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FISCAL IMPACT REPORT

SPONSOR: Mohorovic DATE TYPED: 01/25/01 HB 66
 SHORT TITLE: Amend Electronic Authentication of Documents SB _____
 ANALYST: Carrillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI*		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB88, Amend Procurement Code; HB232 Uniform Electronic Transactions Act.

SOURCES OF INFORMATION

General Services Department
 Information Technology Management Office
 State Commission of Public Records
 Secretary of State
 LFC Files

SUMMARY

Synopsis of Bill

House Bill 66 proposes to amend the Electronic Authentication of Documents Act to comply with the federal Electronic Signatures in Global and National Commerce Act by providing for technological neutrality.

Significant Issues

According to Information Technology Management Office (ITMO) staff, a single, adaptable architecture is essential to providing services coherently with security and reliability. Such a system will accommodate the streamlining of government business processes to capture savings and deliver citizen-centric government information and services.

The ITMO's staff has stated the technical approach proscribed in the original legislation cannot be achieved given the current state of electronic signature technology. Further, electronic technology is changing rapidly. Adoption of a technology neutral approach is essential to allow the state to take full advantage of current and future technology.

FISCAL IMPLICATIONS

HB 66 has no fiscal impact, as proposed.

Currently, the Information Technology Oversight Committee (ITOC) has requested the following:

- Determine the need for electronic signatures (for what purpose and by whom),
- Recommend uses, technical approaches, rules and standards, and
- Provide estimated implementation costs.

The ITMO's staff has estimated the general fund impact to implement a statewide electronic system to be between \$2 million and \$3 million, depending on the technical solution selected. In addition, approximately \$500.0 in recurring general fund technical support (personnel, maintenance) may be required.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

HB 66 is related to HB 88 (Amend Procurement Code) and HB 232 (Uniform Electronic Transactions Act). In part, HB 88 proposes to amend the Procurement Code to authorize electronic notices and responses. HB 232 intends to enact the Uniform Electronic Transactions Act and to establish standards for the use of electronic records and signatures in transactions.

TECHNICAL ISSUES

The ITMO and the Secretary of State staffs propose the following amendments:

Section 14-4-2 A. Provide a centralized, ~~public sector, electronic registry~~ technical means for authenticating electronics documents, ~~by means of a public and private key system.~~

Section 14-4-2 D. ...establish a coherent approach to rules and standards regarding the authentication and integrity of electronic records ~~that can serve as a model to be adopted by other states and help to promote uniformity among the various states.~~

Strike the following sections in their entirety:

- Section 14-5-5 B
- Section 14-5-5 C
- Section 14-15-3 C(1)
- Section 14-15-3 C(2)
- Section 14-15-3 C(3)
- Section 14-15-3 C(4)
- Section 14-15-3 G
- Section 14-15-3 H
- Section 14-15-3 L
- Sectuib 14-15-3 M
- Section 14-15-3 N
- Section 14-15-3 O
- Section 14-15-3 P