

CHAIR  
**STEVE PEACE**

VICE CHAIR  
**DENISE MORENO DUCHENY**

**SENATE**

MAURICE K. JOHANNESSEN  
PATRICK JOHNSTON  
TIM LESLIE  
JACK O'CONNELL  
RICHARD G. POLANCO  
JOHN VASCONCELLOS  
CATHIE WRIGHT

**ASSEMBLY**

ROY ASHBURN  
TONY CARDENAS  
JIM CUNNEEN  
FRED KEELEY  
CAROLE MIGDEN  
GEORGE RUNNER  
RODERICK WRIGHT

September 27, 2000

Hon. Bill Lockyer  
Attorney General  
1300 I Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

Attention: Ms. Tricia Knight  
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Election Code Section 9005, we have reviewed the proposed initiative cited as "Smart Initiatives Initiative" (File No. SA 00 RF 0023, Amdt. #1-S).

**Proposal**

This measure would establish a system to allow voters to sign petitions through use of computers or other online electronic devices to qualify candidates or ballot measures for the state or local ballot. In order to facilitate electronic petition-signing, a state authority would issue digital certificates that would uniquely identify the individual and give that individual sole control over the use of the digital certificate. Individuals would sign candidate or ballot measure petitions electronically using their digital certificate, thus allowing elections officials to validate that any signatures submitted by electronic means belonged to an eligible registered voter. This measure would require that every petition signature that is submitted electronically be validated and require other related changes in election procedures.

The measure further directs the Department of Motor Vehicles (DMV) to issue a "smart card" capable of receiving, storing, and transmitting electronic data, including an individual's digital certificate, to each applicant or recipient of a driver's license or identification card who wishes to receive one. Local elections officials would be re-

quired to provide a smart card to any registered voter who wished to receive one and who did not have a driver's license or identification card from DMV. Anyone issued a state digital certificate could also request that copies of the certificate be sent to them by electronic mail or other means. Individuals could not be charged for the extra cost of receiving a smart card or for sending them their digital certificate.

### **Fiscal Effect**

The implementation of this measure is likely to result in additional net costs to the state and local governments.

These implementation costs include the establishment and ongoing operation of a computer system which would allow for the issuance, storage, and transmission of digital certificates; the issuance of smart cards by the DMV and local elections officials; and the modification of state and local procedures to validate and count petition signatures that have been submitted electronically.

The exact costs would depend upon the technology chosen to implement a digital certificate system, the extent to which eligible individuals chose to obtain digital certificates and smart cards, the extent to which candidates and proponents of ballot measures circulate their petitions electronically, and the extent to which individuals chose to sign petitions electronically.

The submittal of petition signatures in electronic form could result in unknown, but potentially significant, offsetting savings in petition validation procedures.

*Conclusion.* We estimate that the measure would result in unknown, major one-time costs to develop the systems, and could result in unknown major (probably in the range of tens of millions of dollars) annual net costs to the state and local governments.

Sincerely,

---

Elizabeth G. Hill  
Legislative Analyst

---

B. Timothy Gage  
Director of Finance