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HOUSE JOINT RESOLUTION NO. 129

Offered January 22, 1996

Establishing a joint subcommittee to study digital signature acts and other issues related to electronic commerce.

Patron—Almand

Referred to Committee on Rules

WHEREAS, the advent of high technology has resulted in the high-speed transmission and processing of digitized information through national and international datalinks popularly known as the information superhighway; and

WHEREAS, data transmission via the Internet has resulted in numerous benefits to commerce and trade; and

WHEREAS, the character of Internet transmissions challenges traditional notions of contracting, particularly as related to the execution of business contracts and other legal documents when the same are transmitted electronically; and

WHEREAS, while bids and other negotiation documents may be exchanged electronically, at some juncture those who would be bound by and seek the benefits of a final agreement must indicate their commitment to be bound thereby; and

WHEREAS, the use of digital signatures provides a solution to this significant problem through the use of cryptographic software that generates mathematical codes, called "keys," used by both senders and receivers of electronic documents to verify their respective bona fides; and

WHEREAS, the use of digital signatures may require legislative endorsement to ensure that their use will result in legally enforceable agreements; and

WHEREAS, Utah has enacted a digital signatures act establishing procedures and support for the use of digital signatures, and nearly identical legislation is pending in California; and

WHEREAS, the American Bar Association's Information Security Committee is developing a legislative model for digital signatures; and

WHEREAS, to encourage and support the continued growth of high technology businesses within the Commonwealth, this important facet of electronic commerce should be examined by the General Assembly; now therefore, be it

RESOLVED, by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the digital signatures issue and to determine whether Virginia should adopt legislation similar to that enacted in Utah or some other legislation that would facilitate the development of electronic commerce in Virginia. The joint subcommittee shall be composed of seven members to be appointed as follows: four members of the House of Delegates, to be appointed by the Speaker of the House, and three members of the Senate, to be appointed by the Senate Committee on Privileges and Elections.

The direct costs of this study shall not exceed \$3,150.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Department of Information Technology. All agencies of the Commonwealth shall provide assistance to the, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1997 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

INTRODUCED

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