

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

Senate Bill 119

(Chairman, Finance Committee)

(By Request – Departmental – Secretary of State)

Finance

Economic Matters

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**Digital Signatures - Repeal**

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This departmental bill repeals the digital signature pilot program that provided for the acceptance of digital signatures between specified units of State government and between those units of State government and other governmental entities.

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**Fiscal Summary**

**State Effect:** Repealing the pilot program would not change State activities or operations.

**Local Effect:** None.

**Small Business Effect:** The Secretary of State has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** The digital signature pilot program authorizes participating agencies to establish methods and procedures to allow for the use of a digital signature in any communication in which a signature is required or used within the agency or between the agency and another agency or governmental entity. Use of a digital signature under the pilot program has the same force and effect as the use of a manual signature. The Secretary of State, the State Archives, the Department of General Services, the Department of Budget and Management, and any other agency authorized by the Governor may participate in the pilot program.

Under the Maryland Uniform Electronic Transactions Act (UETA), a record or signature may not be denied legal effect or enforceability solely because it is in electronic form. An “electronic record” is defined as “a record created, generated, sent, communicated, received, or stored by electronic means.” An “electronic signature” is defined as “an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.” The Act applies only to transactions in which each party has agreed to conduct transactions by electronic means.

**Background:** UETA, enacted in 2000, has rendered the digital signature pilot program unnecessary. Signatures and transactions authorized under the pilot program are also authorized under UETA. The Secretary of State advises that the pilot program has not been active since passage of UETA.

The federal Electronic Signatures in Global and National Commerce Act (E-Sign), like Maryland’s UETA, provides for the validity of electronic signatures and records. E-Sign was enacted in 2001.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Secretary of State, Department of Legislative Services

**Fiscal Note History:** First Reader - January 20, 2006  
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