SUBSTITUTE FOR HOUSE BILL NO. 6295

A bill to amend 2000 PA 305, entitled "Uniform electronic transactions act,"

by amending sections 3 and 18 (MCL 450.833 and 450.848), and by adding section 18a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- Sec. 3. (1) Except as otherwise provided in subsection (2) and section 4, this act applies to electronic records and electronic signatures relating to a transaction.
- 4 (2) This Except as otherwise provided in section 18a, this act
 5 does not apply to a transaction to the extent it is governed by
 6 either of the following:
- 7 (a) A law governing the creation and execution of wills,8 codicils, or testamentary trusts.





- 1 (b) Except as otherwise provided in subsection (3), the 2 uniform commercial code, 1962 PA 174, MCL 440.1101 to 3 440.11102.440.9994.
- 4 (3) This act does apply applies to a transaction to the extent 5 it is governed by section 1107 or 1206 or 1306 or article 2 or 2A 6 of the uniform commercial code, 1962 PA 174, MCL 440.1107, 7 440.1206, 440.1306, and 440.2101 to 440.2982.
- 8 (4) A transaction subject to this act is also subject to other9 applicable substantive law.
- Sec. 18. (1) Except as otherwise provided in section 12(6),
 the department of **technology**, management, and budget shall
 determine whether, and the extent to which, each state department
 will send and accept electronic records and electronic signatures
 to and from other persons and otherwise create, generate,
 communicate, store, process, use, and rely upon electronic records
 and electronic signatures.
- 17 (2) To the extent that a governmental agency uses electronic 18 records and electronic signatures under subsection (1), the 19 department of **technology**, management, and budget, giving due 20 consideration to security, may specify any or all of the following:
 - (a) The manner and format in which the electronic records must be created, generated, sent, communicated, received, and stored and the systems established for those purposes.
- 24 (b) If an electronic record is required to be signed by
 25 electronic means, the type of electronic signature required, the
 26 manner and format in which the electronic signature is to be
 27 affixed to the electronic record, and the identity of or criteria
 28 that is to be met by any third party used by a person filing a
 29 document.



21

2223

- (c) Control processes and procedures as appropriate to ensure
 adequate preservation, disposition, integrity, security,
 confidentiality, and auditability of electronic records.
- 4 (d) Any other required attributes for electronic records that
 5 are specified for corresponding nonelectronic records or reasonably
 6 necessary under the circumstances.
- 7 (3) Except as otherwise provided in section 12(6), this act
 8 does not require a governmental agency or official of this state to
 9 use or permit the use of electronic records or electronic
 10 signatures.
- 11 (4) This section is subject to section 18a.
- Sec. 18a. (1) Notwithstanding any other provision of this act, for the period beginning April 30, 2020 and ending December 31, 2020, strict compliance with section 18 is suspended to permit each state department to send and accept electronic records and electronic signatures to and from other persons without a determination from or approval by the department of technology,
 - (2) Except as otherwise provided in this subsection, this act applies to a transaction that is governed by the uniform commercial code and entered into on or after April 30, 2020 and before January 1, 2021. During the time period described in this subsection, to the extent there is a conflict between the uniform commercial code and this act, the uniform commercial code controls.
- 25 (3) As used in this section, "the uniform commercial code" 26 means the uniform commercial code, 1962 PA 174, MCL 440.1101 to 27 440.9994.



18

19

20

21

22

23

24

management, and budget.