

GENERAL STATUTES COMMISSION

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MEMORANDUM

To: House Judiciary 1

From: General Statutes Commission

Re: HB 44 (GSC Electronic Signatures)

Date: February 10, 2025

General Comments

This bill, which is recommended by the General Statutes Commission, clarifies the use of electronic signatures in certain contexts, pursuant to a review directed by the General Assembly in Section 5.5 of S.L. 2023-134. That provision directed the Commission to review all provisions in the General Statutes that require that documents have pen-and-ink signatures and authorized the Commission to recommend a bill to allow for both pen-and-ink and electronic signatures, where appropriate.

The General Statutes Commission published online all its drafts of this bill. No opposition to the bill has been expressed to the Commission.

The Commission reviewed the entire General Statutes and identified two statutes that currently allow for electronic signatures but that would benefit from some clarifying changes. (For more details about this review, please see the Commission's Report on Pen-and-Ink and Electronic Signatures to the General Assembly, dated April 5, 2024.) Section 1 of the bill clarifies that an electronic signature may be used in a business contract with a reciprocal attorneys' fees provision, and Section 2 of the bill clarifies that the Department of the Secretary of State may allow notary applications to be submitted electronically but that an initial application must be signed with pen and ink.

Specific Comments

Section 1 amends G.S. 6-21.6(b) to clarify that an electronic signature may be used in a business contract with a reciprocal attorneys' fees provision. The section also makes the following technical changes in other parts of the statute:

- In subsection (c), fixes the format of a citation and replaces legalese with plain English.
- In subsections (d) and (e), replaces legalese with plain English.
- In subsection (f), changes "may not" to "shall not" to conform to this State's drafting convention.
- In subsection (g), replaces legalese with plain English.

Section 2 amends G.S. 10B-5 to clarify that the Department of the Secretary of State may allow notary applications to be submitted electronically but that an initial application must be signed with pen and ink. To accomplish this clarification, Section 2(a) incorporates subsection (e) of the statute into subdivision (b)(8) of the statute, and Section 2(b) reconciles this language and adds information. Section 2(b) of the bill also deletes unnecessary language and fixes a relative pronoun

in subdivision (b)(8) and, in subsection (d), makes a grammatical correction and changes "In no case may" to "In no case shall" to conform to this State's drafting convention.

Section 3 provides that this act is effective when it becomes law.