



1997 ASSEMBLY BILL 811

February 24, 1998 - Introduced by Representatives JENSEN, HUTCHISON, SCHNEIDER, F. LASEE, OWENS, HANSON, ALBERS, GOETSCH, PORTER, MEYER, SYKORA, SCHAFFER, KELSO, OTTE, TRAVIS, DUFF, PLALE, POWERS, GREEN, SPILLNER, OTT, GROTHMAN and SPRINGER, cosponsored by Senators PANZER, ROSENZWEIG, FARROW and COWLES. Referred to Joint committee on Information Policy.

1 **AN ACT** *to repeal* 16.855 (23); *to renumber* chapter 137; *to amend* 20.575 (1)
2 (g), 137.01 (4) (a) and 990.01 (38); and *to create* 20.144 (1) (hm), chapter 137
3 (title) and subchapter II of chapter 137 [precedes 137.04] of the statutes;
4 **relating to:** the authorization, use and verification of digital signatures,
5 licensure and regulation of certification authorities, granting rule-making
6 authority and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill authorizes the use and provides for the regulation of digital signatures in this state. A digital signature is a combination of words, letters, symbols or characters that is used by a person for validating a document that has been transformed into digital, electronic or any other data format in such a manner that the identity of the person who originates the document is incontrovertible and the information contained in the document is identical to that originated by the person. Under the bill, the department of financial institutions (DFI) is required to promulgate rules regarding the use and verification of digital signatures. In addition, the bill provides that any document that is required by law to be submitted in writing may be submitted by transforming the document into digital, electronic or any other data format, but only with the consent of the person who is to receive the document. The bill provides that any document that requires a manual, facsimile or other form of signature or that is given effect with a manual, facsimile or other

ASSEMBLY BILL 811**AUTHENTICATIONS**

SECTION 5. Chapter 137 of the statutes, as affected by 1997 Wisconsin Act 27, is renumbered subchapter I of chapter 137 [precedes 137.01].

SECTION 6. 137.01 (4) (a) of the statutes is amended to read:

137.01 (4) (a) Every official act of a notary public shall be attested by the notary public's written signature or digital signature, as defined in s. 137.04 (4).

SECTION 7. Subchapter II of chapter 137 [precedes 137.04] of the statutes is created to read:

CHAPTER 137**SUBCHAPTER II****DIGITAL SIGNATURES**

137.04 Definitions. In this subchapter:

(1) "Authenticate" means to validate a document in such a manner that the identity of the person who originates the document is incontrovertible and the information contained in the document is identical to that originated by the person.

(2) "Certification authority" means any person who is authorized by the department to verify a digital signature.

(3) "Department" means the department of financial institutions.

(4) "Digital signature" means any combination of words, letters, symbols or characters used by a person for the purpose of authenticating a document that has been transformed into digital, electronic or any other data format that is retrievable in any form.

(5) "Verify" means to determine that a digital signature meets all of the following requirements:

(a) The digital signature was created by a particular person.

ASSEMBLY BILL 811**SECTION 7**

1 (b) The document to which the digital signature is affixed has not been altered
2 since the digital signature was created.

3 (c) The digital signature conforms to any rules promulgated by the department.

4 **137.05 Submission of written documents.** Unless otherwise prohibited by
5 law, any document that is required by law to be submitted in writing may be
6 submitted by transforming the document into digital, electronic or any other data
7 format that is retrievable in any form, but only with the consent of the person who
8 is to receive the document.

9 **137.06 Digital signature. (1)** Unless otherwise prohibited by law, any
10 document that requires a manual, facsimile or other form of signature or that is given
11 effect with a manual, facsimile or other form of signature may be signed or given
12 effect with a digital signature if all of the following occur:

13 (a) The digital signature is verified by a certification authority.

14 (b) The person who is to receive the document consents to the use of the digital
15 signature.

16 **(2)** A digital signature that satisfies all of the factors specified in sub. (1) has
17 the same force and effect as a manual, facsimile or other form of signature.

18 **137.07 Certification authorities; use and verification of digital**
19 **signatures.** The department may serve as a certification authority and may license
20 and regulate other certification authorities. The department may charge
21 certification authorities a fee to cover any costs incurred by the department in
22 licensing and regulating certification authorities. The department shall promulgate
23 rules concerning the licensure and regulation of certification authorities and the use
24 and verification of digital signatures.

25 **SECTION 8.** 990.01 (38) of the statutes is amended to read:

ASSEMBLY BILL 811

1 990.01 (38) SIGNATURE. If the signature of any person is required by law it shall
2 always be the handwriting of such person or, if the person is unable to write, the
3 person's mark or the person's name written by some other person at the person's
4 request and in the person's presence, or, subject to any applicable requirements
5 under subch. II of ch. 137, the digital signature of the person.

SECTION 9. Nonstatutory provisions.

7 (1) COMMISSION ON THE USE OF DIGITAL SIGNATURES.

8 (a) In this subsection:

9 1. "Committee" has the meaning specified in section 15.01 (3) of the statutes.

10 2. "Digital signature" has the meaning specified in section 137.04 (4) of the
11 statutes, as created by this act.

12 (b) There is established a committee called the commission on the use of digital
13 signatures consisting of members appointed by the governor.

14 (c) The commission shall study the use and regulation of digital signatures in
15 this state and any other matter affecting the use and regulation of digital signatures.

16 (d) No later than the first day of the 12th month beginning after the publication
17 of this act, the commission shall submit a report to the legislature in the manner
18 provided under section 13.172 (2) of the statutes. The report shall include the
19 commission's proposed recommendations regarding the use and regulation of digital
20 signatures.

21 (2) SUBMISSION OF PROPOSED RULES REGULATING DIGITAL SIGNATURES TO THE
22 LEGISLATIVE COUNCIL STAFF.

23 (a) In promulgating rules under section 137.07 of the statutes, as created by
24 this act, the department of financial institutions shall consider the report submitted
25 to the legislature under subsection (1) (d).

ASSEMBLY BILL 811**SECTION 9**

1 (b) The department of financial institutions shall submit in proposed form the
2 rules required under section 137.07 of the statutes, as created by this act, to the
3 legislative council staff under section 227.15 (1) of the statutes no later than the first
4 day of the 6th month beginning after the submission of the report to the legislature
5 under subsection (1) (d).

6 **SECTION 10. Effective dates.** This act takes effect on the day after publication,
7 except as follows:

8 (1) The treatment of sections 16.855 (23), 20.144 (1) (hm), 20.575 (1) (g), 137.01
9 (4) (a) and 990.01 (38) and subchapter II of chapter 137 of the statutes, the
10 renumbering of chapter 137 of the statutes and the creation of chapter 137 (title) of
11 the statutes take effect on the first day of the 12th month beginning after publication.

12 (END)