMMUNICATION TECHNOLOGY OF AN IMAGE
11	OF A GOVERNMENT-ISSUED IDENTIFICATION CREDENTIAL THAT IS OF
12	SUFFICIENT QUALITY TO ENABLE THE NOTARY PUBLIC TO:
13	(I) IDENTIFY THE REMOTELY LOCATED INDIVIDUAL SEEKING THE
14	NOTARY PUBLIC'S SERVICES; AND
15	(II) PERFORM CREDENTIAL ANALYSIS.
16	(2) (a) EXCEPT AS PROVIDED IN SUBSECTION (2)(b) OF THIS
17	SECTION, A NOTARY PUBLIC MAY PERFORM A REMOTE NOTARIZATION ONLY
18	WITH RESPECT TO AN ELECTRONIC RECORD AND IN COMPLIANCE WITH THIS
19	SECTION AND ANY RULES ADOPTED BY THE SECRETARY OF STATE FOR A
20	REMOTELY LOCATED INDIVIDUAL WHO IS LOCATED:
21	(I) IN THIS STATE;
22	(II) OUTSIDE OF THIS STATE BUT WITHIN THE UNITED STATES; OR
23	(III) OUTSIDE THE UNITED STATES IF:
24	(A) THE NOTARY PUBLIC HAS NO ACTUAL KNOWLEDGE THAT THE
25	NOTARIAL ACT IS PROHIBITED IN THE JURISDICTION IN WHICH THE
26	REMOTELY LOCATED INDIVIDUAL IS PHYSICALLY LOCATED AT THE TIME OF
27	THE ACT; AND

-5- 096

1	(B) THE REMOTELY LOCATED INDIVIDUAL CONFIRMS TO THE
2	NOTARY PUBLIC THAT THE REQUESTED NOTARIAL ACT AND THE RECORD
3	RELATE TO: A MATTER THAT WILL BE FILED WITH OR IS CURRENTLY
4	BEFORE A COURT, GOVERNMENTAL ENTITY, OR OTHER ENTITY IN THE
5	UNITED STATES; PROPERTY LOCATED IN THE UNITED STATES; OR A
6	TRANSACTION SUBSTANTIALLY CONNECTED TO THE UNITED STATES.
7	(b) A NOTARY PUBLIC SHALL NOT USE A REMOTE NOTARIZATION
8	SYSTEM TO NOTARIZE:
9	(I) A RECORD RELATING TO THE ELECTORAL PROCESS; OR
10	(II) A WILL, CODICIL, DOCUMENT PURPORTING TO BE A WILL OR
11	CODICIL, OR ANY ACKNOWLEDGMENT REQUIRED UNDER SECTION
12	15-11-502 OR 15-11-504.
13	(3) BEFORE A NOTARY PUBLIC PERFORMS THE NOTARY PUBLIC'S
14	INITIAL NOTARIZATION USING A REMOTE NOTARIZATION SYSTEM, THE
15	NOTARY PUBLIC SHALL NOTIFY THE SECRETARY OF STATE THAT THE
16	NOTARY PUBLIC WILL BE PERFORMING REMOTE NOTARIZATIONS AND
17	SHALL IDENTIFY EACH REMOTE NOTARIZATION SYSTEM THAT THE NOTARY
18	PUBLIC INTENDS TO USE. THE REMOTE NOTARIZATION SYSTEM MUST
19	CONFORM TO THIS PART 5 AND ANY RULES ADOPTED BY THE SECRETARY
20	OF STATE. THE NOTICE MUST BE SUBMITTED IN THE FORMAT REQUIRED BY
21	THE SECRETARY OF STATE AND MUST:
22	(a) INCLUDE AN AFFIRMATION THAT THE NOTARY PUBLIC HAS READ
23	AND WILL COMPLY WITH THIS SECTION AND ALL RULES ADOPTED BY THE
24	SECRETARY OF STATE; AND
25	(b) BE ACCOMPANIED BY PROOF THAT THE NOTARY PUBLIC HAS
26	SUCCESSFULLY COMPLETED ANY TRAINING AND EXAMINATION REQUIRED
27	BY THE SECRETARY OF STATE.

-6- 096

1	(4) A NOTARY PUBLIC WHO PERFORMS A NOTARIAL ACT FOR A
2	REMOTELY LOCATED INDIVIDUAL BY MEANS OF AUDIO-VIDEO
3	COMMUNICATION MUST:
4	(a) BE LOCATED WITHIN THIS STATE AT THE TIME THE NOTARIAL
5	ACT IS PERFORMED;
6	(b) EXECUTE THE NOTARIAL ACT IN A SINGLE, REAL-TIME SESSION;
7	(c) CONFIRM THAT ANY RECORD THAT IS SIGNED, ACKNOWLEDGED,
8	OR OTHERWISE PRESENTED FOR NOTARIZATION BY THE REMOTELY
9	LOCATED INDIVIDUAL IS THE SAME RECORD SIGNED BY THE NOTARY
10	PUBLIC;
11	(d) Confirm that the quality of the audio-video
12	COMMUNICATION IS SUFFICIENT TO MAKE THE DETERMINATIONS REQUIRED
13	FOR THE NOTARIAL ACT UNDER THIS PART 5 AND ANY OTHER LAW OF THIS
14	STATE; AND
15	(e) IDENTIFY THE VENUE FOR THE NOTARIAL ACT AS THE
16	JURISDICTION WITHIN $\underline{\text{THE STATE OF COLORADO}}$ WHERE THE NOTARY
17	PUBLIC IS PHYSICALLY LOCATED WHILE PERFORMING THE ACT.
18	(5) A REMOTE NOTARIZATION SYSTEM USED TO PERFORM REMOTE
19	NOTARIZATIONS MUST:
20	(a) REQUIRE THE NOTARY PUBLIC, THE REMOTELY LOCATED
21	INDIVIDUAL, AND ANY REQUIRED WITNESS TO ACCESS THE SYSTEM
22	THROUGH AN AUTHENTICATION PROCEDURE THAT COMPLIES WITH RULES
23	ADOPTED BY THE SECRETARY OF STATE REGARDING SECURITY AND
24	ACCESS;
25	(b) Enable the notary public to verify the identity of the
26	REMOTELY LOCATED INDIVIDUAL AND ANY REQUIRED WITNESS BY MEANS
27	OF PERSONAL KNOWLEDGE OR SATISFACTORY EVIDENCE OF IDENTITY IN

-7- 096

1	COMPLIANCE WITH SUBSECTION (6) OF THIS SECTION; AND
2	(c) CONFIRM THAT THE NOTARY PUBLIC, THE REMOTELY LOCATED
3	INDIVIDUAL, AND ANY REQUIRED WITNESS ARE VIEWING THE SAME
4	RECORD AND THAT ALL SIGNATURES, CHANGES, AND ATTACHMENTS TO
5	THE RECORD ARE MADE IN REAL TIME.
6	(6) (a) A NOTARY PUBLIC SHALL DETERMINE FROM PERSONAL
7	KNOWLEDGE OR SATISFACTORY EVIDENCE OF IDENTITY AS DESCRIBED IN
8	SUBSECTION (6)(b) OF THIS SECTION THAT THE REMOTELY LOCATED
9	INDIVIDUAL APPEARING BEFORE THE NOTARY PUBLIC BY MEANS OF
10	AUDIO-VIDEO COMMUNICATION IS THE INDIVIDUAL THAT HE OR SHE
11	PURPORTS TO BE.
12	(b) A NOTARY PUBLIC HAS SATISFACTORY EVIDENCE OF IDENTITY
13	IF THE NOTARY PUBLIC CAN IDENTIFY THE REMOTELY LOCATED
14	INDIVIDUAL WHO PERSONALLY APPEARS BEFORE THE NOTARY PUBLIC BY
15	MEANS OF AUDIO-VIDEO COMMUNICATION BY USING AT LEAST ONE OF THE
16	FOLLOWING METHODS:
17	(I) THE OATH OR AFFIRMATION OF A CREDIBLE WITNESS WHO
18	PERSONALLY KNOWS THE REMOTELY LOCATED INDIVIDUAL, IS
19	PERSONALLY KNOWN TO THE NOTARY PUBLIC, AND IS IN THE PHYSICAL
20	PRESENCE OF THE NOTARY PUBLIC OR THE REMOTELY LOCATED
21	INDIVIDUAL DURING THE REMOTE NOTARIZATION;
22	(II) REMOTE PRESENTATION AND CREDENTIAL ANALYSIS OF A
23	GOVERNMENT-ISSUED IDENTIFICATION CREDENTIAL, AND THE DATA
24	CONTAINED ON THE CREDENTIAL, THAT CONTAINS THE SIGNATURE AND A
25	PHOTOGRAPH OF THE REMOTELY LOCATED INDIVIDUAL, AND AT LEAST ONE
26	OF THE FOLLOWING:
27	(A) A DYNAMIC, KNOWLEDGE-BASED AUTHENTICATION

-8- 096

1	ASSESSMENT BY A TRUSTED THIRD PARTY THAT COMPLIES WITH RULES
2	ADOPTED BY THE SECRETARY OF STATE;
3	(B) A VALID PUBLIC KEY CERTIFICATE THAT COMPLIES WITH RULES
4	ADOPTED BY THE SECRETARY OF STATE; OR
5	(C) AN IDENTITY VERIFICATION BY A TRUSTED THIRD PARTY THAT
6	COMPLIES WITH RULES ADOPTED BY THE SECRETARY OF STATE; OR
7	(III) ANY OTHER METHOD THAT COMPLIES WITH RULES ADOPTED
8	BY THE SECRETARY OF STATE.
9	(7) WITHOUT LIMITING THE AUTHORITY OF A NOTARY PUBLIC
10	UNDER SECTION 24-21-508 TO REFUSE TO PERFORM A NOTARIAL ACT, A
11	NOTARY PUBLIC MAY REFUSE TO PERFORM A NOTARIAL ACT UNDER THIS
12	SECTION IF THE NOTARY PUBLIC IS NOT SATISFIED THAT THE
13	REQUIREMENTS OF THIS SECTION ARE MET.
14	(8) The certificate of notarial act for a remote
15	NOTARIZATION MUST, IN ADDITION TO COMPLYING WITH THE
16	REQUIREMENTSOFSECTION24-21-515, INDICATETHATTHENOTARIALACT
17	WAS PERFORMED USING AUDIO-VIDEO COMMUNICATION TECHNOLOGY.
18	(9) (a) A NOTARY PUBLIC SHALL CREATE AN AUDIO-VIDEO
19	RECORDING OF A REMOTE NOTARIZATION IF:
20	(I) The notary public first discloses to the remotely
21	LOCATED INDIVIDUAL THE FACT OF THE RECORDING AND THE DETAILS OF
22	ITS INTENDED STORAGE, INCLUDING WHERE AND FOR HOW LONG IT WILL
23	BE STORED;
24	(II) THE REMOTELY LOCATED INDIVIDUAL EXPLICITLY CONSENTS
25	TO BOTH THE RECORDING AND THE STORAGE OF THE RECORDING; AND
26	(III) THE RECORDING IS STORED AND SECURED IN COMPLIANCE
27	WITH RULES ADOPTED BY THE SECRETARY OF STATE.

-9- 096

1	(b) THE AUDIO-VIDEO RECORDING REQUIRED BY THIS SUBSECTION
2	(9) MUST BE IN ADDITION TO THE JOURNAL ENTRY FOR THE NOTARIAL ACT
3	WHERE REQUIRED BY SECTION 24-21-519. THE RECORDING MUST INCLUDE
4	THE INFORMATION DESCRIBED IN THIS SUBSECTION (9)(b). A NOTARY
5	PUBLIC SHALL MAKE A GOOD-FAITH EFFORT TO NOT INCLUDE ANY OTHER
6	INFORMATION ON THE RECORDING. ANY OTHER INFORMATION INCLUDED
7	ON THE RECORDING IS NOT ADMISSIBLE IN ANY COURT OF LAW, LEGAL
8	PROCEEDING, OR ADMINISTRATIVE HEARING FOR ANY PURPOSE, NOR IS THE
9	INFORMATION ADMISSIBLE IN ANY PROCEEDING IN ANY OTHER COURT OF
10	LAW, LEGAL PROCEEDING, OR ADMINISTRATIVE HEARING IF COLORADO
11	LAW APPLIES WITH RESPECT TO REMOTE NOTARIZATION. THE RECORDING
12	MUST INCLUDE:
13	(I) AT THE COMMENCEMENT OF THE RECORDING, A RECITATION BY
14	THE NOTARY PUBLIC OF INFORMATION SUFFICIENT TO IDENTIFY THE
15	NOTARIAL ACT, INCLUDING THE NAME OF THE NOTARY PUBLIC, THE DATE
16	AND TIME OF THE NOTARIAL ACT, A DESCRIPTION OF THE NATURE OF THE
17	DOCUMENT OR DOCUMENTS TO WHICH THE NOTARIAL ACT IS TO RELATE,
18	THE IDENTITY OF THE REMOTELY LOCATED INDIVIDUAL WHOSE SIGNATURE
19	IS TO BE THE SUBJECT OF THE NOTARIAL ACT AND OF ANY PERSON WHO
20	WILL ACT AS A CREDIBLE WITNESS TO IDENTIFY THE INDIVIDUAL SIGNER,
21	AND THE METHOD OR METHODS BY WHICH THE REMOTELY LOCATED
22	INDIVIDUAL AND ANY CREDIBLE WITNESS WILL BE IDENTIFIED TO THE
23	NOTARY PUBLIC;
24	(II) A DECLARATION BY THE REMOTELY LOCATED INDIVIDUAL
25	THAT THE INDIVIDUAL'S SIGNATURE ON THE RECORD IS KNOWINGLY AND
26	VOLUNTARILY MADE;
27	(III) IF THE REMOTELY LOCATED INDIVIDUAL FOR WHOM THE

-10- 096

1	NOTARIAL ACT IS BEING PERFORMED IS IDENTIFIED BY PERSONAL
2	KNOWLEDGE, AN EXPLANATION BY THE NOTARY PUBLIC AS TO HOW THE
3	NOTARY PUBLIC KNOWS THE REMOTELY LOCATED INDIVIDUAL AND HOW
4	LONG THE NOTARY PUBLIC HAS KNOWN THE REMOTELY LOCATED
5	INDIVIDUAL;
6	(IV) IF THE REMOTELY LOCATED INDIVIDUAL FOR WHOM THE
7	NOTARIAL ACT IS BEING PERFORMED IS IDENTIFIED BY A CREDIBLE
8	WITNESS:
9	(A) A STATEMENT BY THE NOTARY PUBLIC AS TO HOW THE
10	NOTARY PUBLIC KNOWS THE CREDIBLE WITNESS AND HOW LONG THE
11	NOTARY PUBLIC HAS KNOWN THE CREDIBLE WITNESS; AND
12	(B) AN EXPLANATION BY THE CREDIBLE WITNESS AS TO HOW THE
13	CREDIBLE WITNESS KNOWS THE REMOTELY LOCATED INDIVIDUAL AND
14	HOW LONG THE CREDIBLE WITNESS HAS KNOWN THE REMOTELY LOCATED
15	INDIVIDUAL; AND
16	(V) THE STATEMENTS, ACTS, AND CONDUCT NECESSARY TO
17	PERFORM THE REQUESTED NOTARIAL ACT OR SUPERVISION OF SIGNING OR
18	WITNESSING OF THE SUBJECT RECORD.
19	(c) The provisions of Section 24-21-519 that relate to the
20	SECURITY, INSPECTION, COPYING, AND RETENTION AND DISPOSITION OF A
21	NOTARY PUBLIC'S JOURNAL APPLY EQUALLY TO THE SECURITY,
22	INSPECTION, COPYING, AND RETENTION AND DISPOSITION OF AUDIO-VIDEO
23	RECORDINGS ALLOWED BY THIS SECTION.
24	(d) The failure of a notary public to perform a duty or
25	MEET A REQUIREMENT SPECIFIED IN THIS SUBSECTION (9) DOES NOT
26	INVALIDATE A REMOTE NOTARIZATION PERFORMED BY THE NOTARY
27	PUBLIC. A NOTARY PUBLIC IS NOT LIABLE TO ANY PERSON FOR DAMAGES

-11- 096

1	CLAIMED TO ARISE FROM A FAILURE TO PERFORM A DUTY OR MEET A
2	REQUIREMENT SPECIFIED IN SUBSECTION (9)(b) OF THIS SECTION.
3	(10) REGARDLESS OF THE PHYSICAL LOCATION OF THE REMOTELY
4	LOCATED INDIVIDUAL AT THE TIME OF THE NOTARIAL ACT, THE VALIDITY
5	OF A REMOTE NOTARIZATION PERFORMED BY A NOTARY IN THIS STATE IS
6	GOVERNED BY THE LAWS OF THIS STATE, INCLUDING ANY RULES ADOPTED
7	BY THE SECRETARY OF STATE PURSUANT TO THIS PART 5.
8	(11) TO BE ELIGIBLE FOR APPROVAL BY THE SECRETARY OF STATE
9	UNDER SECTION 24-21-527 (1)(h), A PROVIDER OF A REMOTE
10	NOTARIZATION SYSTEM OR STORAGE SYSTEM MUST:
11	(a) CERTIFY TO THE SECRETARY OF STATE THAT THE PROVIDER
12	AND THE SYSTEM COMPLY WITH THE REQUIREMENTS OF THIS SECTION AND
13	THE RULES ADOPTED UNDER SECTION 24-21-527;
14	(b) MAINTAIN A USUAL PLACE OF BUSINESS IN THIS STATE OR, IF A
15	FOREIGN ENTITY, APPOINT AND MAINTAIN A REGISTERED AGENT, IN
16	ACCORDANCE WITH SECTION 7-90-701 BY FILING A STATEMENT OF
17	FOREIGN ENTITY AUTHORITY IN ACCORDANCE WITH SECTION 7-90-803,
18	WITH AUTHORITY TO ACCEPT SERVICE OF PROCESS IN CONNECTION WITH
19	A CIVIL ACTION OR OTHER PROCEEDING; AND
20	(c) Not use, sell, or offer to sell to another person or
21	TRANSFER TO ANOTHER PERSON FOR USE OR SALE ANY PERSONAL
22	INFORMATION OBTAINED UNDER THIS SECTION THAT IDENTIFIES A
23	REMOTELY LOCATED INDIVIDUAL, A WITNESS TO A REMOTE
24	NOTARIZATION, OR A PERSON NAMED IN A RECORD PRESENTED FOR
25	REMOTE NOTARIZATION, EXCEPT:
26	(I) AS NECESSARY TO FACILITATE PERFORMANCE OF A NOTARIAL
27	ACT;

-12- 096

1	(II) TO EFFECT, ADMINISTER, ENFORCE, SERVICE, OR PROCESS A
2	RECORD PROVIDED BY OR ON BEHALF OF THE INDIVIDUAL OR THE
3	TRANSACTION OF WHICH THE RECORD IS A PART;
4	(III) <u>IN ACCORDANCE</u> WITH THIS PART 5 AND THE RULES ADOPTED
5	PURSUANT TO THIS PART 5 OR OTHER APPLICABLE FEDERAL, STATE, OR
6	LOCAL LAW, OR TO COMPLY WITH A LAWFUL SUBPOENA OR COURT ORDER;
7	OR
8	(IV) IN CONNECTION WITH A PROPOSED OR ACTUAL SALE, MERGER,
9	TRANSFER, OR EXCHANGE OF ALL OR A PORTION OF A BUSINESS OR
10	OPERATING UNIT OF THE <u>PROVIDER</u> , IF THE PERSONAL INFORMATION
11	CONCERNS ONLY CUSTOMERS OF THE BUSINESS OR UNIT AND THE
12	TRANSFEREE AGREES TO COMPLY WITH THE RESTRICTIONS SET FORTH IN
13	THIS SUBSECTION (11).
14	(12) SUBJECT TO APPLICABLE LAW OTHER THAN THIS ARTICLE 21,
15	IF A RECORD IS PRIVILEGED PURSUANT TO SECTION 13-90-107 (1)(b), THE
16	CORRESPONDING ELECTRONIC RECORD SECURED AND STORED BY THE
17	REMOTE NOTARIZATION SYSTEM AS PROVIDED IN THIS ARTICLE 21
18	REMAINS PRIVILEGED.
19	SECTION 5. In Colorado Revised Statutes, 24-21-515, amend
20	(3)(d) and (4) as follows:
21	24-21-515. Certificate of notarial act. (3) A certificate of a
22	notarial act is sufficient if it meets the requirements of subsections (1) and
23	(2) of this section and:
24	(d) Sets forth the actions of the notarial officer and the actions
25	THAT are sufficient to meet the requirements of the notarial act as
26	provided in sections 24-21-505, 24-21-506, and 24-21-507 AND, IF
27	APPLICABLE, SECTION 24-21-514.5 or law of this state other than this part

-13- 096

1	5.
2	(4) By executing a certificate of a notarial act, a notarial officer
3	certifies that the officer has complied with the requirements and made the
4	determinations specified in sections 24-21-504, 24-21-505, and
5	24-21-506 AND, IF APPLICABLE, SECTION 24-21-514.5.
6	SECTION 6. In Colorado Revised Statutes, 24-21-519, amend
7	(2) as follows:
8	24-21-519. Journal. (2) (a) A journal may be created on a
9	tangible medium or in an electronic format. If a journal is maintained on
10	a tangible medium, it must be a permanent, bound register with numbered
11	pages. If a journal is maintained in an electronic format, it must be in a
12	permanent, tamper-evident electronic format complying with the rules of
13	the secretary of state.
14	(b) A NOTARY PUBLIC WHO PERFORMS A REMOTE NOTARIZATION
15	SHALL MAINTAIN A JOURNAL IN AN ELECTRONIC FORMAT WITH REGARD TO
16	EACH REMOTE NOTARIZATION
17	SECTION 7. In Colorado Revised Statutes, 24-21-527, amend
18	(1)(e); and add (1)(g), (1)(h), and (3) as follows:
19	24-21-527. Rules - definitions - repeal. (1) The secretary of
20	state may adopt rules to implement this part 5 in accordance with article
21	4 of this title 24. Rules adopted regarding the performance of notarial acts
22	with respect to electronic records may not require, or accord greater legal
23	status or effect to, the implementation or application of a specific
24	technology or technical specification. The rules may:
25	(e) Include provisions to prevent fraud or mistake in the
26	performance of notarial acts; and
27	(a) Prescribe the Manner of Depending Notabial acts

-14- 096

1	USING AUDIO-VIDEO COMMUNICATION TECHNOLOGY, INCLUDING
2	PROVISIONS TO ENSURE THE SECURITY, INTEGRITY, AND ACCESSIBILITY OF
3	RECORDS RELATING TO THOSE ACTS; AND
4	(h) PRESCRIBE REQUIREMENTS FOR THE APPROVAL AND USE OF
5	REMOTE NOTARIZATION SYSTEMS AND STORAGE SYSTEMS.
6	(3) (a) As used in this subsection (3):
7	(I) "INTERIM PERIOD" MEANS THE PERIOD BEGINNING ON MARCH
8	30, 2020, AND ENDING ON DECEMBER 31, 2020.
9	(II) "TEMPORARY RULE" MEANS RULE 5 OF THE NOTARY PROGRAM
10	RULES AS ADOPTED BY THE SECRETARY OF STATE EFFECTIVE MARCH 30,
11	2020, AND PUBLISHED AT 8 CCR 1505-11, AND ANY ANALOGOUS
12	SUCCESSOR EMERGENCY RULE OF THE NOTARY PROGRAM THAT
13	AUTHORIZES REMOTE NOTARIZATIONS.
14	(b) DURING THE INTERIM PERIOD:
15	(I) A NOTARY PUBLIC COMMISSIONED BY THE SECRETARY OF STATE
16	MAY PERFORM NOTARIAL ACTS WITH RESPECT TO A REMOTELY LOCATED
17	INDIVIDUAL USING AUDIO-VIDEO COMMUNICATION IN ACCORDANCE WITH,
18	AND SUBJECT TO THE LIMITATIONS AND RESTRICTIONS SET FORTH IN, THE
19	TEMPORARY RULE; AND
20	(II) INSOFAR AS IT RELATES TO ANY NOTARIAL ACT PERMITTED BY
21	THE TEMPORARY RULE AND PERFORMED DURING THE INTERIM PERIOD, ANY
22	REQUIREMENT IN THIS PART $\overline{5}$ OR TITLE $\overline{38}$ THAT AN INDIVIDUAL MAKING
23	A STATEMENT OR EXECUTING A SIGNATURE APPEAR PERSONALLY BEFORE
24	A NOTARIAL OFFICER IS SATISFIED BY THE PROCEDURES SPECIFIED IN AND
25	PERMITTED BY THE TEMPORARY RULE.
26	(c) THE SECRETARY OF STATE MAY AMEND THE TEMPORARY RULE
27	IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE 24, BUT THE AMENDMENT

-15- 096

1	MUST NOT PERMIT THE PERFORMANCE OF A REMOTE NOTARIZATION WITH
2	RESPECT TO A RECORD DESCRIBED IN SECTION $5.2.2$ OF THE TEMPORARY
3	RULE OTHER THAN IN ACCORDANCE WITH THE PROVISIONS OF THE
4	TEMPORARY RULE AS IT EXISTED ON THE EFFECTIVE DATE OF THIS
5	SUBSECTION (3).
6	(d) A NOTARIAL ACT PERFORMED DURING THE INTERIM PERIOD
7	WITH RESPECT TO A REMOTELY LOCATED INDIVIDUAL THAT COMPLIED
8	WITH THE TEMPORARY RULE IS NOT INVALID DUE TO THE LACK OF EXPRESS
9	STATUTORY AUTHORITY FOR THE NOTARIAL ACT.
10	(e) THE SECRETARY OF STATE SHALL UPDATE THE APPLICABLE
11	JOINT COMMITTEE OF REFERENCE DURING THE DEPARTMENT OF STATE'S
12	2020 PRESENTATION MADE PURSUANT TO SECTION 2-7-203 REGARDING
13	THE IMPLEMENTATION OF THIS SUBSECTION (3).
14	(f) SUBSECTIONS (3)(b), (3)(c), AND (3)(e) OF THIS SECTION AND
15	THIS SUBSECTION (3)(f) ARE REPEALED, EFFECTIVE DECEMBER 31, 2020.
16	SECTION 8. In Colorado Revised Statutes, 10-11-122, add (4)
17	as follows:
18	10-11-122. Title commitments - rules. (4) (a) IF A TITLE
19	INSURANCE AGENT OR TITLE INSURANCE COMPANY IS REQUIRED TO
20	PROVIDE THE STATEMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION,
21	THE AGENT OR COMPANY SHALL ALSO PROVIDE A STATEMENT
22	SUBSTANTIALLY AS FOLLOWS:
23	COLORADO NOTARIES MAY REMOTELY
24	NOTARIZE REAL ESTATE DEEDS AND OTHER
25	DOCUMENTS USING REAL-TIME AUDIO-VIDEO
26	COMMUNICATION TECHNOLOGY. YOU MAY
27	CHOOSE NOT TO USE REMOTE NOTARIZATION

-16- 096

1	FOR ANY DOCUMENT.
2	(b) FAILURE OF A PERSON TO PROVIDE THE STATEMENT REQUIRED
3	BY THIS SUBSECTION (4) DOES NOT SUBJECT THE PERSON TO ANY LIABILITY
4	UNDER THIS ARTICLE 11 OR TO THE PENALTY PROVISIONS OF SECTION
5	10-3-111 AND DOES NOT AFFECT OR INVALIDATE ANY PROVISIONS OF THE
6	COMMITMENT FOR TITLE INSURANCE.
7	SECTION 9. Appropriation. (1) For the 2020-21 state fiscal
8	year, \$132,795 is appropriated to the department of state. This
9	appropriation is from the department of state cash fund created in section
10	24-21-104 (3)(b), C.R.S. To implement this act, the department may use
11	this appropriation as follows:
12	(a) \$57,910 for use by the business and licensing division for
13	personal services, which amount is based on an assumption that the
14	division will require an additional 1.1 FTE;
15	(b) \$7,685 for use by the business and licensing division for
16	operating expenses; and
17	(c) \$67,200 for use by the information technology division for
18	personal services.
19	SECTION 10. Effective date - applicability. (1) This act:
20	(a) Takes effect upon passage; except that sections 1 through 6
21	and 8 of this act take effect December 31, 2020; and
22	(b) Applies to conduct occurring on or after March 30, 2020.
23	SECTION 11. Safety clause. The general assembly hereby finds,
24	determines, and declares that this act is necessary for the immediate
25	preservation of the public peace, health, or safety.

-17- 096