

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0 to \$1.2 million		\$0 to \$120,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0 to \$1.2 million		\$0 to \$120,000	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1059 changes provisions related to initiative and referendum petitions by allowing for digital or electronic signatures if authorized by the Secretary of State.

Section 8 requires the Secretary of State to design a system to allow for digital or electronic signatures on initiative and referendum petitions via the Internet at the request of the petition sponsors.

Section 9 charges the Secretary of State to provide a method of determining the validity of signatures affixed digitally or electronically.

The Secretary of State estimates the cost of the bill to be \$1,200,000 in fiscal year 2010-11 and \$120,000 per year beginning in fiscal year 2011-12. This estimate is based upon a cost of \$1 each for the 1.2 million registered voters and an estimated \$1 each for all new voters beginning in fiscal year 2011-12.

The Secretary of State's estimate is for the cost to print and mail notices to all potential petition signers. The printed notice would include a digital or electronic signature. Part of the Secretary of State's assumption of future year costs is that voters neither lose nor forget their digital signature. If they do lose or forget their digital signature, additional costs would be incurred.

Under the bill's provision, there is no mention of the Secretary of State being required to notify all potential petition signers of the digital signature option. Presumably, the onus of notification could fall to the petition sponsor. However, this would not address the Secretary of State's verification and authentication requirements. A method of providing acceptable validity must be included in providing for digital signatures.

It appears that the Secretary of State's estimate is that of a worst case scenario. There may be alternative means by which potential signers receive a verifiable digital signature that will not result in such high costs to the Secretary of State. For example, it may be possible for signers who wish to digitally sign a petition to log onto the Secretary of State's website, obtain a digital signature, then proceed to sign the petition. In such a situation, the Secretary of State could opt for the petition sponsor to provide notice to potential signers. This would result in the sponsor bearing the cost of notification.

There would likely be costs to set up the website and digital signature generation application, but it is likely that the costs identified by the Secretary of State could be reduced.