



## AGENDA REPORT SUMMARY

**Meeting Date:** March 12, 2024

**Subject:** Introduction of Electronic Signatures Ordinance

**Prepared by:** Nick Zornes, Development Services Director

**Reviewed by:** Jolie Houston, City Attorney

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**

City Clerk's Office and Development Services Department

**Environmental Review:**

Ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970.

**Fiscal Impact:**

None.

**Attachments:**

1. Draft Ordinance
2. Appendix A

**Staff Recommendation:**

Introduce and Waive Further Reading of an Ordinance of the City Council of the City of Los Altos Adding Chapter 2.30 Electronic Signatures to Title 2 Administration and Personnel of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970.

**Summary:**

As the City of Los Altos continues to improve processes and encourage the use of paperless electronic documents throughout the agency and with the enactment of the Uniform Electronic Transactions Act ("UETA") by the State of California, the electronic execution of documents has become commonplace and an accepted means of entering into agreements, including purchasing transactions. (Civ Code 1633.1) Each year, the City processes a large volume of documents which currently is only partly managed or executed through the use of electronic signatures. The proposed ordinance will allow for additional uses of electronic signatures.



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### **Background**

In 1995, the California Legislature passed Government Code Section 16.5 authorizing public agencies to accept digital signatures if they comply with stringent verification requirements. In 1999, California adopted a version of the Uniform Electronic Transaction Act (“UETA”) providing that electronic signatures would have the same legal effect as a wet or manual signature. (Civ Code 1633.1 et seq).

Not all states enacted UETA and, therefore, in 2000, the Federal Government enacted the Electronic Signatures in Global and National Commerce Act (ESIGN). ESIGN mandated the same treatment of electronic signatures in interstate or foreign commerce. (15 USC Sections 7001 et. seq).

In 2016, California adopted AB 2296 to clarify that a digital signature authorized by Government Code Section 16.5 and subject to regulations adopted by the Secretary of State, is one type of electronic signature that a public agency may choose to utilize under UETA. Section 16.5(a) states that a digital signature shall have the same force and effect as the use of a manual signature if and only if it embodies all the following attributes:

1. It is unique to the person using it
2. It is capable of verification.
3. It is under the sole control of the person using it.
4. It is linked to data in such a manner that if the data are changed, the digital signature is invalidated.
5. It conforms to Title 2, Division 7, Chapter 10 of the California Code of Regulations.

### **Discussion**

The use of electronic signatures on legally binding documents has become increasingly prevalent in the private sector and is gaining popularity among public agencies. The benefits of allowing electronic signatures include reduced time, paper, and equipment costs associated with transmitting and approving physical documents; improved customer service and convenience to those performing transactions with the City; enhanced records management best practices; and the creation of an easily accessible audit trail for documents. This Ordinance will enable the City to meet its goal of providing streamlined and convenient services for those conducting business with the City.

The City desires to benefit from the efficiencies of electronic signatures, while using technology approved by the Secretary of State. If approved by the City Council, the Ordinance would codify the City's use of electronic signatures and expand it beyond the current practice of contracts and agreements only, to include ordinances, resolutions and meeting minutes.