

FINAL BILL REPORT

HB 1040

C 183 L 11
Synopsis as Enacted

Brief Description: Regarding the use of electronic signatures and notices.

Sponsors: Representatives Pedersen, Armstrong, Kirby, Warnick, Kelley and Hunt; by request of Secretary of State.

House Committee on Judiciary
Senate Committee on Judiciary

Background:

Notices to Business Entities.

The Corporations Division of the Office of the Secretary of State (OSOS) administers a variety of programs, including the licensing and registration of domestic corporations, foreign corporations doing business in the state, corporations sole, charitable organizations, and commercial fundraisers. Business entities licensed with the OSOS must file certain documents, such as their annual reports, with the OSOS. The OSOS must send notices to these business entities to renew their registrations and file their reports. These notices must be sent by postal mail.

Digital Signatures.

The OSOS also administers the Electronic Authentication Act (EAA), which governs the use of digital signature technology in electronic transactions and creates a process for the OSOS to license entities that verify the authenticity of digital signatures. These entities are called certification authorities.

Digital signature technology is an encryption system used to protect the confidentiality of an electronic document and authenticate its source. The technology operates on the basis of digital keys or codes. These keys must be certified for their authenticity. Licensed certification authorities issue the certificates of authenticity.

Under the EAA, a unit of state or local government must become a subscriber to a certificate issued by a licensed certification authority if the governmental entity's signature is required to conduct official public business with electronic records.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Notices to Business Entities.

The OSOS may send notices of registration renewals and notices to file annual or biennial reports to certain business entities using either postal or electronic mail, as elected by the business entity. Those business entities are charitable organizations and commercial fundraisers registered with the OSOS, domestic corporations, foreign corporations doing business in the state, and corporations sole. The option to receive the notice by electronic mail may be selected only when the OSOS makes the option available.

Digital Signatures.

Governmental entities may, but are no longer required to, be subscribers to a certificate issued by a licensed certification authority.

Votes on Final Passage:

| | | | |
|--------|----|---|-------------------|
| House | 92 | 0 | |
| Senate | 47 | 0 | (Senate amended) |
| House | 97 | 0 | (House concurred) |

Effective: July 22, 2011