

February 2001

**EXECUTIVE OFFICE OF THE GOVERNOR
NOTARY SECTION
Notary E-Mail E-ducation February 2001**

Greetings Florida Notaries!

Continuing with January's theme of electronic notarization here is part two:

WHAT IS THE NEED FOR ELECTRONIC NOTARIZATION?

In recent months, numerous measures have been approved giving digital signatures the same legitimacy as pen signatures. This includes various pieces of state legislation (including Section 668.50, Florida Statutes) and federal legislation known as the Electronic Signatures in Global and National Commerce Act (E-Sign Act), which was digitally signed by President Clinton on June 30, 2000 and took effect on October 1, 2000. What makes this bill so notable for notaries is Section 101(g), which recognizes the validity of electronic notarization.

The passage of legislation removes legal barriers to electronic commerce. Business continues to transcend time and space. Strangers do business with strangers locally and globally. The need to know that individuals are who they claim to be is critical in the business world. This legal setting provides a framework for the inclusion of electronic transactions. It is imperative that notaries be there to fill their role within this framework.

The recent state and federal statutes concerning electronic transactions stemmed from governmental recognition of the significance of electronic commerce on the Internet. In 1999, the Uniform Law Commissioners distributed what is known as the Uniform Electronic Transaction Act (UETA). The basic objective of UETA is to ensure that e-transactions are as enforceable as traditional paper transactions. UETA is related to the Uniform Commercial Code (UCC), but specifically addresses "electronic records and electronic signatures relating to a transaction."

UETA applies to transactions only when both parties have agreed to conduct the transaction electronically. It should be noted that while UETA provides some uniform rules, it does not attempt to create a set of new rules or regulations - it addresses the legality of electronic signatures, but in no way does the bill require their use. The Uniform Electronic Transaction Act is technology-neutral - no one security measure or electronic signature policy is endorsed. Individuals can choose to implement the digital signing method or security procedure of their choice. Those who opt to process documents or forms online can rest assured that electronic notarization is available and legally recognized. Notaries who implement this technology will be at the forefront of the e-commerce revolution.

The Uniform Law Commissioners' national effort effectively provided guidelines to govern e-transactions. Many states have thus followed suit to implement their version of the Uniform Electronic Transaction Act. Florida's own version of [UETA](#) took effect July 1, 2000, as detailed in Section 668.50, (Florida Statutes). This section applies to electronic records and electronic signatures relating to a transaction. However, this does not apply to transactions that are governed by the creation or execution of wills or trusts, the UCC or the Uniform Computer Information Transactions Act, or by rules relating to judicial procedure.

UETA, as the Uniform Law Commissioners had hoped, is beginning to take root in various state bills. Florida is part of the vanguard in promoting and recognizing online documentation. Other

states have implemented, or are implementing, legislation as well. Notary involvement is vital to making the acceptance of electronic commerce a success! Taking advantage of today's technology and legislation allows notaries to empower themselves for tomorrow's world.

Next month we will look at how e-signatures and electronic notarizations work

Thank you,
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