| 1 2 | State of Arkansas As Engrossed: $H3/3/21$ $H4/13/21$ $H4/15/21$ A Bill |
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| 3 | Regular Session, 2021 HOUSE BILL 1367 |
| 4 | |
| 5 | By: Representative Penzo |
| 6 | By: Senator B. Ballinger |
| 7 | |
| 8 | For An Act To Be Entitled |
| 9 | AN ACT TO REGULATE THE WITNESSING OF CERTAIN |
| 10 | DOCUMENTS BY A NOTARY PUBLIC; TO DECLARE AN |
| 11 | EMERGENCY; AND FOR OTHER PURPOSES. |
| 12 | |
| 13 | |
| 14 | Subtitle |
| 15 | TO REGULATE THE WITNESSING OF CERTAIN |
| 16 | DOCUMENTS BY A NOTARY PUBLIC; AND TO |
| 17 | DECLARE AN EMERGENCY. |
| 18 | |
| 19 | |
| 20 | BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: |
| 21 | |
| 22 | SECTION 1. Arkansas Code § 21-14-107(f)(2), concerning the signature |
| 23 | and seal of a notary public, is amended to read as follows: |
| 24 | (2)(A) A Except as provided in subdivision (f)(2)(B) of this |
| 25 | section, a notarial certificate is incomplete if: |
| 26 | $\frac{(A)(i)}{(A)}$ The information within the notarial |
| 27 | certificate is known or believed by the notary public to be false; |
| 28 | (B)(ii) A notary public affixes an official |
| 29 | signature or seal on a the notarial certificate that is incomplete under |
| 30 | subsection (a) or subsection (b) of this section; |
| 31 | (C)(iii) An official signature or seal on a the |
| 32 | notarial certificate is known to be executed at a time when the principal or |
| 33 34 | signer was not present; or (D)(iv) A The signed or sealed notarial certificate |
| 34 35 | is executed with the understanding that the notarial certificate will be |
| 35 36 | completed or attached to a document outside of the presence of the notary |
| 50 | completed of accading to a document outside of the presence of the notary |

| 1 | public. |
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| 2 | (B)(i) A notarial certificate is complete if an official |
| 3 | signature or seal on the notarial certificate is executed at a time when the |
| 4 | principal or signer is not present in person but is otherwise present |
| 5 | remotely through real-time audio and visual means. |
| 6 | (ii) A signed or sealed notarial certificate is |
| 7 | allowed to be executed with the understanding that the notarial certificate |
| 8 | will be completed or attached to a document outside of the physical presence |
| 9 | of the notary public if the notary public is present via real-time audio and |
| 10 | visual means. |
| 11 | (C) As used in this subdivision (f)(2): |
| 12 | (i) "Notary public" means a notary public who is: |
| 13 | (a) An attorney licensed by the State of |
| 14 | Arkansas; |
| 15 | (b) A title agent licensed by the State of |
| 16 | Arkansas; |
| 17 | (c) Supervised by an attorney or a title agent |
| 18 | licensed by the State of Arkansas; or |
| 19 | (d) Employed by a: |
| 20 | (1) Nonbank financial institution |
| 21 | licensed or registered by the State Securities Department; or |
| 22 | (2) Bank, savings and loan association, |
| 23 | or state or federal credit union with federal depository insurance; |
| 24 | (ii)(a) "Real-time audio and visual means" means |
| 25 | technology by which all parties can see and hear the other parties |
| 26 27 | simultaneously. |
| 27 28 | (b) "Real-time audio and visual means" includes without limitation videoconference technology; and |
| 20 29 | (iii) "Videoconference technology" means Skype, |
| 30 | Zoom, FaceTime, and other similar technologies. |
| 31 | Zoom, racerime, and other similar technologies. |
| 32 | SECTION 2. Arkansas Code Title 21, Chapter 14, Subchapter 1, is |
| 33 | amended to add an additional section to read as follows: |
| 34 | 21-14-115. Notary public - Definitions. |
| 35 | (a) As used in this section: |
| 36 | (1) "Notary public" means a notary public who is: |

| 1 | (A) An attorney licensed by the State of Arkansas; |
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| 2 | (B) A title agent licensed by the State of Arkansas; |
| 3 | (C) Supervised by either an attorney or a title agent |
| 4 | licensed by the State of Arkansas; |
| 5 | (D) Employed by a: |
| 6 | (i) Nonbank financial institution licensed or |
| 7 | registered by the State Securities Department; or |
| 8 | (ii) Bank, savings and loan association, or state or |
| 9 | federal credit union with federal depository insurance; or |
| 10 | (E) An attorney who is eigible under § 12-64-105(a); |
| 11 | (2)(A) "Real-time audio and visual means" means technology by |
| 12 | which all parties can see and hear the other parties simultaneously. |
| 13 | (B) "Real-time audio and visual means" includes without |
| 14 | limitation videoconference technology; and |
| 15 | (3) "Videoconference technology" means Skype, Zoom, FaceTime, |
| 16 | and other similar technologies. |
| 17 | (b)(1) A notary public may notarize signatures, including |
| 18 | acknowledgments and jurats, virtually through real-time audio and visual |
| 19 | means, provided that the notary public is physically located in the State of |
| 20 | Arkansas at the time of signing and the signing of documents is visually seen |
| 21 | by the person who confirms it. |
| 22 | (2)(A) An individual who: |
| 23 | (i) Witnesses a document through real-time audio and |
| 24 | visual means may be considered an in-person witness if the presence and |
| 25 | identity of the witnesses are validated at the time of signing by a notary |
| 26 | <pre>public; or</pre> |
| 27 | (ii) Signs a document through real-time audio and |
| 28 | visual means may be considered in the presence of an in-person witness if the |
| 29 | presence and identity of the witnesses are validated at the time of signing |
| 30 | by a notary public. |
| 31 | (B) The identity and physical presence of witnesses and |
| 32 | signers in this state shall be validated at the time of execution of the |
| 33 | documents to be witnessed. |
| 34 | (3)(A) If two (2) or more individuals sign a document |
| 35 | simultaneously in different locations, the individuals shall necessarily sign |
| 36 | separate signature pages, and all documents executed under this section shall |

| 1 | be executed in counterparts. |
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| 2 | (B) Absent an express prohibition in a document against |
| 3 | signing in counterparts, all legal documents, including without limitation |
| 4 | deeds, last wills and testaments, durable powers of attorney, and healthcare |
| 5 | proxies, may be signed in counterparts. |
| 6 | |
| 7 | SECTION 3. Arkansas Code § 21-14-202 is amended to read as follows: |
| 8 | 21-14-202. Use of facsimile signatures and seals authorized — Filing |
| 9 | required <u>- Definition</u> . |
| 10 | (a) Any Except as provided in subsection (b) of this section, a notary |
| 11 | public may affix a notary certificate bearing the notary public's facsimile |
| 12 | signature and facsimile seal in lieu of the notary public's manual signature |
| 13 | and rubber or embossed seal in blue or black ink on a commercial document, |
| 14 | after filing with the Secretary of State: |
| 15 | (1) The notary public's manual signature certified by the notary |
| 16 | public under oath; |
| 17 | (2) A general description of the types of commercial documents |
| 18 | to be notarized by facsimile signature and seal; |
| 19 | (3) The name and manual signature of any other person or persons |
| 20 | signing the commercial documents by manual or facsimile signature; and |
| 21 | (4) The written consent of any other person or persons signing |
| 22 | the commercial documents to the use of the notary public's facsimile |
| 23 | signature and facsimile seal on the commercial documents. |
| 24 | (b)(1) A notary public does not have to file with the Secretary of |
| 25 | State his or her signatures, general descriptions of potential commercial |
| 26 | documents to be notarized via facsimile signature, the names of persons |
| 27 | signing documents via facsimile signature, or the written consent of such |
| 28 | persons if the notary public determines that the commercial documents would |
| 29 | be best notarized via facsimile signature. |
| 30 | (2) As used in this subsection, "notary public" means a notary |
| 31 | <pre>public who is:</pre> |
| 32 | (A) An attorney licensed by the State of Arkansas; |
| 33 | (B) A title agent licensed by the State of Arkansas; |
| 34 | (C) Supervised by either an attorney or a title agent |
| 35 | licensed by the State of Arkansas; or |
| 36 | (D) Employed by a: |

| 1 | <u>(i) Nonbank financial institution licensed or</u> |
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| 2 | registered by the State Securities Department; or |
| 3 | (ii) Bank, savings and loan association, or state or |
| 4 | federal credit union with federal depository insurance. |
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| 6 | SECTION 4. DO NOT CODIFY. RETROACTIVITY. This act is retroactive to |
| 7 | March 30, 2020. |
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| 9 | SECTION 5. EMERGENCY CLAUSE. It is found and determined by the |
| 10 | General Assembly of the State of Arkansas that the risk of exposure to |
| 11 | coronavirus 2019 (COVID-19) or to severe acute respiratory syndrome |
| 12 | coronavirus 2 (SARS-CoV-2) or any of its mutations is causing delays in |
| 13 | conducting business and satisfying requirements for notarization and signing |
| 14 | of certain documents due to the inability to hold in-person meetings; that a |
| 15 | need exists to allow for remote witnessing of certain documents; and that |
| 16 | this act is immediately necessary because businesses in Arkansas will suffer |
| 17 | and the question as to the legal effectiveness of signatures during a |
| 18 | disaster emergency can result in confusion and uncertainty and it is the |
| 19 | intent of the General Assembly that this act be retroactive to prevent |
| 20 | further harm to businesses and citizens. Therefore, an emergency is declared |
| 21 | to exist, and this act being immediately necessary for the preservation of |
| 22 | the public peace, health, and safety shall become effective on: |
| 23 | (1) The date of its approval by the Governor; |
| 24 | (2) If the bill is neither approved nor vetoed by the Governor, |
| 25 | the expiration of the period of time during which the Governor may veto the |
| 26 | bill; or |
| 27 | (3) If the bill is vetoed by the Governor and the veto is |
| 28 | overridden, the date the last house overrides the veto. |
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| 30 | /s/Penzo |
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