THE SENATE THIRTIETH LEGISLATURE, 2020 STATE OF HAWAII S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

## A BILL FOR AN ACT

RELATING TO NOTARIAL ACTS.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. The purpose of this Act is to update the laws
2	regarding notaries public to conform to the Revised Uniform Law
3	on Notarial Acts (2018), the Hawaii Uniform Electronic
4	Transactions Act, other state notary laws, and current notary
5	practices.
6	SECTION 2. Chapter 456, Hawaii Revised Statutes, is
7	amended by adding six new sections to be appropriately
8	designated and to read as follows:
9	" <u>§456-A</u> Authority to refuse to perform notarial act. (a)
10	A notary public may refuse to perform a notarial act if the
11	notary public is not satisfied that:
12	(1) The person executing the document is competent or has
13	the capacity to execute the document;
14	(2) The person's signature is knowingly and voluntarily
15	made; or
16	(3) The notary public has proof of the signer's signature
17	and identity or, if the person is a remotely located



.

1	individual, satisfactory evidence of the identity
2	under section 456-B.
3	(b) A notary public may refuse to perform a notarial act
4	unless the refusal is prohibited by any provision of law other
5	than this chapter.
6	<u>§456-B</u> Notarial act performed for remotely located
7	individual. (a) A remotely located individual may comply with
8	any law requiring the individual to appear personally before, or
9	be in the presence of, a notary public at the time of the
10	performance of a notarial act by using communication technology
11	to appear before a remote online notary public.
12	(b) A remote online notary public located in this State
13	may perform a notarial act for a remotely located individual
14	using communication technology if:
15	(1) The remote online notary public has:
16	(A) Personal knowledge of the identity of the
17	individual;
18	(B) Satisfactory evidence of the identity of the
19	remotely located individual by oath or
20	affirmation from a credible witness appearing

# SB2275 HD2 HMS 2020-2149

Page 2

1		before the remote online notary public under this
2		chapter; or
3		(C) Obtained satisfactory evidence of the identity of
4		the remotely located individual by using at least
5		two different types of identity proofing;
6	(2)	The remote online notary public is reasonably able to
7		confirm that a document before the remote online
8		notary public is the same document in which the
9		remotely located individual made a statement or on
10		which the remotely located individual executed a
11		signature;
12	(3)	The remote online notary public, or a person acting on
13		behalf of the remote online notary public, creates an
14		audiovisual recording of the performance of the
15		notarial act; and
16	(4)	For a remotely located individual located outside the
17		United States:
18		(A) The document to be notarized:
19		(i) Is to be filed with or relates to a matter
20		before a public official or court,

1		governmental entity, or other entity subject
2		to the jurisdiction of the United States;
3	<u>(ii)</u>	Involves property located in the territorial
4		jurisdiction of the United States or
5		involves a transaction substantially
6		connected with the United States; or
7	<u>(iii)</u>	Involves a transaction with a bank, the
8		deposits of which are insured by the Federal
9		Deposit Insurance Corporation, including a
10		bank so insured and that is located in the
11		Federated States of Micronesia, Republic of
12		the Marshall Islands, or Republic of Palau;
13		and
14	(B) The	act of making the statement or signing the
15	reco	rd is not prohibited by the foreign state in
16	whic	h the remotely located individual is located.
17	<u>(c)</u> If a nota	rial act is performed under this section, any
18	certificate of nota	rial act required by this chapter or other
19	laws of this State	shall indicate that the notarial act was
20	performed using com	munication technology.

# SB2275 HD2 HMS 2020-2149

1	(d) A form of certificate of notarial act subject to this
2	section and authorized by the laws of this State, including a
3	certificate of acknowledgment provided in section 502-41, is
4	sufficient if it:
5	(1) Complies with rules adopted under this section; or
6	(2) Is in the form authorized by the laws of this State
7	and contains a statement substantially as follows:
8	"This notarial act involved the use of communication
9	technology".
10	(e) A remote online notary public; guardian, conservator,
11	or agent of a remote online notary public; or personal
12	representative of a deceased remote online notary public shall
13	retain any audiovisual recording created under this section or
14	cause the recording to be retained by a repository designated by
15	or on behalf of the person required to retain the recording.
16	Unless a different period is required by a rule adopted under
17	this section, the recording shall be retained for a period of no
18	less than ten years after the recording is made.
19	(f) Prior to performing any initial notarial act under
20	this section, the remote online notary public shall notify the
21	attorney general that the remote online notary public will be



Page 5

1	performin	g notarial acts with respect to remotely located
2	individua	ls and identify the technologies that the remote online
3	notary pu	blic intends to use. The technologies selected by a
4	remote on	line notary public to perform notarial acts for
5	remotely	located individuals shall conform to the attorney
6	general's	standards developed for this chapter.
7	<u>(g)</u>	In addition to adopting, amending, or repealing rules
8	under sec	tions 456-1.5 and 456-8, the attorney general may
9	adopt, am	end, or repeal rules pursuant to chapter 91 regarding
10	the perfo	rmance of notarial acts under this section, including:
11	(1)	Prescribing the means of performing a notarial act
12		involving a remotely located individual using
13		communication technology;
14	(2)	Establishing standards for communication technology
15		and identity proofing;
16	(3)	Establishing requirements and procedures to approve
17		providers of communication technology and the process
18		of identity proofing; and
19	(4)	Establishing standards for, and a period of retention
20		of, any audiovisual recording created under this
21		section.



Page 6

S.B. NO. S.D. 2H.D. 2 H.D. 2

1	<u>(h)</u>	Prior to adopting, amending, or repealing a rule
2	governing	the performance of a notarial act with respect to a
3	remotely	located individual, the attorney general shall
4	<u>consider:</u>	
5	(1)	The most recent standards regarding the performance of
6		a notarial act with respect to a remotely located
7		individual promulgated by national standard-setting
8		organizations and the recommendations of the National
9		Association of Secretaries of State;
10	(2)	The standards, practices, and customs of other
11		jurisdictions that have laws substantially similar to
12		this section; and
13	(3)	The views of governmental officials and entities and
14		other interested persons.
15	<u>(i)</u>	For purposes of this section:
16	"Com	munication technology" means an electronic device or
17	process t	hat:
18	(1)	Allows a remote online notary public and a remotely
19		located individual to communicate with each other
20		simultaneously by sight and sound; and

SB2275 HD2 HMS 2020-2149

1	(2) When necessary and consistent with other applicable
2	laws, facilitates communication between a remote
3	online notary public and a remotely located individual
4	who has a vision, hearing, or speech impairment.
5	"Foreign state" means a jurisdiction other than the United
6	States, a state of the United States, the District of Columbia,
7	Puerto Rico, the United States Virgin Islands, any territory or
8	insular possession subject to the jurisdiction of the United
9	States, or a federally recognized Indian tribe.
10	"Identity proofing" means a process or service by which a
11	third person provides a remote online notary public with a means
12	to verify the identity of a remotely located individual by a
13	review of the remotely located individual's personal information
14	from public or private data sources.
15	"Outside the United States" means a location outside the
16	geographic boundaries of the United States; Puerto Rico; the
17	United States Virgin Islands; and any territory, insular
18	possession, or other location subject to the jurisdiction of the
19	United States.

SB2275 HD2 HMS 2020-2149

1	"Rem	ote online notary public" means an individual
2	commissio	ned by the attorney general to perform notarial acts
3	for remot	ely located individuals.
4	"Rem	otely located individual" means an individual who is
5	<u>not in th</u>	e physical presence of the remote online notary public
6	performin	g a notarial act for that individual under this
7	section.	
8	§456	-C Remote online notaries public; application;
9	qualifica	<b>tions.</b> (a) A notary public or an applicant for
10	commissio	n as a notary public may apply to the attorney general
11	to be com	missioned as a remote online notary public in the
12	manner pr	ovided by this section.
13	(b)	A person qualifies to be commissioned as a remote
14	<u>online no</u>	tary public by:
15	(1)	Satisfying the qualification requirements for
16		commission as a notary public under this chapter;
17	(2)	Paying any application fee established pursuant to
18		subsection (c); and
19	(3)	Submitting to the attorney general an application in
20		the form prescribed by the attorney general that
21		establishes the applicant's qualifications.

SB2275 HD2 HMS 2020-2149

## S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	(c) The attorney general may charge a fee for an
2	application submitted under this section in an amount necessary
3	to administer this section.
4	(d) An individual commissioned as a remote online notary
5	public under this section shall forthwith file a literal or
6	photostatic copy of the individual's commission with the clerk
7	of the circuit court of the circuit in which the remote online
8	notary public resides.
9	(e) An individual commissioned as a remote online notary
10	public under this section shall be deemed a notary public for
11	purposes of this chapter and shall be subject to the
12	requirements, powers, and duties of a notary public under this
13	chapter.
14	<u><math>\\$456-D</math></u> Notification regarding performance of notarial act
15	on electronic record; selection of technology; acceptance of
16	tangible copy of electronic record. (a) A notary public may
17	select one or more tamper-evident technologies to perform
18	notarial acts with respect to electronic documents. No person
19	shall require a notary public to perform a notarial act with
20	respect to an electronic document using a technology that the
21	notary public has not selected.

2

SB2275 HD2 HMS 2020-2149

1	(b) Prior to the performance of an initial notarial act
2	with respect to an electronic document, the notary public shall
3	notify the attorney general that the notary public will be
4	performing notarial acts with respect to electronic documents
5	and identify the technology the notary public intends to use;
6	provided that the technology selected by a remote online notary
7	public for remote online notarizations shall conform to the
8	attorney general's standards developed for this chapter.
9	(c) The registrar of conveyances may accept for recording
10	under chapter 502 a tangible copy of an electronic document
11	containing a notarial certificate as satisfying any requirement
12	that a document accepted for recording be an original; provided
13	that the notary public executing the notarial certificate
14	certifies that the tangible copy is an accurate copy of the
15	electronic document.
16	<b><u>§456-E</u></b> Validity of notarial acts. Except as otherwise
17	provided in section 456-14(b), the failure of a notary public to
18	perform a duty or meet a requirement specified in this chapter
19	does not validate or invalidate a notarial act performed by the
20	notary public. The validity of a notarial act under this
21	chapter does not prevent an aggrieved person from seeking to



## S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	invalidate the document or transaction that is the subject of
2	the notarial act or from seeking other remedies based on the
3	laws of this State other than this chapter or based on the laws
4	of the United States. This section shall not be deemed to
5	validate a purported notarial act performed by a person who does
6	not have the authority to perform notarial acts.
7	$\S$ 456-F Relation to the federal Electronic Signatures in
8	Global and National Commerce Act. This chapter modifies,
9	limits, and supersedes the federal Electronic Signatures in
10	Global and National Commerce Act, title 15 United States Code
11	section 7001, et seq., but does not modify, limit, or supersede
12	section 101(c) of that Act, title 15 United States Code section
13	7001(c), or authorize electronic delivery of any of the notices
14	described in section 103(b) of that Act, title 15 United States
15	Code section 7003(b)."
16	SECTION 3. Section 456-1, Hawaii Revised Statutes, is
17	amended to read as follows:
18	"§456-1 [Appointment;] Commission; renewal. (a) The
19	attorney general may, in the attorney general's discretion,
20	[ <del>appoint and</del> ] commission [ <del>such</del> ] <u>the</u> number of notaries public
21	for the State [as] that the attorney general deems necessary for

# SB2275 HD2 HMS 2020-2149

#### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1 the public good and convenience. The term of [office] 2 commission of a notary public shall be four years from the date 3 of the [notary's] notary public's commission, unless sooner 4 removed by the attorney general for cause after [due] the 5 opportunity for hearing; provided that after [due] the 6 opportunity for hearing, the commission of a notary public may 7 be revoked or the notary public may be otherwise disciplined by 8 the attorney general in any case where any change occurs in the 9 [notary's office,] notary public's commission, occupation, 10 residence, or employment [which] that, in the attorney general's 11 judgment, renders the holding of [such] the commission by the 12 notary public no longer necessary for the public good and 13 convenience. Each notary public shall, upon any change in the 14 [notary's office,] notary public's commission, occupation, 15 residence, or employment, forthwith report the [same] change to 16 the attorney general.

(b) Each notary public shall be responsible for renewing the notary public's commission on a timely basis and satisfying the renewal requirements provided by law. The failure to renew a commission in a timely manner [may] shall cause the commission to be forfeited[, if the attorney general finds that the failure

# SB2275 HD2 HMS 2020-2149



1	was done knowingly]; provided that a forfeited commission may be
2	restored by the attorney general within one year after the date
3	of forfeiture upon compliance with the commission renewal
4	requirements provided by law and upon written application and
5	payment of all applicable fees."
6	SECTION 4. Section 456-1.6, Hawaii Revised Statutes, is
7	amended as follows:
8	1. Adding twelve new definitions to be appropriately
9	inserted and to read:
10	""Acknowledgment" means a declaration by a person before a
11	notary public that the person has signed a document for the
12	purpose stated in the document and, if the document is signed in
13	a representative capacity, that the person signed the document
14	with proper authority and signed it as the act of the person or
15	entity identified in the document.
16	"Document" means information that is inscribed on a
17	tangible medium or that is stored in an electronic or other
18	medium and is retrievable in perceivable form.
19	"Electronic" means relating to technology having
20	electrical, digital, magnetic, wireless, optical,
21	electromagnetic, or similar capabilities.

SB2275 HD2 HMS 2020-2149



1	"Ele	ctronic signature" means an electronic symbol, sound,
2	or proces	s attached to or logically associated with a document
3	and execu	ted or adopted by a person with the intent to sign the
4	document.	
5	<u>"</u> In	a representative capacity" means acting as:
6	(1)	An authorized officer, agent, partner, trustee, or
7		other representative for a person other than an
8		individual;
9	(2)	A public officer, personal representative, guardian,
10		or other representative, in the capacity stated in an
11		applicable document;
12	(3)	An agent or attorney-in-fact for a principal; or
13	(4)	An authorized representative of another in any other
14		capacity.
15	<u>"Not</u>	arial act" means an act, whether performed with respect
16	to a tang	ible or electronic document, that a notary public may
17	perform u	nder the laws of this State. "Notarial act" includes
18	taking an	acknowledgment, administering an oath or affirmation,
19	taking a	verification upon oath or affirmation, witnessing or
20	attesting	a signature, certifying or attesting a copy, and
21	noting a	protest of a negotiable instrument.

.

SB2275 HD2 HMS 2020-2149



1	"Notary public" means an individual commissioned to perform
2	a notarial act by the attorney general under this chapter.
3	"Sign" means, with present intent to authenticate or adopt
4	a document:
5	(1) To execute or adopt a tangible symbol; or
6	(2) To attach or logically associate with the document an
7	electronic symbol, sound, or process.
8	"Signature" means a tangible symbol or an electronic
9	signature that evidences the signing of a document.
10	"Stamping device" means:
11	(1) A physical device capable of stamping or impressing
12	upon a tangible document a notary seal; or
13	(2) An electronic device or process capable of attaching
14	to, or logically associating with, an electronic
15	document a notary seal.
16	"Tamper-evident" means any change to an electronic document
17	that displays evidence of the change.
18	"Verification on oath or affirmation" means a declaration,
19	made by a person on oath or affirmation before a notary public,

20 that a statement in a document is true."

# SB2275 HD2 HMS 2020-2149

### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	2. By am	ending the definition of "proof of the signer's
2	signature and	identity" to read:
3	""Proof c	f the signer's signature and identity" means
4	[ <del>proof-evidenc</del>	ed by production of a current identification card
5	<del>or document is</del>	sued by the United States, this State, any other
6	<del>state, or a na</del>	tional government that contains the bearer's
7	<del>photograph and</del>	-signature.] satisfactory evidence of the identity
8	of an individu	al appearing before the notary public if the
9	notary public	can identify the individual:
10	<u>(1)</u> By m	eans of:
11	<u>(A)</u>	Having personal knowledge of the identity of an
12		individual before the officer if the individual
13		is personally known to the notary public through
14		dealings sufficient to provide reasonable
15		certainty that the individual has the identity
16		<pre>claimed;</pre>
17	<u>(B)</u>	A passport, driver's license, or
18		government-issued non-driver identification card
19		that is valid or expired no more than three years
20		prior to the performance of the notarial act and

1			contains the signature and photograph of the
2			individual;
3		(C)	Another form of government identification issued
4			to an individual that is valid or expired no more
5			than three years prior to performance of the
6			notarial act, contains the signature and
7			photograph of the individual, and is satisfactory
8			to the notary public; or
9		<u>(D)</u>	By verification on oath or affirmation of a
10			credible witness personally appearing before the
11			notary public and known to the notary public or
12			whom the notary public can identify on the basis
13			of a passport, driver's license, or
14			government-issued non-driver identification card
15			that is valid or expired no more than three years
16			prior to performance of the notarial act; or
17	(2)	<u>By re</u>	quiring an individual to provide additional
18		infor	mation or identification credentials necessary to
19		assur	e the notary public of the identity of the
20		indiv	idual."
21	3.	By re	pealing the definition of "personally knowing".

#### **S.B. NO.** <sup>2275</sup> S.D. 2 H.D. 2

1 ["Personally knowing" means having an acquaintance, derived 2 from association with the individual, which establishes the 3 individual's identity with at least a reasonable certainty."] 4 SECTION 5. Section 456-2, Hawaii Revised Statutes, is 5 amended to read as follows: 6 "§456-2 Qualifications; oath. Every person [appointed] 7 commissioned as a notary public shall, at the time of the person's [appointment,] commission, be a resident of the State, 8 possess the other qualifications required of [public officers] a 9 10 notary public and be at least eighteen years of age. Every 11 person [appointed to that office], prior to being commissioned 12 as a notary public, shall [, before entering thereon, ] take and 13 subscribe an oath for the faithful discharge of the person's 14 duties, which oath shall be filed in the department of the 15 attorney general." 16 SECTION 6. Section 456-3, Hawaii Revised Statutes, is

17 amended to read as follows:

18 "\$456-3 Seal. Every notary public shall constantly keep
19 [an engraved seal of office or] a rubber stamp [facsimile]
20 notary seal which shall clearly show, when [embossed,]
21 stamped[7] or impressed upon a tangible document[7] or when

SB2275 HD2 HMS 2020-2149

Page 20

1	attached to or logically associated with an electronic document,
2	only the [ <del>notary's</del> ] <u>notary public's</u> name, the [ <del>notary's</del> ] <u>notary</u>
3	public's commission number, and the words, "notary public" and
4	"State of Hawaii". The notary seal shall be capable of being
5	copied together with the document to which it is stamped,
6	impressed, or attached, or with which it is logically
7	associated. The notary public shall authenticate all the
8	[notary's] notary public's official acts, attestations,
9	certificates, and instruments therewith, and shall always add to
10	an official signature the typed or printed name of the notary
11	public and a statement showing the date that the [ <del>notary's</del> ]
12	notary public's commission expires. Upon resignation, death,
13	expiration of term of [ <del>office</del> ] <u>commission</u> without
14	[ <del>reappointment,</del> ] <u>renewal,</u> or [ <del>removal from</del> ] <u>revocation</u> or
15	abandonment of [ <del>office,</del> ] <u>commission,</u> the notary public <u>, or in</u>
16	the case of the death of the notary public, the notary public's
17	personal representative, shall immediately deliver the
18	[notary's] notary public's seal to the attorney general who
19	shall deface or destroy the same. [ <del>If any notary fails to</del>
20	comply with this section within ninety days of the date of the
21	notary's resignation, expiration of term of office without

SB2275 HD2 HMS 2020-2149

Page 21

1	reappointment, or removal from or abandonment of office or if
2	the notary's personal representative fails to comply with this
3	section within ninety days of the notary's death, then the
4	notary public or the notary's personal representative shall
5	forfeit to the State not more than \$200, in the discretion of
6	the court, to be recovered in an action to be brought by the
7	attorney general on behalf of the State.] If a notary public has
8	used an electronic stamping device, upon resignation, death,
9	expiration of term of commission without renewal, or revocation
10	or abandonment of commission, the notary public, or in the case
11	of the death of the notary public, the notary public's personal
12	representative, shall disable the electronic stamping device by
13	destroying, defacing, damaging, erasing, or securing it against
14	use in a manner that renders it unusable and shall submit a
15	declaration to the attorney general that the electronic stamping
16	device was disabled and indicate the date and manner in which
17	the device was disabled."
18	SECTION 7. Section 456-4, Hawaii Revised Statutes, is
19	amended to read as follows:
20	"§456-4 Filing copy of commission; authentication of acts.
21	<u>(a)</u> Each person [appointed and] commissioned as a notary public

SB2275 HD2 HMS 2020-2149

Page 22



1 under this chapter shall forthwith file a literal or photostatic 2 copy of the person's commission, an impression of the person's 3 tangible seal, and a specimen of the person's official signature 4 with the clerk of the circuit court of the circuit in which the notary public resides. Each person [appointed and] commissioned 5 6 as a notary public under this chapter may also, at the person's 7 option, file the above-named documents with the clerk of any 8 other circuit court. Thereafter any clerk, when [thereunto] 9 requested, shall certify to the official character and acts of 10 any such notary public whose commission, impression of tangible 11 seal, and specimen of official signature [is] are so filed in 12 the clerk's office. A notary public's electronic seal shall not 13 be subject to the requirements of this section.

14 (b) All documents filed under this section may be

15 maintained in tangible or electronic format."

16 SECTION 8. Section 456-5, Hawaii Revised Statutes, is 17 amended to read as follows:

18 "\$456-5 Official bond. Each notary public forthwith and
19 before entering upon the duties of the [notary's office] notary
20 <u>public's commission</u> shall execute, at the [notary's] notary
21 public's own expense, an official surety bond which shall be in

SB2275 HD2 HMS 2020-2149

the sum of \$1,000. Each bond shall be approved by a judge of
 the circuit court.

3 The obligee of each bond, or bond continuation certificate, 4 shall be the State and the condition contained therein shall be 5 that the notary public will well, truly, and faithfully perform 6 all the duties of the [notary's office] notary public's 7 commission which are then or may thereafter be required, 8 prescribed, or defined by law or by any rule made under the 9 express or implied authority of any statute, and all duties and 10 acts undertaken, assumed, or performed by the notary public by 11 virtue or color of the [notary's office.] notary public's 12 commission. The surety on [any such] each bond, or bond 13 continuation certificate, shall be a surety company authorized 14 to do business in the State. After approval, the bond  $[\tau]$  or 15 bond continuation certificate shall be deposited and kept on 16 file in the office of the clerk of the circuit court of the 17 judicial circuit in which the notary public resides. The clerk 18 shall keep a book to be called the "bond record", in which the 19 clerk shall record [such] data [in respect] relating to each of 20 the bonds or bond continuation certificates deposited and filed 21 in the clerk's office as the attorney general may direct."

## SB2275 HD2 HMS 2020-2149

SECTION 9. Section 456-6, Hawaii Revised Statutes, is amended to read as follows:

3 "\$456-6 Liabilities; limitations on; official bond. (a)
4 In the performance of a notarial act, a [notary's] notary
5 public's liability shall be limited to a failure by the notary
6 public to perform properly the actions required for the jurat,
7 acknowledgment, or other notarial [act.] acts. The [notary's]
8 notary public's liability shall not be based on statements in a
9 notarized document apart from the notarial certificate.

10 For the official misconduct or neglect of a notary (b) 11 public or breach of any of the conditions of the [notary's] 12 notary public's official bond, the notary public and the surety 13 on the [notary's] notary public's official bond shall be liable 14 to the party injured thereby for all the damages sustained. The 15 party shall have a right of action in the party's [own] name upon the bond and may prosecute the action to final judgment and 16 17 execution."

18 SECTION 10. Section 456-7, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) A person commits the offense of unauthorized practice21 as a notary public if the person knowingly engages in or offers

# SB2275 HD2 HMS 2020-2149

## S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	to engage	in any duties of [ <del>the office of</del> ] a notary public
2	without f	irst complying with all of the following:
3	(1)	Being [ <del>appointed and</del> ] commissioned as a notary public
4		by the attorney general;
5	(2)	Filing a copy of the person's commission, an
6		impression of the person's seal, and a specimen of the
7		person's official signature with the clerk of the
8		circuit court of the circuit in which the person
9		resides; and
10	(3)	Executing an official surety bond pursuant to section
11		456-5."
12	SECT	ION 11. Section 456-8, Hawaii Revised Statutes, is
13	amended t	o read as follows:
14	"§ <b>45</b>	6-8 Rules. The attorney general, subject to chapter
15	91, may p	rescribe such rules as the attorney general deems
16	advisable	concerning the administration of this chapter, the
17	[ <del>appointm</del>	ent] <u>commission</u> and duties of notaries public, [ <del>the</del>
18	duties of	-other officers thereunder,] and [such] any measures as
19	may be ne	cessary to prevent the fraudulent use of a notarized
20	document	after placement of the [ <del>notary's</del> ] <u>notary public's</u> seal.
21	The rules	shall have the force and effect of law."

# SB2275 HD2 HMS 2020-2149

1 SECTION 12. Section 456-9, Hawaii Revised Statutes, is 2 amended to read as follows: 3 "§456-9 Fees and administrative fines. (a) The attorney 4 general shall charge and collect the following fees for: 5 (1) Issuing the original commission, \$40; [and] Renewing the commission, \$40[-]; and 6 (2) 7 (3) Electronic processing service fees of up to ten per 8 cent of the amount of the transaction. These fees may be adjusted, and any other fees may be 9 10 established and adjusted, by adopting rules pursuant to chapter 11 91. 12 The court fees for filing a copy of a commission and (b) 13 for each certificate of authentication shall be specified by the 14 supreme court. 15 The attorney general may impose and collect the (C) 16 following administrative fines for a notary public's failure to: 17 (1) Maintain an official seal of [one-type, either a 18 single engraved seal or] a single rubber stamp 19 [facsimile] notary seal, on which shall be inscribed 20 the name of the notary public, the commission number

## SB2275 HD2 HMS 2020-2149

## S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1		of the notary public, and the words "notary public"
2		and "State of Hawaii" only, \$20;
3	(2)	Surrender the notary public's [seal] physical stamping
4		device and certificate to the attorney general within
5		ninety days of resignation, [ <del>removal-from office,</del> ]
6	·	revocation of commission, or the expiration of a term
7		without renewal, \$200;
8	(3)	Disable the notary public's electronic stamping device
9		within ninety days of resignation, revocation of
10		commission, or the expiration of a term without
11		renewal, \$200;
12	[ <del>(3)</del> ]	(4) Authenticate every acknowledgment or jurat with a
13		certificate that shall be signed and dated by the
14		notary[ $_{ au}$ ] public, include the printed name and
15		official stamp or seal of the notary[ $ au$ ] public, and
16		identify the jurisdiction in which the notarial act is
17		performed, [describe in close proximity to the
18		acknowledgment or jurat the document being notarized,
19		and state the number of pages and date of the
20		document,] \$500;

SB2275 HD2 HMS 2020-2149



1	[-(4)	Record] (5) Chronicle all of the notary public's
2		[ <del>transactions</del> ] <u>notarial acts</u> as prescribed by section
3		456-15 and applicable rules, \$200; and
4	[ <del>(5)</del>	Surrender the notary public's record books to the
5		attorney general within ninety days of the end date of
6		the commission, resignation, or removal from office,
7		<del>\$500; and</del> ]
8	(6)	Notify the attorney general within ten days after
9		loss, misplacement, or theft of the notary public's
10		[ <del>seal, stamp,</del> ] <u>stamping device</u> or any [ <del>record book,</del> ]
11		journal, inform the appropriate law enforcement agency
12		in the case of theft, and deliver a copy of the law
13		enforcement agency's report of the theft to the
14		attorney general, \$20.
15	(d)	The [ <del>foregoing</del> ] moneys collected by the attorney
16	general p	ursuant to this section shall be deposited into the
17	notaries	public revolving fund established by section 456-9.5,
18	except th	at if that fund is terminated, the [ <del>foregoing</del> ] moneys
19	shall the	reafter be deposited with the director of finance to
20	the credi	t of the general fund.

SB2275 HD2 HMS 2020-2149

## **S.B. NO.** <sup>2275</sup> S.D. 2 H.D. 2

1	(e) All unpaid fees, fines, and forfeitures shall
2	constitute a debt due and owing to the State."
3	SECTION 13. Section 456-9.5, Hawaii Revised Statutes, is
4	amended by amending subsection (a) to read as follows:
5	"(a) There is established in the state treasury the
6	notaries public revolving fund into which shall be deposited:
7	(1) All fees, administrative fines, charges, or other
8	payments received pursuant to section 456-9;
9	(2) Penalties and fines for violations of section $456-3[_{ au}]$
10	<u>or</u> 456-7[ <del>, or 456-16</del> ];
11	(3) Appropriations made for deposit into the notaries
12	public revolving fund; and
13	(4) Interest earned on money in the notaries public
14	revolving fund."
15	SECTION 14. Section 456-14, Hawaii Revised Statutes, is
16	amended to read as follows:
17	"§456-14 [ <del>Notary</del> ] <u>Authority to perform notarial act;</u>
18	notary public connected with a corporation or trust company[ $\div$
19	authority to act]. (a) Except as otherwise provided in
20	subsection (b):

SB2275 HD2 HMS 2020-2149

1	(1)	A notary public may perform a notarial act authorized
2		by this chapter or by the laws of this State; and
3	(2)	It shall be lawful for any notary public, although an
4		officer, employee, shareholder, or director of a
5		corporation or trust company to take the
6		acknowledgment of any party to any written instrument
7		executed to or by the corporation or trust company, or
8		to administer an oath to any shareholder, director,
9		officer, employee, or agent of the corporation or
10		trust company, or to protest for nonacceptance or
11		nonpayment of bills of exchange, drafts, checks,
12		notes, and other negotiable instruments [ <del>which</del> ] <u>that</u>
13		may be owned or held for collection by the corporation
14		or trust company[ <del>; provided it shall be unlawful for</del>
15		any notary public to take the acknowledgment of any
16		party to an instrument, or to protest any negotiable
17		instrument, where the notary is individually a party
18		to the instrument].
19	<u>(b)</u>	A notary public shall not perform a notarial act with
20	respect t	o a document to which the notary public or the notary
21	public's	spouse or civil partner is a party or in which either

SB2275 HD2 HMS 2020-2149

Page 30

S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	of them has a direct beneficial interest. A notarial act
2	performed in violation of this section is voidable.
3	(c) A notary public may certify that a tangible copy of an
4	electronic document is an accurate copy of the electronic
5	document."
6	SECTION 15. Section 456-15, Hawaii Revised Statutes, is
7	amended to read as follows:
8	"§456-15 [ <del>Record;</del> ] <u>Journal;</u> copies as evidence. [ <del>Every</del>
9	notary public shall record at length in a book of records all
10	acts, protests, depositions, and other things, by the notary
11	noted or done in the notary's official capacity. For each
12	official act, the notary shall enter in the book:] (a) A notary
13	public shall maintain a journal in which the notary public
14	chronicles all notarial acts that the notary public performs.
15	The notary public shall retain the journal for ten years after
16	the performance of the last notarial act chronicled in the
17	journal.
18	(b) A journal may be created on a tangible medium or in an
19	electronic format. A notary public shall maintain only one
20	tangible journal at a time to chronicle all notarial acts
21	performed regarding tangible documents and one electronic

# SB2275 HD2 HMS 2020-2149

### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	journal at a time to chronicle all notarial acts performed
2	regarding electronic documents. If the journal is maintained on
3	a tangible medium, it shall be a permanent, bound register with
4	numbered pages. If the journal is maintained in an electronic
5	format, it shall be in a permanent, tamper-evident electronic
6	format complying with all rules adopted by the attorney general
7	pursuant to this chapter.
8	(c) A notary public having the care and custody of the
9	journal may cause the same to be photographed,
10	microphotographed, reproduced on film, or copied to an
11	electronic format. Any device or electronic storage system used
12	to copy or reproduce the journal shall accurately reflect all
13	details of the information in the original thereof.
14	(d) A photograph, microphotograph, reproduction on film,
15	or electronic copy of a journal shall be deemed to be an
16	original record for all purposes, including introduction in
17	evidence in all courts or administrative agencies. A
18	transcript, exemplification, facsimile, or certified copy
19	thereof, for all purposes recited in this section, shall be
20	deemed to be a transcript, exemplification, facsimile, or
21	certified copy of the original record

SB2275 HD2 HMS 2020-2149

### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	<u>(e)</u>	An entry in a journal shall be made contemporaneously
2	with perf	ormance of the notarial act and contain the following
3	informati	on:
4	(1)	The type, date, and time of day of the notarial act;
5	(2)	The title or type and date of the document or
6		proceeding and the nature of the act, transaction, or
7		thing to which the document relates;
8	(3)	The [signature,] full printed name[ $_{ au}$ ] and address of
9		each person whose signature is notarized and of each
10		witness $[+]$ and, if the journal is maintained in a
11		tangible medium, the signature of that person;
12	(4)	[Other parties to the instrument; and] If the identity
13		of the person is based on personal knowledge, a
14		statement to that effect;
15	(5)	[The manner in which the signer was identified.] If
16		the identity of the person is based on satisfactory
17		evidence, a brief description of the method of
18		identification and the identification credential
19		presented, if any, including the identification number
20		and date of expiration of any identification
21		credentials; and



### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1	(6) The fee, if any, charged by the notary public.
2	(f) If a notary public's journal is lost or stolen, the
3	notary public shall promptly notify the attorney general upon
4	discovering that the journal is lost or stolen.
5	(g) On resignation from, or the expiration, revocation, or
6	suspension of, a notary public's commission, the notary public
7	shall retain the notary public's journal in accordance with this
8	section and provide to the attorney general the location of the
9	journal.
10	(h) On the death or adjudication of incompetency of a
11	current or former notary public, the notary public's personal
12	representative or guardian or any other person knowingly in
13	possession of the journal shall transmit the journal to the
14	attorney general or a repository approved by the attorney
15	general.
16	(i) All copies or certificates granted by the notary
17	public shall be under the [ <del>notary's</del> ] <u>notary public's</u> hand and
18	notary seal and shall be received as evidence of such
19	transactions.
20	(j) The journals are subject to any reasonable periodic,
21	special, or other audits or inspections by the department of the

# SB2275 HD2 HMS 2020-2149

1	attorney general, within or without the State, as the attorney
2	general considers necessary or appropriate. An audit or
3	inspection may be made at any time and without prior notice.
4	The department of the attorney general may copy, and remove for
5	audit or inspection copies of, all records that the department
, 6	of the attorney general reasonably considers necessary or
7	appropriate to conduct the audit or inspection. If any notary
8	public fails to comply with this section, the notary public
9	shall be subject to an administrative fine of no less than \$50
10	nor more than \$500. All unpaid fees, fines, and forfeitures
11	shall constitute a debt due and owing to the State."
12	SECTION 16. Section 456-17, Hawaii Revised Statutes, is
13	amended to read as follows:
14	"§456-17 Fees. Subject to section 456-18, every notary
15	public is entitled to demand and receive the following fees:
16	For noting the protest of mercantile paper, \$5;
17	For each notice and certified copy of protest, \$5;
18	For noting any other protest, \$5;
19	For every notice thereof, and certified copy of protest,
20	\$5;
21	For every deposition, or official certificate, \$5;

# SB2275 HD2 HMS 2020-2149

Page 35

#### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1 For the administration of oath, including the certificate 2 of the oath, \$5; for affixing the certificate of the oath to 3 every duplicate original instrument beyond four, \$2.50; 4 For taking any acknowledgment, \$5 for each party signing; 5 for affixing to every duplicate original beyond one of any 6 instrument acknowledged before the notary  $[\tau]$  public, the [notary's] notary public's certificate of the acknowledgment, 7 \$2.50 for each person making the acknowledgment[+]; and 8 9 For any of the foregoing notarial acts performed for a 10 remotely located individual under section 456-B, other than 11 affixing a notary public's certificate to a duplicate original, 12 \$25." 13 SECTION 17. Section 456-19, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "[+]§456-19[+] Notary public signing for disabled person. 16 A notary public may sign the name of a person physically unable 17 to sign or to make a mark on a document presented for 18 notarization; provided that the notary public is satisfied that 19 the person has voluntarily given consent for the notary public 20 to sign on the person's behalf, if the notary public writes, in 21 the presence of the person: "Signature affixed by notary public

## SB2275 HD2 HMS 2020-2149

#### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

pursuant to section 456-19, Hawaii Revised Statutes." beneath 1 the signature, and if a doctor's written certificate is provided 2 3 to the notary public certifying that the person is unable to 4 physically sign or make a mark because of the disability, and 5 that the person is capable of communicating the person's 6 intentions. The certificate shall be attached to the document." 7 SECTION 18. Section 456-20, Hawaii Revised Statutes, is 8 amended by amending its title and subsection (a) to read as 9 follows: 10 "[+]§456-20[+] Failure to verify identity and signature. 11 (a) A person commits the offense of failure to verify identity 12 [and signature] if the person is a commissioned notary public 13 and knowingly notarizes a document and [+ 14 -(1) If a witness to the signing of the instrument, 15 fails to verify the identity of the signer by 16 [personally knowing the signer or by comparing the 17 personal appearance of the signer with satisfactory 18 proof of the signer's identity; or 19 (2) If not a witness to the signing of the instrument, 20 fails to verify the identity of the signer by 21 personally knowing the signer or by comparing the

SB2275 HD2 HMS 2020-2149

1	personal appearance of the signer with satisfactory
2	proof of the signer's identity; or fails to verify the
3	signature of the signer by recognizing the signature
4	of the signer by personal familiarity with the
5	signature, or by comparing the signature with
6	satisfactory proof of the signer's signature.] proof
7	of the signer's signature and identity, or by
8	obtaining satisfactory evidence of identity of a
9	remotely located individual under section 456-B."
10	SECTION 19. Section 456-21, Hawaii Revised Statutes, is
11	amended to read as follows:
12	"[{]§456-21[}] Failure to authenticate with a
13	certification statement. (a) A person commits the offense of
14	failure to authenticate with a certification statement if the
15	person is a commissioned notary public and knowingly [notarizes]
16	performs a notarial act with respect to a document and fails to
17	include any of the following in the notary certification:
18	(1) Date of notarization and signature of the notary
19	<pre>public;</pre>
20	(2) The printed name, date of expiration, and stamp or
21	seal of the notary public; and

SB2275 HD2 HMS 2020-2149

## **S.B. NO.** <sup>2275</sup> S.D. 2 H.D. 2

1	(3)	Identification of the jurisdiction in which the
2		notarial act is performed[;
3	<del>(4)</del>	Identification or description of the document being
4		notarized, placed in close proximity to the
5		acknowledgment or jurat; and
6	<del>(5)</del>	A statement of the number of pages and date of the
7		document].
8	(b)	If a notarial act regarding a tangible record is
9	performed	by a notary public, an official stamp shall be
10	stamped,	impressed, or attached on the certificate. If a
11	notarial	act is performed regarding a tangible record by a
12	notary pu	blic and the certificate contains the information
13	specified	in this section, an official stamp shall be affixed to
14	the certi	ficate. If a notarial act regarding an electronic
15	record is	performed by a notary public and the certificate
16	contains	the information specified in this section, an official
17	stamp sha	ll be attached to or logically associated with the
18	<u>certifica</u>	te.
19	( <del>d)</del> ]	] <u>(c)</u> Any person who violates this section shall be
20	guilty of	a misdemeanor and shall be sentenced in accordance
21	with chap	ter 706.

SB2275 HD2 HMS 2020-2149

#### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

1 [(c)] (d) A conviction under this section shall result in 2 the automatic revocation of the notary public's commission." 3 SECTION 20. Section 502-42, Hawaii Revised Statutes, is 4 amended to read as follows: 5 "§502-42 Certificate, contents. The certificate of 6 acknowledgment shall state in substance that the person who 7 executed the instrument appeared before the [officer] notary 8 public granting the certificate and acknowledged or stated that 9 the person executed the same, and that [such] the person was 10 personally known to the [officer] notary public granting [such] 11 the certificate to be the person whose name is subscribed to the 12 instrument as a party thereto, or was proved to be [such] the 13 party by the oath or affirmation of a credible witness known to 14 the [officer] notary public whose name shall be inserted in the 15 certificate[-] or by other satisfactory evidence of identity 16 under the laws of this State. If the person who executed the 17 instrument appeared before a notary public as a remotely located 18 individual under section 456-B, then the certificate shall 19 indicate that the notarial act was performed using communication 20 technology in a manner provided in section 456-B. It shall not 21 be [ground] grounds for the rejection of any [such] certificate,

# SB2275 HD2 HMS 2020-2149

S.B. NO. <sup>2275</sup> S.D. 2

1 or for refusing to accept [such] the instrument for record or in 2 evidence, that the certificate fails to state that the person 3 making the acknowledgment stated or acknowledged that the 4 instrument was executed freely or voluntarily by the person or 5 as the person's free act and deed."

6 SECTION 21. Section 502-48, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§502-48 Identification of person making. No

9 acknowledgment of any conveyance or other instrument, except as provided by this chapter, whereby any real estate is conveyed or 10 11 may be affected, shall be taken, unless the person offering to 12 make the acknowledgment is personally known to the [officer] 13 notary public taking the acknowledgment to be the person whose 14 name is subscribed to the conveyance or instrument as a party 15 thereto, or is proved to be such by the oath or affirmation of a credible witness known to the [officer] notary public, or by 16 17 production of a [current] valid identification card or document 18 issued by the United States, this State, any other state, or a 19 national government that contains the bearer's photograph and 20 signature [-], or by obtaining satisfactory evidence of identity 21 of a remotely located individual under section 456-B."

## SB2275 HD2 HMS 2020-2149

#### S.B. NO. <sup>2275</sup> S.D. 2 H.D. 2

SECTION 22. Section 502-72, Hawaii Revised Statutes, is
 amended to read as follows:

3 "\$502-72 Disposition of records. [Except as otherwise
4 provided in respect to notaries public by section 456-16, the]
5 The books of record so kept shall every five years, and upon the
6 resignation, death, or removal from office of such judge or
7 other officer, be deposited with the clerk of the circuit court
8 of the judicial circuit for and in which the judge or other
9 officer was or is authorized to act."

10 SECTION 23. Section 456-16, Hawaii Revised Statutes, is 11 repealed.

12 ["§456-16 Disposition of records; penalty. The records of 13 each notary public shall be deposited with the office of the 14 attorncy general upon the resignation, death, expiration of each 15 term of office, or removal from or abandonment of office. If 16 any notary fails to comply with this section within ninety days 17 of the date of the resignation, expiration of any term of 18 office, or removal from or abandonment of office or if the 19 notary's personal representative fails to comply with this 20 section within ninety days of the notary's death, then the 21 notary or the notary's personal representative shall forfeit to

# SB2275 HD2 HMS 2020-2149

Page 43

1	the State not less than \$50 nor more than \$500, in the
2	discretion of the court, in an action brought by the attorney
3	general on behalf of the State."]
4	SECTION 24. This Act does not affect rights and duties
5	that matured, penalties that were incurred, and proceedings that
6	were begun before its effective date.
7	SECTION 25. In codifying the new sections added by section
8	2 and referenced in sections 16, 18, 20, and 21 of this Act, the
9	revisor of statutes shall substitute appropriate section numbers
10	for the letters used in designating the new sections in this
11	Act.
12	SECTION 26. Statutory material to be repealed is bracketed
13	and stricken. New statutory matérial is underscored.
14	SECTION 27. This Act shall take effect on January 1, 2021.

# SB2275 HD2 HMS 2020-2149



#### Report Title:

Notaries Public; Remote Notarization; Electronic Documents

#### Description:

Updates the laws regarding notaries public to conform to the Revised Uniform Law on Notarial Acts (2018), the Hawaii Uniform Electronic Transactions Act, other state notary laws, and current notary practices. Effective 1/1/2021. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

