



[AB 1879](#) (Gipson)

Amended Date: March 7, 2024
Program: Property Taxes
Rev. & Tax Code Sections 168.1 and 441
Gov. Code Section 16.5
Effective: 01/01/25

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Analysis Date: March 25, 2024

Summary: Allows an electronic signature for specified property tax documents between the public and County Assessors, on forms approved by the State Board of Equalization (BOE), when authorized by an Assessor. Makes corresponding updates in the Revenue and Taxation Code (RTC) and the Government Code (GC).

Fiscal Impact Summary: Moderate administrative costs for the BOE to develop new e-compliant forms for County Assessors. Potential cost savings at the county level for future processing efficiencies.

Existing Law:

In General:

- 1) In 1995, Government Code section 16.5 instituted authorization to accept electronic signatures in transactions with governmental entities. In 1999, the Uniform Electronic Transactions Act (UETA) was implemented and provided that a record or signature may not be denied legal effect or enforceability solely because it is in electronic form and defines an electronic signature. (Civil Code, section 1633.1 et seq.) In 2016, the Legislature clarified how these provisions worked together, clarifying that a digital signature, as defined by GC 16.5, may be used to satisfy the requirements of an electronic signature under the UETA and vice versa.
- 2) The UETA defines “electronic signature” as an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record. (Civ. Code, section 1633.2, subd. (h).)
- 3) GC section 16.5, subdivision (d) provides that “digital signature” means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. Further, a “digital signature” is considered a type of “electronic signature”, as defined by the UETA. (Civ. Code, section 1633.2, subd. (h).)
- 4) Allows a digital signature to be used in a written communication with a public entity but provides that use or acceptance of a digital signature is at the option of the parties. (GC section 16.5, subd. (b).)

This staff analysis is provided to address various administrative, cost, revenue, and policy issues; it is not to be construed to reflect or suggest the BOE's formal position.

Digital and Electronic Signatures - Existing Property Tax Law:

Existing law requires each person owning certain taxable personal property, having an aggregate cost of \$100,000, or more, or upon the request of a County Assessor, to annually file a signed property statement under the penalty of perjury with the Assessor. (RTC, section 441.)

- 1) Existing law permits a County Assessor to accept property statements filed using electronic media. In lieu of the required signature and the declaration under penalty of perjury, as described below, existing law requires property statements filed using electronic media to be authenticated pursuant to methods specified by the Assessor and approved by the BOE. (RTC, section 441, subd. (k).)
- 2) Existing law permits a tax collector to execute a property tax document with a facsimile signature in lieu of a manual signature if the manual signature is filed with the Secretary of State and is certified under oath by the tax collector. (RTC, section 168.)

Proposed Law:

AB 1879 would authorize the use of an electronic signature in lieu of a manual, facsimile, or other signature to execute a document required to be executed by a taxpayer for purposes of any tax imposed pursuant to specified property tax laws if certain requirements are met.

The bill establishes that any property tax document that requires the signature of the taxpayer may be electronically signed by the taxpayer – not just via a digital signature authorized by Government Code section 16.5 and subject to regulations adopted by the Secretary of State.

The bill clarifies that an electronic signature (the broader category that also encompasses digital signatures) can be used to execute property tax documents if it is authenticated in a manner specified by the Assessor and approved by the BOE. By electronically signing in an approved manner, the taxpayer would certify under penalty of perjury that all the information, including accompanying statements or materials, in the document is true, correct, and complete to the best of the taxpayer's knowledge.

The bill also clarifies that a County Assessor's office is only required to accept an authenticated electronic signature if the Assessor authorizes submission of a document containing an electronic signature. If the Assessor does not accept electronic submission of tax documents, the Assessor will not be mandated to accept e-submissions under this bill.

Specifically, this bill:

1. Amends GC section 16.5 to clarify that electronic transactions are at the option of all parties, unless otherwise mandated.

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2. Adds RTC section 168.1 to authorize every County Assessor to accept an electronic signature on any required taxpayer document pursuant to the bill's provisions and would require every county to adopt any necessary ordinances, resolutions, or other procedures to effectuate the bill's provisions. Provides that, upon compliance with the bill's provisions, an electronic signature shall have the same legal effect as the manual, facsimile, or other signature of the taxpayer.
3. Establishes that any document required to be executed by a taxpayer for purposes of any tax imposed by Division 1 of the RTC (Property Taxation) may be executed by electronic signature if the following requirements are met:
 - a) The electronic signature is accompanied by a form in the signature block that states that the taxpayer certifies or declares under penalty of perjury that all information is true, correct, and complete to the best of the taxpayer's knowledge.
 - b) The electronic signature is authenticated in a manner that is approved by the BOE.
4. Amends RTC section 441 to allow all County Assessors to accept the filing of any form approved by the BOE electronically and requires the form to be authenticated pursuant to methods specified by the Assessor and approved by the BOE.

Background:

- In 1995, the Legislature adopted its first digital signature statute to allow public entities to engage in electronic commerce (AB 1577 (Bowen), Ch. 594, Stats. 1995). In 1999, the Legislature adopted the Uniform Electronic Transaction Act, which authorized electronic signatures for contracting purposes (SB 820 (Sher), Ch. 428, Stats. 1999).
- In 2004, to further promote an efficient, cost-effective means of maintaining and transmitting records by public agencies, the Legislature enacted the Electronic Recording Delivery Act of 2004 to regulate the electronic delivery, recording, and return of instruments affecting rights, title, or interest in real property. (AB 578 (Leno), Chapter 621, Statutes of 2004).
- Many other e-signature statutory updates have since followed.

In General: Government Code section 16.5 authorized the use of a digital signature in communication with public agencies. Any digital signature meeting specified requirements has the same force and effect as a manual signature in written communications with a public entity. The Secretary of State was required to adopt regulations for confirming authenticity and verification. The provisions are meant to ensure that the signature is unique to the person using it, capable of verification, and under the sole control of the person using it. (Cal. Code Regs. Tit. 2, § 22003.)

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Uniform Electronic Transactions Act (UETA): Four years later, the Legislature passed the more comprehensive UETA, which established uniform standards for conducting electronic transactions in California. (SB 820 (Sher), 1999.) UETA set out a voluntary system of rules and procedures for the sending and receiving of electronic records and signatures, the formation of contracts using electronic records, the making and retention of electronic records and signatures, and the procedures governing changes and errors in electronically transmitted records. It also established the validity of transactions formed, transmitted, and recorded electronically, and established the admissibility of electronic records in a legal proceeding.

In 2017, the Legislature clarified 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 accept under the Uniform Electronic Transactions Act. (AB 2296 (Low), Chap. 144, Stats. 2016.)

Commentary:

This measure would further modernize the state’s tax transaction system to allow taxpayers to safely execute tax forms via electronic signature, in a manner consistent with forms and procedures developed and authorized by the BOE and County Assessors.

Costs: As stated above, there will be moderate program implementation costs to the BOE to amend and approve the use of new forms - estimated to be the following: \$10,000 in 2024-25; \$65,000 in 2025-26; \$1,000 in 2026-27; \$1,000 in 2027-28, and \$0 ongoing.

Revenue Impact: No impact.

Qualifying Remark:

The California Assessors’ Association (CAA), representing the 58 elected County Assessors in the state, is sponsoring this bill to expand the ability for an Assessor to offer electronic submission on all BOE forms, and reduce the need to track both paper and electronic files. Recognizing not every County Assessor is able to accept electronic forms, the bill continues to provide every Assessor the option of offering and accepting electronic forms.

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