

# COMMITTEE STATEMENT

## LB 929

HEARING DATE: January 18, 2000

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Landis) Adopt the Uniform Electronic Transactions Act

### ROLL CALL VOTE – FINAL COMMITTEE ACTION

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X Advanced to General File

Advanced to General File with Amendments

Indefinitely Postponed

#### Vote Results:

6 Yes Senators Landis, Tyson, Bourne, Jensen, Kremer,  
Schmitt

No

Present, not voting

2 Absent Senators Aguilar, Bruning

#### PROPOSERS

Senator David Landis

Harvey Perlman

Keith Prettyman

Robert Hallstrom

Ted Fraizer

Steve Schafer

Greg Lemon

#### REPRESENTING

Introducer

NE Commission on Uniform State Laws

Woodmen Accident & Life Co.

American Council of Life Insurers

NE Bankers Association

American Insurance Association

Chief Information Officer for the State of NE

Secretary of State's Office

#### OPPOSERS

#### REPRESENTING

#### NEUTRAL

#### REPRESENTING

#### SUMMARY OF PURPOSE AND/OR CHANGES:

LB 929 (Landis) would enact the Uniform Electronic Transaction Act (UETA) which was approved by the Uniform Law Commissioners in 1999. The bill would establish the legal equivalence of electronic records and electronic signatures with paper writings and manually signed signatures, thereby removing barriers to electronic

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commerce. UETA is a procedural statute. It does not mandate either electronic signatures or electronic records, but provides a means to effectuate transactions when they are used.

LB 929 would provide, section by section, as follows:

Section 1. would provide for citation to a named act: the Uniform Electronic Transactions Act (UETA);

Section 2. would provide for definitions;

Section 3. would provide that UETA applies to electronic records and electronic signatures relating to a transaction, but UETA does not apply to a transaction governed by a law governing wills and testamentary trusts, and does not apply to a transaction governed by the Uniform Commercial Code other than Article 2 (Sales) and Article 2A (Leases) (A transaction is defined as an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.);

Section 4. would provide that UETA applies prospectively only;

Section 5. would provide that UETA does not require a record or signature to be created, generated, sent, communicated, received, or stored by electronic means or to be in electronic form, and that UETA applies only to transactions between parties each of which has agreed to conduct transactions by electronic means;

Section 6. would provide that UETA must be construed and applied to facilitate electronic transactions consistent with other applicable law, and to be consistent with reasonable practices concerning electronic transactions and with continued expansion of those practices;

Section 7. would provide for legal recognition of electronic records, electronic signatures, and electronic contracts;

Section 8. would provide that a law requiring a person to provide, send, or deliver information in writing is satisfied if the information is provided, sent, or delivered in an electronic record capable of retention by the recipient at the time of receipt;

Section 9. would provide for attribution of an electronic record or electronic signature;

Section 10. would provide for rules which would be applied if a change or error in an electronic record occurs in a transmission between parties to a transaction;

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Section 11. would provide that a law requiring a signature or record to be notarized is satisfied with the electronic signature of the notary;

Section 12. would provide that a law requiring that a record be retained is satisfied by retaining an electronic record of the information in the record;

Section 13. would provide that in a proceeding, evidence of a record or signature may not be excluded solely because it is in electronic form;

Section 14. would provide for rules which would be applied in an automated transaction;

Section 15. would provide for when an electronic record is sent and when an electronic record is received;

Section 16. would provide for rights and obligations with regard to the electronic transfer of interests in transferable records (A transferable record is defined as an electronic record that would be a note or a document of title under the Uniform Commercial Code if it were in writing, and that the issuer expressly has agreed is a transferable record.); and

Section 17. would provide for severability.

EXPLANATION OF AMENDMENTS, IF ANY:

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Senator David Landis