

## **BILL ANALYSIS**

C.S.H.B. 732  
By: Krusee  
Business & Industry  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

With the arrival of electronic means of communication and information transfer, business models and methods for doing business have evolved to take advantage of the speed, efficiencies, and cost benefits of electronic technologies. The real estate industry and consumers all benefit from the passage of the Uniform Electronic Transaction Act (UETA) but some confusion exists regarding the acceptance of paper copies of an electronic document. Some county clerks have questioned whether a document, specifically a real estate document, that has been faxed, emailed, or copied is an original document containing original signatures and notary seals.

C.S.H.B. 732 clarifies that instruments concerning real or personal property that do not comply with UETA or any other applicable electronic recording laws must include the acknowledgement or sworn proper jurat or must otherwise be proved according to law.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 732 amends the Property Code by adding a new section to prohibit a paper document concerning real or personal property from being recorded or serving as notice of the paper document unless the paper document contains an original signature or signatures that are acknowledged, sworn to with a proper jurat, or proved according to law; or the paper document is attached as an exhibit to a paper affidavit or other document that has an original signature or signatures that are acknowledged, sworn to with a proper jurat, or proved according to law. The bill sets forth the circumstances under which an original signature is prohibited from being required for certain electronic instruments or other documents. The bill defines "paper document."

C.S.H.B. 732 provides that the changes in law made by this Act apply only to document filed or recorded on or after the effective date of this Act.

### **EFFECTIVE DATE**

September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 732 differs from the original by adding a new section to the Property Code and removing the language in the original that amends sections of the Property Code and Local Government Code.