

HOUSE BILL REPORT

ESSB 5810

As Reported by House Committee On:
State Government

Title: An act relating to the use, acceptance, and removal of barriers to the use and acceptance of electronic signatures.

Brief Description: Promoting the use, acceptance, and removal of barriers to the use and acceptance of electronic signatures.

Sponsors: Senate Committee on Government Operations & Security (originally sponsored by Senators Roach, Liias and Chase; by request of Office of Financial Management).

Brief History:

Committee Activity:

State Government: 3/18/15, 4/1/15 [DP].

Brief Summary of Engrossed Substitute Bill

- Establishes a process for the use and acceptance of electronic signatures.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives S. Hunt, Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton, Gregory and Hawkins.

Staff: Marsha Reilly (786-7135).

Background:

Washington Electronic Authentication Act.

On January 1, 1998, the Washington Electronic Authentication Act (WEA Act) became effective. This law allows the use of digital signature technology in electronic transactions and creates a process for licensing certification authorities.

Digital signature encryption systems are used to both protect the confidentiality of an electronic document and authenticate its source. These systems operate on the basis of two

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digital keys, or codes, created by the person desiring to send encrypted messages. One key is the "private" key, which is known only to the signer of the electronic message, and the other is the signer's "public" key, which is given to individuals with whom the sender wishes to exchange the confidential or authenticated message. The public key is used to verify both that the message was signed by the person holding the private key and that the message itself was not altered during its transmission.

To verify the ownership of public keys, each public key is provided with a computer-based certificate of authenticity. These certificates are created by "certification authorities," which guarantee that the public keys they certify belong to the people possessing the corresponding private keys.

Summary of Bill:

Use of Electronic Signatures by State Agencies.

Unless otherwise provided by law or agency rule, state agencies may accept electronic signatures with the same force and effect as that of a signature affixed by hand. Each state agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. A state agency is not required to send or accept electronic records or electronic signatures for an agency transaction.

The Chief Information Officer (CIO) within the Office of Financial Management (OFM) must establish policies, standards, or guidance for electronic submissions and signatures, and a state agency's policy or rule must be consistent with those established by the CIO. The CIO is required to establish a website that maintains, or links to, an agency's rules and policies for electronic records and signatures.

Unless otherwise provided by law or rule, or the context clearly indicates otherwise, when referred to in code:

- the term "signature" includes electronic signatures;
- the term "writing" means a record; and
- the term "mail" includes the use of mail delivered through an electronic system, such as electronic mail or secure mail transfer.

"Electronic signature" is defined as an electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.

"Record" is defined as information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Miscellaneous Provisions.

The requirement to sign an application for a chiropractic or dentistry license by hand are removed. For purposes of submitting a ballot measure to the Secretary of State, the sponsor may submit an affidavit by electronic means indicating that he or she is a registered voter.

Provisions in the WEA Act inconsistent with or duplicative of the requirements of the Washington Electronic Commerce and Governmental Affairs Act are repealed, such as acceptance of electronic signatures and presumptions of the validity of electronic signatures or records. The statute allowing for agencies to accept public works bids electronically is repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is limited solely to state agencies. It allows agencies to use electronic records and signatures, which will make many transactions easier for the public. The Office of the CIO will develop standards and guidelines for security and privacy purposes. It removes barriers for state agencies. This is not a mandate, but rather allows agencies the flexibility for using electronic records and signatures.

(Opposed) None.

Persons Testifying: Ro Marcus, Office of Financial Management; and Connie Michener, Office of the Chief Information Officer.

Persons Signed In To Testify But Not Testifying: None.