

ORDINANCE NO. 2020-05

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA, ADDING ARTICLE XII TO CHAPTER 2 OF THE LA PALMA MUNICIPAL CODE PERTAINING TO ELECTRONIC SIGNATURES

WHEREAS, in 1999, California adopted a version of the Uniform Electronic Transactions Act (UETA) in Civil Code sections 1633.1-1633.17, giving electronic signatures the same legal effect as manual or "wet" signatures; and

WHEREAS, in 2000, the United States Congress passed the Electronic Signatures in Global and National Commerce Act (E-SIGN Act), mandating the same treatment of electronic signatures and manual signatures in interstate or foreign commerce (15 U.S.C. 7001); and

WHEREAS, in 1995, before the UETA or the E-SIGN Act, California passed Government Code section 16.5, authorizing public entities to accept "digital signatures" if they complied with stringent verification procedures that involve advanced technologies and likely would be overly burdensome for many individuals and groups that have only occasional interaction with the City. The Secretary of State adopted digital signature regulations in 1998, but these regulations have not been updated in almost 20 years (2 C.C.R. 22000 et seq.); and

WHEREAS, Government Code section 16.5 and the Secretary of State's regulations set requirements for the use of digital signatures, they do not govern or limit the City's ability to use or accept electronic signatures as a municipal affair; and

WHEREAS, the use of electronic signatures on legally binding documents has become increasingly prevalent in the private sector but has not yet become widespread among public agencies; and

WHEREAS, the benefits of electronic signatures include, but are not limited to, reductions in the paper, time and costs associated with transmitting, approving and executing physical documents; and

WHEREAS, an electronic signature is an electronic symbol affixed to a document that represents an individual's acceptance or adoption of a statement or transaction; and

WHEREAS, electronic signature technologies have developed to address concerns with verifying the identity of the person affixing his or her electronic signature; and

WHEREAS, the proposed Ordinance would provide assurance that electronic signatures meeting certain security criteria would be effective on documents created or accepted by the City, notwithstanding the fact that they do not involve the advanced technologies required in the Secretary of State's digital signature regulations; and

WHEREAS, the proposed Ordinance would enable the City to use electronic signatures on electronic records provided the electronic signature is in accordance with the UETA; and

WHEREAS, the proposed Ordinance would codify the City's policy on electronic signatures and delegation of electronic signature authority, while enabling the City Manager to adopt additional policies and procedures to operationalize the use of electronic signatures; and

WHEREAS, the City Council finds that the use of electronic signatures will allow the City to collect and preserve signatures on documents quickly and security, will improve efficiency while saving costs of transmitting documents, and will provide for better management of City records; and

WHEREAS, the City Council finds that the use of electronic signatures will reduce paper document creation; and

WHEREAS, the City Council determines that the City should embrace the benefits of electronic signatures by codifying a City policy on electronic signatures and further defining the City's use of electronic signatures in an Administrative Policy and accompanying Procedure; and

WHEREAS, the City Council desires to add Article XII to Chapter 2 of the La Palma Municipal Code pertaining to electronic signatures.

NOW, THEREFORE, the City Council of the City of La Palma resolves as follows:

SECTION 1. Article XII (Electronic Signatures) is hereby added to Chapter 2 (Administration) of the La Palma Municipal Code to read as follows:

ARTICLE XII. – ELECTRONIC SIGNATURES

- Sec. 2-400. Purpose.
- Sec. 2-401. Definitions.
- Sec. 2-402. Electronic and Digital Signatures Accepted.
- Sec. 2-403. Accepted Technologies.

Sec. 2-400. Purpose

This section is intended to enable the City to use electronic signatures and digital signatures to the fullest extent allowed by law, and does not limit the City's ability to use electronic signatures and digital signatures in any way. All use of electronic signatures and digital signatures by the City shall be in accordance with City administrative policies and procedures, as may be designated and amended from time to time by the City Manager or designee.

Sec. 2-401. Definitions.

The following definitions apply to this section:

"Digital signature" has the same meaning as in Section 16.5 of the California Government Code.

"Electronic signature" has the same meaning as in Section 1633.2 of the California Civil Code.

“Transaction” has the same meaning as in Section 1633.2 of the California Civil Code.

“UETA” means the Uniform Electronic Transactions Act, commencing at Section 1633.1 of the California Civil Code.

Sec. 2-402. Electronic and Digital Signatures Accepted.

- A. In any transaction with the City, in which the parties have agreed to conduct the transaction by electronic means, the City may use and accept an electronic signature, if the electronic signature complies with the UETA.
- B. In any written communication with the City, in which a signature is used or required, the City may use or accept a digital signature, if the digital signature complies with Section 16.5 of the California Government Code.
- C. The City Manager or designee shall determine the documents for which the City may use and accept electronic signatures or digital signatures.

Sec. 2-403. Accepted Technologies.

The City Manager or designee shall determine acceptable technologies and vendors under which this section to ensure the security and integrity of any data and signatures. In determining which technologies and vendors are acceptable for digital signatures, the City Manager or designee shall comply with all applicable regulations, including but not limited to ensuring that the level of security used to identify the signer of a document and the level of security used to transmit the signature are sufficient for the transaction being conducted. In addition, to the extent necessary, the City Manager or designee shall ensure that any certificate involved in obtaining a digital signature by the signer is sufficient for the City’s security and interoperability needs. The City Manager or designee shall set forth these determinations in a written administrative policy.

SECTION 2. The City Council of the City of La Palma determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to pursuant to the California Code of Regulations, Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in a physical change to the environment, directly or indirectly.

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subdivision, sentence, clause, phrase, or portion of this Ordinance irrespective of the fact that one or more sections, subdivisions, sentences, clauses, phrases, or portions of this Ordinance be declared invalid.

SECTION 4. All required proceedings and consideration precedent to the adoption of this Ordinance have been regularly taken in accordance with applicable law.

SECTION 5. The City Clerk is authorized and directed to publish this Ordinance or a summary thereof in the manner provided by law and in accordance with procedures normally taken.

SECTION 6. The City Clerk shall certify to the passage of this Ordinance and cause the same to be published as required by law, and the Ordinance shall take effect thirty (30) days after adoption.


SECTION 7. Upon the effective date of this Ordinance, all former ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance are hereby repealed and declared to be of no further force and effect.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 8th day of December 2020.



Peter L. Kim
Mayor

ATTEST:




Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of said City at a regular meeting of said City Council held on the 8th day of December 2020 and that it was so adopted by called vote as follows:

AYES: Goodman, Kim, Patel, and Steggell
NOES: None
ABSENT: Goedhart



Kimberly Kenney, CMC
City Clerk