

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: SB-99

AN ACT ESTABLISHING A WORKING GROUP TO STUDY REMOTE

Title: NOTARIAL ACTS AND THE REVISED UNIFORM LAW ON NOTARIAL ACTS.

Vote Date: 3/17/2022

Vote Action: Joint Favorable

PH Date: 2/22/2022

File No.: 211

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

SB 99 aims to study whether remote notarial acts should be permitted in connection with real estate and trusts. The working group established by this bill would examine the process of remote online notarization (RON), to ensure consumers are adequately protected and informed of their rights throughout the process.

RESPONSE FROM ADMINISTRATION/AGENCY:

None provided

NATURE AND SOURCES OF SUPPORT:

Representative Jason Doucette, 13th District, CT General Assembly, testified in support of this bill, but recommended against adopting substantive changes to notary laws until the associated working group had convened to offer suggestions. He stated that as an attorney with almost two decades of experience, he has concerns with the process of remote notarization, as it could open consumers to fraud if implemented improperly.

Kristina Baldwin, Vice President, Northeast Region American Property Casualty Insurance Association, offered testimony in support of this bill, on the grounds that remote notarization would modernize the process, and relieve policyholder burdens during stressful times associated with motor vehicle accidents or other disasters. She further stated that many other states have instituted measures to codify RON, on the grounds that it will benefit consumers even after the pandemic.

John Blair, Associate Counsel, Connecticut Business and Industry Association, testified in support of this bill, stating that such proposals have commercially benefitted the 40 states which have passed similar laws. He also testified that the remote notarization process protects the signers and notaries from COVID-19 and reduces both appointment time and travel expenses for the associated businesses.

Anna Posniak, Legislative Committee Co-Chair, Connecticut Town Clerks Association, offered testimony in support of this bill, stating that remote online notification is the future of signing and authenticating documents. She also stated that if the RON Working Group finds a compromise proposal, CTCA would request that such language be inserted into SB 99 as a substitute.

Carolyn Cavolo, Chair, Connecticut Bar Association Real Property Section, offered testimony in support of this bill, stating that the Bar Association has worked with other stakeholders on an existing working group with the same goal of codifying remote online notarization. She stated that the Bar Association's support of an eventual RON bill would hinge on several conditions, such as the notarization act being performed by a Connecticut-based licensed attorney, and that interstate recognition should not be given to RON signings performed in accordance with the laws of other jurisdictions.

Connecticut REALTORS, testified in support of the bill, stating that the remote notary process is more secure and reliable, and has been adopted by a wide range of states. They stated that the RON process removes unnecessary barriers to commerce, and that their organization has worked with numerous stakeholders to put together RON language that can work across industries.

Kim Gaedeke AVP, Head Government Affairs & Community Engagement, Notarize, Inc, offered testimony in support of the bill, with modifications due to concerns over the eventual implementation of remote notarization. She stated that RON can bring many advantages to both the consumer and the notary, but highlighted potential issues with interstate recognition of some notarizations but not others, and the fact that if attorneys are not included in the process, consumers may believe they are following the legal process, only to be blindsided later on due to lack of available information. Finally, she cautioned against intentional disadvantaging of digital services in the notary process.

Eric George, President, Insurance Association of Connecticut, testified in support of an amended version of this bill to include the recommendations of an ongoing working group comprised of interested stakeholders. He stated that the remote notarization is a necessary step to utilize technology in maintaining continuity of commerce. He further stated that the insurance industry is fundamental to Connecticut's economy, and that he hopes the ongoing working group will compromise to be in a position to not oppose RON implementation.

John Lee, Regional Government Affairs Manager, Carvana, offered testimony in support of this bill, but requested that the language be strengthened to implement remote notarization and forego the working group in the bill. He stated that remote notarization would modernize Connecticut's market and bring it into line with the rest of the country.

NATURE AND SOURCES OF OPPOSITION:

Bruce Adams, President & CEO, Credit Union League of Connecticut, testified in partial opposition to this bill, on the grounds that while remote notarization cuts consumer costs and eases operational burdens, any bill authorizing permanent RON must be implemented in mutually agreeable language. He stated that, if implemented correctly, the process could be helpful to consumers and would modernize the closing procedure.

Jen Zakrzewski, paralegal, testified in opposition to the bill as written, on the grounds that the scope of the working group established by the bill was insufficient to cover all interested parties. She stated that the working group did not sufficiently include registered notaries who are Connecticut residents, and that the representatives of the title insurance and mortgage industry should be Connecticut residents. She also expressed concerns that software and insurance companies were not presently included, as they would be necessary for the process.

Reported by: Cameron Clarke

Date: 3/31/2022