

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1356

SHORT TITLE: Electronic Commerce Act

SPONSOR(S): Representatives Reynolds, Baker, Brawley, Clary, Cole, Dickson, Earle, Eddins, Gray, Hurley, McComas, Rayfield, Sexton, Shubert, Tolson, Weatherly, and G. Wilson

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
EXPENDITURES	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
POSITIONS: 1					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Secretary of State				
EFFECTIVE DATE:	Upon Passage.				

BILL SUMMARY:

Amends Section 1, Chapter 66 of the General Statutes by adding Article 11A. The new Article facilitates electronic commerce with and by public entities of the State of North Carolina by recognizing the validity of electronic signatures. Article 11A further authorizes the Secretary of State to regulate electronic signatures and certification authorities, and to assess a civil penalty (up to \$100,000) against any person who violates a provision of the Article.

ASSUMPTIONS AND METHODOLOGY:

The bill requires the Department of the Secretary of State to perform a new regulatory function in a fluid and relatively complex technological area. The Department of the Secretary of State requests an additional position to perform the work required by the new function. The function requires a blend of legal/regulatory and technical skills. The individual selected for the position

would be required to participate in establishing rules for the use of electronic signatures. Further, the individual would be required to evaluate and monitor certification authorities. The Department requests \$75,000 for the new position.

Public-sector experience with the use of electronic signatures remains limited. As a result, a reliable estimate of the potential revenue from penalties assessed (as authorized by this bill) does not exist at this time.

TECHNICAL CONSIDERATIONS:

None

FISCAL RESEARCH DIVISION 733-4910 DATE : July 24, 1998

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