

AMENDED IN SENATE SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY MAY 11, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1097

Introduced by Assembly Member Holden

February 27, 2015

An act to *amend Section 7599.54 of, and to add Section 7599.56 to* to, the Business and Professions Code, and to ~~amend~~ *amend, repeal, and add* Section 1633.3 of the Civil Code, relating to alarm companies.

LEGISLATIVE COUNSEL'S DIGEST

AB 1097, as amended, Holden. Alarm companies: electronic transactions.

The Alarm Company Act provides for the licensure and regulation of alarm company operators and the certification and registration of employees of alarm companies, including alarm agents, by the Bureau of Security and Investigative Services within the Department of Consumer Affairs. That act requires that specified *installation* agreements entered into by an alarm company pertaining to alarm systems, including, among others, lease agreements, monitoring agreements, ~~service agreements, and~~ *and service agreements relating to those* installation agreements, be in writing. The Uniform Electronic Transactions Act (UETA) generally allows parties to contract to conduct transactions by electronic means, imposes specified requirements on electronic transactions in order to comply with the act, and provides specified protections for electronic transactions conducted pursuant to the act. UETA does not apply to certain transactions, including, among others, “home solicitation contracts,” as defined. Existing law provides

specified time periods for consumers to cancel a home solicitation contract, and requires specified disclosures and statements, and separately executed cancellation documents in connection with the execution of those contracts.

This bill would provide that, notwithstanding certain provisions in UETA excluding home solicitation contracts, ~~that~~ contracts for services or other activities ~~authorized by the Alarm Company Act relating to~~ installation agreements for alarm systems may be conducted by electronic means. The bill would provide that the provisions of UETA would apply to transactions conducted by persons licensed, certified, or registered pursuant to the Alarm Company Act, for purposes ~~authorized by the Alarm Company Act, of those installation agreements,~~ as specified. The bill would require those electronic contracts for services or other activities ~~authorized by the Alarm Company Act relating to installation agreements~~ to comply with specified cancellation periods, statements, and disclosures that apply to home solicitation contracts, and would authorize signatures, disclosures, and documents required by those provisions to be provided and transmitted electronically.

This bill would incorporate changes to Section 1633.3 of the Civil Code proposed by both this bill and AB 1131, which would become operative only if both bills are enacted and become effective on or before January 1, 2016, and this bill is chaptered last.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7599.54 of the Business and Professions
- 2 Code is amended to read:
- 3 7599.54. ~~Every~~ Except as provided by Section 7599.56, every
- 4 agreement, including, but not limited to, lease agreements,
- 5 monitoring agreements, and service agreements, including all
- 6 labor, services, and materials to be provided for the installation of
- 7 an alarm system, shall be in writing. ~~All~~ Except as provided by
- 8 Section 7599.56, all amendments subject to the provisions of this
- 9 section to an initial agreement shall be in writing. Each initial
- 10 agreement shall contain, but not be limited to, the following:
- 11 (a) The name, business address, business telephone number,
- 12 and license number of the licensed alarm company operator and

1 the registration number of any alarm agent who solicited or
2 negotiated the agreement.

3 (b) The approximate dates when the work will begin and be
4 substantially completed.

5 (c) A description of the work to be done, a description of the
6 materials to be used, and the agreed consideration for the work.

7 (d) A disclosure that alarm company operators are licensed and
8 regulated by the Bureau of Security and Investigative Services,
9 Department of Consumer Affairs, Sacramento, CA, 95814.

10 (e) A description of the alarm system including the major
11 components thereof and services to be provided to the purchaser
12 once the alarm is installed, including response or monitoring
13 services, if any.

14 (f) Other matters agreed to by the parties of the contract. The
15 agreement shall be legible and shall be in a form as to clearly
16 describe any other document which is to be incorporated into the
17 contract, and, before any work is done, the client shall be furnished
18 with a copy of the written agreement signed by the licensee.

19 (g) A statement setting forth that upon completion of the
20 installation of the alarm system, the alarm company shall
21 thoroughly instruct the purchaser in the proper use of the alarm
22 system.

23 (h) In the event a mechanic's lien is to be utilized, a
24 notice-to-owner statement which shall describe, in nontechnical
25 language and in a clear and coherent manner using words with
26 common and everyday meaning, the pertinent provisions of this
27 state's mechanics' lien laws and the rights and responsibilities of
28 an owner of property and a contractor thereunder, including the
29 provisions relating to the filing of a contract concerning a work of
30 improvement with the county recorder and the recording in the
31 office of a contractor's payment bond for private work.

32 (i) In addition to the above, every initial residential sales and
33 lease agreement, the total cost which over the time period fixed
34 by the agreement exceeds two hundred fifty dollars (\$250),
35 including the cost of all labor, service, or material to be provided
36 by the licensee for the installation, shall include, but not be limited
37 to, the following:

38 (1) A schedule of payments showing the amount of each
39 payment as a sum in dollars and cents. This schedule of payments

1 shall be referenced to the amount of work for services to be
2 performed or to any materials or equipment to be supplied.

3 (2) If the payment schedule contained in the agreement provides
4 for a down payment to be paid to the licensee by the owner or the
5 tenant before commencement of the work, that down payment
6 shall not exceed one thousand dollars (\$1,000) or 10 percent of
7 the contract price, excluding finance charges, whichever is the
8 lesser.

9 (3) In no event shall the payment schedule provide that the
10 licensee receive, nor shall the licensee actually receive, payment
11 in excess of 100 percent of the value of the work performed on
12 the project at any time, excluding finance charges, except that the
13 licensee may receive an initial down payment authorized by
14 paragraph (2). A failure by the licensee, without legal excuse, to
15 substantially commence work within 20 days of the approximate
16 date specified in the contract when work is to commence, shall
17 postpone the next succeeding payment to the licensee for that
18 period of time equivalent to the time between when substantial
19 commencement was to have occurred and when it did occur.

20 (4) A notice-to-owner statement which shall describe, in
21 nontechnical language and in a clear and coherent manner using
22 words with common and everyday meaning, the pertinent
23 provisions of this state's mechanics' lien laws and the rights and
24 responsibilities of an owner of property and a contractor thereunder,
25 including the provisions relating to the filing of a contract
26 concerning a work of improvement with the county recorder and
27 the recording in the office of a contractor's payment bond for
28 private work.

29 (5) A description of what constitutes substantial commencement
30 of work pursuant to the contract.

31 (6) A disclosure that failure by the licensee, without legal
32 excuse, to substantially commence work within 20 days from the
33 approximate date specified in the agreement when the work will
34 begin is a violation of the Alarm Company Act.

35 (7) A disclosure informing the buyer of any potential permit
36 fees which may be required by local jurisdictions concerning the
37 monitoring of an existing alarm system.

38 (8) This section shall not be construed to prohibit the parties to
39 a residential alarm system sale contract from agreeing to a contract

1 or account subject to Chapter 1 (commencing with Section 1801)
2 of Title 2 of Part 4 of Division 3 of the Civil Code.

3 A violation of this section or failure to commence work pursuant
4 to paragraph (6) of subdivision (h) may result in a fine of one
5 hundred dollars (\$100) for the first violation and a five hundred
6 dollar (\$500) fine for each subsequent violation.

7 **SECTION 1.**

8 *SEC. 2.* Section 7599.56 is added to the Business and
9 Professions Code, to read:

10 7599.56. (a) ~~Notwithstanding Section 7599.54, contracts~~
11 *Contracts* for services or other activities authorized by ~~this chapter~~
12 *Section 7599.54* may be conducted by electronic means.
13 Notwithstanding subdivisions (b) and (c) of Section 1633.3 of the
14 Civil Code, the Uniform Electronic Transactions Act (Title 2.5
15 (commencing with Section 1633.1) of Part 2 of Division 3 of the
16 Civil Code) ~~applies~~ *shall apply* to electronic records and electronic
17 signatures relating to transactions conducted by a person licensed,
18 certified, or registered pursuant to this chapter, for purposes of
19 activities authorized by ~~this chapter. Section 7599.54.~~ An electronic
20 contract for services or other activities authorized by ~~this chapter~~
21 *Section 7599.54* shall not be ~~used without the consent of the~~
22 ~~contracting consumer.~~ *valid unless the consumer specified in the*
23 *contract has consented to use of electronic records for the*
24 *transaction with an electronic signature and has not withdrawn*
25 *that consent. The licensee shall provide an identical paper copy*
26 *of the signed electronic contract for services upon request of the*
27 *contracting consumer.*

28 (b) Notwithstanding Section 1689.6 of the Civil Code, for
29 contracts for services or other activities authorized by ~~this chapter,~~
30 *Section 7599.54*, a notice of cancellation and copies of the contract
31 or offer described in those provisions may be provided and
32 transmitted electronically.

33 (c) Notwithstanding Section 1689.7 of the Civil Code, for
34 contracts for services or other activities authorized by ~~this chapter,~~
35 *Section 7599.54*, the signatures, disclosures, and documents
36 described in those provisions may be provided and transmitted
37 electronically.

1 ~~SEC. 2.~~

2 *SEC. 3.* Section 1633.3 of the Civil Code, as amended by
3 Section 3 of Chapter 913 of the Statutes of 2014, is amended to
4 read:

5 1633.3. (a) Except as otherwise provided in subdivisions (b)
6 and (c), this title applies to electronic records and electronic
7 signatures relating to a transaction.

8 (b) This title does not apply to transactions subject to the
9 following laws:

10 (1) A law governing the creation and execution of wills, codicils,
11 or testamentary trusts.

12 (2) Division 1 (commencing with Section 1101) of the Uniform
13 Commercial Code, except Sections 1206 and 1306.

14 (3) Divisions 3 (commencing with Section 3101), 4
15 (commencing with Section 4101), 5 (commencing with Section
16 5101), 8 (commencing with Section 8101), 9 (commencing with
17 Section 9101), and 11 (commencing with Section 11101) of the
18 Uniform Commercial Code.

19 (4) A law that requires that specifically identifiable text or
20 disclosures in a record or a portion of a record be separately signed,
21 including initialed, from the record. However, this paragraph does
22 not apply to Section 1677 or 1678 of this code or Section 1298 of
23 the Code of Civil Procedure.

24 (c) This title does not apply to any specific transaction described
25 in Section 17511.5 of the Business and Professions Code, Section
26 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,
27 or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of
28 Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,
29 1789.16, or 1793.23 of, Chapter 1 (commencing with Section
30 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5,
31 1917.712, 1917.713, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i,
32 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section
33 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section
34 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981)
35 or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of
36 Division 3 of, Section 3071.5 of, Part 5 (commencing with Section
37 4000) of Division 4 of, or Part 5.3 (commencing with Section
38 6500) of Division 4 of this code, subdivision (b) of Section 18608
39 or Section 22328 of the Financial Code, Section 1358.15, 1365,
40 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code,

1 Section 662, paragraph (2) of subdivision (a) of Section 663, 664,
2 667.5, 673, 677, paragraph (2) of subdivision (a) of Section 678,
3 subdivisions (a) and (b) of Section 678.1, Section 786, 10113.7,
4 10127.7, 10127.9, 10127.10, 10192.18, 10199.44, 10199.46,
5 10235.16, 10235.40, 10509.4, 10509.7, 11624.09, or 11624.1 of
6 the Insurance Code, Section 779.1, 10010.1, or 16482 of the Public
7 Utilities Code, or Section 9975 or 11738 of the Vehicle Code. An
8 electronic record may not be substituted for any notice that is
9 required to be sent pursuant to Section 1162 of the Code of Civil
10 Procedure. Nothing in this subdivision shall be construed to
11 prohibit the recordation of any document with a county recorder
12 by electronic means.

13 (d) This title applies to an electronic record or electronic
14 signature otherwise excluded from the application of this title under
15 subdivision (b) when used for a transaction subject to a law other
16 than those specified in subdivision (b).

17 (e) A transaction subject to this title is also subject to other
18 applicable substantive law.

19 (f) The exclusion of a transaction from the application of this
20 title under subdivision (b) or (c) shall be construed only to exclude
21 the transaction from the application of this title, but shall not be
22 construed to prohibit the transaction from being conducted by
23 electronic means if the transaction may be conducted by electronic
24 means under any other applicable law.

25 (g) Notwithstanding subdivisions (b) and (c), this title shall
26 apply to electronic records and electronic signatures relating to
27 transactions conducted by a person licensed, certified, or registered
28 pursuant to the Alarm Company Act (Chapter 11.6 (commencing
29 with Section 7590) of Division 3 of the Business and Professions
30 Code) for purposes of activities authorized by ~~that act~~. *Section*
31 *7599.54 of the Business and Professions Code*.

32 (h) This section shall remain in effect only until January 1, 2019,
33 and as of that date is repealed, unless a later enacted statute, that
34 is enacted before January 1, 2019, deletes or extends that date.

35 *SEC. 3.1. Section 1633.3 of the Civil Code, as amended by*
36 *Section 3 of Chapter 913 of the Statutes of 2014, is amended to*
37 *read:*

38 1633.3. (a) Except as otherwise provided in subdivisions (b)
39 and (c), this title applies to electronic records and electronic
40 signatures relating to a transaction.

(b) This title does not apply to transactions subject to the following laws:

(1) A law governing the creation and execution of wills, codicils, or testamentary trusts.

(2) Division 1 (commencing with Section 1101) of the Uniform Commercial Code, except Sections 1206 and 1306.

(3) Divisions 3 (commencing with Section 3101), 4 (commencing with Section 4101), 5 (commencing with Section 5101), 8 (commencing with Section 8101), 9 (commencing with Section 9101), and 11 (commencing with Section 11101) of the Uniform Commercial Code.

(4) A law that requires that specifically identifiable text or disclosures in a record or a portion of a record be separately signed, including initialed, from the record. However, this paragraph does not apply to Section 1677 or 1678 of this code or Section 1298 of the Code of Civil Procedure.

(c) This title does not apply to any specific transaction described in Section 17511.5 of the Business and Professions Code, Section 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7, or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14, 1789.16, or 1793.23 of, Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5, 1917.712, 1917.713, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981) or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of Division 3 of, Section 3071.5 of, Part 5 (commencing with Section 4000) of Division 4 of, or Part 5.3 (commencing with Section 6500) of Division 4 of this code, subdivision (b) of Section 18608 or Section 22328 of the Financial Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code, Section 662, paragraph (2) of subdivision (a) of Section 663, 664, 667.5, 673, 677, paragraph (2) of subdivision (a) of Section 678, subdivisions (a) and (b) of Section 678.1, Section ~~786, 10113.7, 10127.7, 10127.9, 10127.10,~~ 786 *as it applies to individual and group disability policies*, Section 10192.18, 10199.44, 10199.46, 10235.16, 10235.40, ~~10509.4, 10509.7,~~ 11624.09, or 11624.1 of the Insurance Code, Section 779.1, 10010.1, or 16482 of the Public

1 Utilities Code, or Section 9975 or 11738 of the Vehicle Code. An
2 electronic record may not be substituted for any notice that is
3 required to be sent pursuant to Section 1162 of the Code of Civil
4 Procedure. Nothing in this subdivision shall be construed to
5 prohibit the recordation of any document with a county recorder
6 by electronic means.

7 (d) This title applies to an electronic record or electronic
8 signature otherwise excluded from the application of this title under
9 subdivision (b) when used for a transaction subject to a law other
10 than those specified in subdivision (b).

11 (e) A transaction subject to this title is also subject to other
12 applicable substantive law.

13 (f) The exclusion of a transaction from the application of this
14 title under subdivision (b) or (c) shall be construed only to exclude
15 the transaction from the application of this title, but shall not be
16 construed to prohibit the transaction from being conducted by
17 electronic means if the transaction may be conducted by electronic
18 means under any other applicable law.

19 (g) *Notwithstanding subdivisions (b) and (c), this title shall*
20 *apply to electronic records and electronic signatures relating to*
21 *transactions conducted by a person licensed, certified, or registered*
22 *pursuant to the Alarm Company Act (Chapter 11.6 (commencing*
23 *with Section 7590) of Division 3 of the Business and Professions*
24 *Code) for purposes of activities authorized by Section 7599.54 of*
25 *the Business and Professions Code.*

26 ~~(g)~~

27 (h) This section shall remain in effect only until January 1, 2019,
28 and as of that date is repealed, unless a later enacted statute, that
29 is enacted before January 1, 2019, deletes or extends that date.

30 ~~SEC. 3.~~

31 *SEC. 4.* Section 1633.3 of the Civil Code, as amended by
32 Section 4 of Chapter 913 of the Statutes of 2014, is amended to
33 read:

34 1633.3. (a) Except as otherwise provided in subdivisions (b)
35 and (c), this title applies to electronic records and electronic
36 signatures relating to a transaction.

37 (b) This title does not apply to transactions subject to the
38 following laws:

39 (1) A law governing the creation and execution of wills, codicils,
40 or testamentary trusts.

(2) Division 1 (commencing with Section 1101) of the Uniform Commercial Code, except Sections 1206 and 1306.

(3) Divisions 3 (commencing with Section 3101), 4 (commencing with Section 4101), 5 (commencing with Section 5101), 8 (commencing with Section 8101), 9 (commencing with Section 9101), and 11 (commencing with Section 11101) of the Uniform Commercial Code.

(4) A law that requires that specifically identifiable text or disclosures in a record or a portion of a record be separately signed, including initialed, from the record. However, this paragraph does not apply to Section 1677 or 1678 of this code or Section 1298 of the Code of Civil Procedure.

(c) This title does not apply to any specific transaction described in Section 17511.5 of the Business and Professions Code, Section 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7, or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14, 1789.16, or 1793.23 of, Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5, 1917.712, 1917.713, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981) or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of Division 3 of, Section 3071.5 of Part 5 (commencing with Section 4000) of Division 4 of, or Part 5.3 (commencing with Section 6500) of Division 4 of this code, subdivision (b) of Section 18608 or Section 22328 of the Financial Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code, Section 662, 663, 664, 667.5, 673, 677, 678, 678.1, 786, 10086, 10113.7, 10127.7, 10127.9, 10127.10, 10192.18, 10199.44, 10199.46, 10235.16, 10235.40, 10509.4, 10509.7, 11624.09, or 11624.1 of the Insurance Code, Section 779.1, 10010.1, or 16482 of the Public Utilities Code, or Section 9975 or 11738 of the Vehicle Code. An electronic record may not be substituted for any notice that is required to be sent pursuant to Section 1162 of the Code of Civil Procedure. Nothing in this subdivision shall be construed to prohibit the recordation of any document with a county recorder by electronic means.

1 (d) This title applies to an electronic record or electronic
2 signature otherwise excluded from the application of this title under
3 subdivision (b) when used for a transaction subject to a law other
4 than those specified in subdivision (b).

5 (e) A transaction subject to this title is also subject to other
6 applicable substantive law.

7 (f) The exclusion of a transaction from the application of this
8 title under subdivision (b) or (c) shall be construed only to exclude
9 the transaction from the application of this title, but shall not be
10 construed to prohibit the transaction from being conducted by
11 electronic means if the transaction may be conducted by electronic
12 means under any other applicable law.

13 (g) Notwithstanding subdivisions (b) and (c), this title shall
14 apply to electronic records and electronic signatures relating to
15 transactions conducted by a person licensed, certified, or registered
16 pursuant to the Alarm Company Act (Chapter 11.6 (commencing
17 with Section 7590) of Division 3 of the Business and Professions
18 Code) for purposes of activities authorized by ~~that act~~. *Section*
19 *7599.54 of the Business and Professions Code*.

20 (h) This section shall become operative on January 1, 2019.

21 *SEC. 4.1. Section 1633.3 of the Civil Code, as amended by*
22 *Section 4 of Chapter 913 of the Statutes of 2014, is amended to*
23 *read:*

24 1633.3. (a) Except as otherwise provided in subdivisions (b)
25 and (c), this title applies to electronic records and electronic
26 signatures relating to a transaction.

27 (b) This title does not apply to transactions subject to the
28 following laws:

29 (1) A law governing the creation and execution of wills, codicils,
30 or testamentary trusts.

31 (2) Division 1 (commencing with Section 1101) of the Uniform
32 Commercial Code, except Sections 1206 and 1306.

33 (3) Divisions 3 (commencing with Section 3101), 4
34 (commencing with Section 4101), 5 (commencing with Section
35 5101), 8 (commencing with Section 8101), 9 (commencing with
36 Section 9101), and 11 (commencing with Section 11101) of the
37 Uniform Commercial Code.

38 (4) A law that requires that specifically identifiable text or
39 disclosures in a record or a portion of a record be separately signed,
40 including initialed, from the record. However, this paragraph does

1 not apply to Section 1677 or 1678 of this code or Section 1298 of
2 the Code of Civil Procedure.

3 (c) This title does not apply to any specific transaction described
4 in Section 17511.5 of the Business and Professions Code, Section
5 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,
6 or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of
7 Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,
8 1789.16, or 1793.23 of, Chapter 1 (commencing with Section
9 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5,
10 1917.712, 1917.713, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i,
11 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section
12 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section
13 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981)
14 or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of
15 Division 3 of, Section 3071.5 of Part 5 (commencing with Section
16 4000) of Division 4 of, or Part 5.3 (commencing with Section
17 6500) of Division 4 of this code, subdivision (b) of Section 18608
18 or Section 22328 of the Financial Code, Section 1358.15, 1365,
19 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code,
20 Section 662, 663, 664, 667.5, 673, 677, 678, 678.1, ~~786, 10086,~~
21 ~~10113.7, 10127.7, 10127.9, 10127.10,~~ *786 as it applies to*
22 *individual and group disability policies*, 10192.18, 10199.44,
23 10199.46, 10235.16, 10235.40, 10509.4, 10509.7, 11624.09, or
24 11624.1 of the Insurance Code, Section 779.1, 10010.1, or 16482
25 of the Public Utilities Code, or Section 9975 or 11738 of the
26 Vehicle Code. An electronic record may not be substituted for any
27 notice that is required to be sent pursuant to Section 1162 of the
28 Code of Civil Procedure. Nothing in this subdivision shall be
29 construed to prohibit the recordation of any document with a county
30 recorder by electronic means.

31 (d) This title applies to an electronic record or electronic
32 signature otherwise excluded from the application of this title under
33 subdivision (b) when used for a transaction subject to a law other
34 than those specified in subdivision (b).

35 (e) A transaction subject to this title is also subject to other
36 applicable substantive law.

37 (f) The exclusion of a transaction from the application of this
38 title under subdivision (b) or (c) shall be construed only to exclude
39 the transaction from the application of this title, but shall not be
40 construed to prohibit the transaction from being conducted by

1 electronic means if the transaction may be conducted by electronic
2 means under any other applicable law.

3 *(g) Notwithstanding subdivisions (b) and (c), this title shall*
4 *apply to electronic records and electronic signatures relating to*
5 *transactions conducted by a person licensed, certified, or registered*
6 *pursuant to the Alarm Company Act (Chapter 11.6 (commencing*
7 *with Section 7590) of Division 3 of the Business and Professions*
8 *Code) for purposes of activities authorized by Section 7599.54 of*
9 *the Business and Professions Code.*

10 ~~(g)~~

11 *(h) This section shall become operative on January 1, 2019.*

12 *(i) This section shall remain in effect only until January 1, 2021,*
13 *and as of that date is repealed, unless a later enacted statute, that*
14 *is enacted before January 1, 2021, deletes or extends that date.*

15 *SEC. 5. Section 1633.3 is added to the Civil Code, to read:*

16 *1633.3. (a) Except as otherwise provided in subdivisions (b)*
17 *and (c), this title applies to electronic records and electronic*
18 *signatures relating to a transaction.*

19 *(b) This title does not apply to transactions subject to the*
20 *following laws:*

21 *(1) A law governing the creation and execution of wills, codicils,*
22 *or testamentary trusts.*

23 *(2) Division 1 (commencing with Section 1101) of the Uniform*
24 *Commercial Code, except Sections 1206 and 1306.*

25 *(3) Divisions 3 (commencing with Section 3101), 4 (commencing*
26 *with Section 4101), 5 (commencing with Section 5101), 8*
27 *(commencing with Section 8101), 9 (commencing with Section*
28 *9101), and 11 (commencing with Section 11101) of the Uniform*
29 *Commercial Code.*

30 *(4) A law that requires that specifically identifiable text or*
31 *disclosures in a record or a portion of a record be separately*
32 *signed, including initialed, from the record. However, this*
33 *paragraph does not apply to Section 1677 or 1678 of this code or*
34 *Section 1298 of the Code of Civil Procedure.*

35 *(c) This title does not apply to any specific transaction described*
36 *in Section 17511.5 of the Business and Professions Code, Section*
37 *56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,*
38 *or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of*
39 *Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,*
40 *1789.16, or 1793.23 of, Chapter 1 (commencing with Section 1801)*

1 of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5,
2 1917.712, 1917.713, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i,
3 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section
4 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section
5 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981)
6 or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of
7 Division 3 of, Section 3071.5 of Part 5 (commencing with Section
8 4000) of Division 4 of, or Part 5.3 (commencing with Section 6500)
9 of Division 4 of this code, subdivision (b) of Section 18608 or
10 Section 22328 of the Financial Code, Section 1358.15, 1365,
11 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code,
12 Section 662, 663, 664, 667.5, 673, 677, 678, 678.1, 786, 10086,
13 10113.7, 10127.7, 10127.9, 10127.10, 10192.18, 10199.44,
14 10199.46, 10235.16, 10235.40, 10509.4, 10509.7, 11624.09, or
15 11624.1 of the Insurance Code, Section 779.1, 10010.1, or 16482
16 of the Public Utilities Code, or Section 9975 or 11738 of the
17 Vehicle Code. An electronic record may not be substituted for any
18 notice that is required to be sent pursuant to Section 1162 of the
19 Code of Civil Procedure. Nothing in this subdivision shall be
20 construed to prohibit the recordation of any document with a
21 county recorder by electronic means.

22 (d) This title applies to an electronic record or electronic
23 signature otherwise excluded from the application of this title
24 under subdivision (b) when used for a transaction subject to a law
25 other than those specified in subdivision (b).

26 (e) A transaction subject to this title is also subject to other
27 applicable substantive law.

28 (f) The exclusion of a transaction from the application of this
29 title under subdivision (b) or (c) shall be construed only to exclude
30 the transaction from the application of this title, but shall not be
31 construed to prohibit the transaction from being conducted by
32 electronic means if the transaction may be conducted by electronic
33 means under any other applicable law.

34 (g) Notwithstanding subdivisions (b) and (c), this title shall
35 apply to electronic records and electronic signatures relating to
36 transactions conducted by a person licensed, certified, or registered
37 pursuant to the Alarm Company Act (Chapter 11.6 (commencing
38 with Section 7590) of Division 3 of the Business and Professions
39 Code) for purposes of activities authorized by Section 7599.54 of
40 the Business and Professions Code.

1 *(h) This section shall become operative on January 1, 2021.*

2 *SEC. 6. Sections 3.1 and 4.1 of this bill incorporate changes*
3 *in Section 1633.3 of the Civil Code proposed by this bill and*
4 *Assembly Bill 1131. Those sections shall only become operative*
5 *if (1) both bills are enacted and become effective on or before*
6 *January 1, 2016, (2) each bill amends Section 1633.3 of the Civil*
7 *Code, and (3) this bill is enacted after Assembly Bill 1131, in which*
8 *case Sections 3 and 4 of this bill shall not become operative.*

9 *SEC. 7. Section 5 of this bill, which adds Section 1633.3 to the*
10 *Civil Code, incorporates provisions in that section proposed by*
11 *both this bill and Assembly Bill 1131. It shall only become*
12 *operative if (1) both bills are enacted and become effective on or*
13 *before January 1, 2016, (2) each bill adds Section 1633.3 to the*
14 *Civil Code, and (3) this bill is enacted after Assembly Bill 1131.*