

CITY OF DRIPPING SPRINGS

ORDINANCE No. 2025-_____

AN ORDINANCE OF THE CITY OF DRIPPING SPRINGS AMENDING CHAPTER 2, ARTICLE 2.03, DIVISION 4 OF THE CODE OF ORDINANCES TO PROVIDING FOR LIMITED CIRCUMSTANCES IN WHICH DIGITAL SEALS WILL BE ACCEPTED AS ELECTRONIC SIGNATURES ON BONDS ISSUED IN FAVOR OF THE CITY; PROVIDING FOR FINDINGS OF FACT, ENACTMENT, REPEALER, SEVERABILITY, CODIFICATION, EFFECTIVE DATE, AND PROPER NOTICE AND MEETING.

WHEREAS, the City has received inquiries regarding the acceptance of bonds submitted with digital seals rather than traditional embossed or wet-seal formats; and

WHEREAS, digital seals are becoming more common in commercial transactions, but in some instances may be unverifiable and susceptible to fraud if not authenticated through appropriate channels; and

WHEREAS, the City Council finds it necessary to adopt a policy to permit digital seals only in limited circumstances, and to require verification of such seals through a recognized independent credentialing service acceptable to the City; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance that is for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City;

NOW, THEREFORE, BE IT ORDAINED by the Dripping Springs City Council:

FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

ENACTMENT

Chapter 2, Article 2.03, Division 4 of the City of Dripping Springs Code of Ordinances is hereby amended as set forth in Attachment A, which is attached hereto and incorporated herein for all purposes. Any underlined text shall be added to Article 2.04 and any text that is struck through shall be removed.

REPEALER

All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections, or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

CODIFICATION

The City Secretary is hereby directed to record and publish the attached rules, regulations, and policies in the City's Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication.

PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the ____ day of _____, 2025, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions/recusals) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary

Division 4: Electronic Signature Policy

Sec. 2.03.100. Title.

This division shall be commonly cited as the “Electronic Signature Policy.”

Sec. 2.03.101. Purpose.

This division establishes guidelines for the use and acceptance of electronic signatures in City transactions, ensuring compliance with the Texas Uniform Electronic Transactions Act (Chapter 322, Texas Business and Commerce Code).

Sec. 2.03.102. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Electronic record: A record created, generated, sent, communicated, received, or stored by electronic means.

Electronic signature: An electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign.

Sec. 2.03.103. Use of Electronic Signatures.

- (a) Electronic signatures are deemed legally equivalent to handwritten signatures for all City transactions unless otherwise prohibited by law.
- (b) The City may utilize approved electronic signature platforms to ensure the authenticity, security, and integrity of signatures.
- (c) The use of electronic signatures for transactions must comply with the approval authorities and financial thresholds established in the City’s purchasing policy.
- (d) The City may require a wet signature at any time if an electronic signature is not appropriately obtained, cannot be authenticated, or is needed for any other municipal purpose.

Sec. 2.03.104. Examples of Electronically Signed Documents Permitted.

Without limiting the generality of section 2.03.103, but subject to sections 2.03.105 and 2.03.106, documents which may be electronically signed on behalf of the City and on which electronic signatures are accepted by the City include but are not limited to the following:

- (a) application forms;

- (b) contracts;
- (c) correspondence;
- (d) expenditure approvals;
- (e) internal forms;
- (f) internal policies and procedures;
- (g) invoices;
- (h) permits;
- (i) purchase orders; ~~and~~

(j) timesheets; and

~~(j)~~(k) bonds issued in favor of the City.

Sec. 2.03.105. Authentication Requirements.

- (a) Signers must authenticate their identity using secure methods, such as email verification or multi-factor authentication.
- (b) Systems used for electronic signatures must maintain a record of the signer's identity, date, and time of the transaction.

Sec. 2.03.106. Limitations.

- (a) Electronic signatures may not be used for any of the following:
 - (i) documents requiring notarization unless the electronic notarization complies with state law;
 - (ii) the certification of City ordinances or resolutions; or
 - (iii) negotiable financial instruments issued by the City, including checks.

(b) Real estate transactions involving property records must adhere to Texas Property Code Section 12.001.

~~(b)~~(c) An electronic signature in the form of a digital seal applied by a surety on a bond or similar guarantee of a financial guarantee issued in favor of the City must be accompanied by a link to authentication of the electronic signature by an independent credentialing service provider in a form acceptable to the City.

Sec. 2.03.107. Retention.

Electronic records, including those with electronic signatures, shall be maintained in accordance with the City's Records Retention Schedule and applicable state law.