

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Zettel Analyst: Darrine Distefano Bill Number: AB 1624

Related Bills: See Legislative History Telephone: 845-6458 Introduced Date: 02-23-2001

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Information Technology Agency/California Internet Portal

SUMMARY

This bill would:

- Require the development and implementation of a single Internet portal to provide the public with one point of access to all California government Internet services.
- Change the name of the Department of Information Technology (DOIT) to the Information Technology Agency (ITA) and the title of the Director of DOIT to Secretary of ITA.

This bill would make other changes to the Government Code that do not affect the department. These changes are not discussed in this analysis.

PURPOSE OF THE BILL

According to the author's staff, the purpose of the bill is to allow California citizens access to state government through one single Internet location 24 hours a day.

EFFECTIVE/OPERATIVE DATE

This bill would be effective on or after January 1, 2002. It specifies that the ITA Secretary would be required to develop an implementation plan for the California Internet portal by July 1, 2002, and that the portal would be operational by July 1, 2003.

POSITION

Pending.

ANALYSIS

FEDERAL/STATE LAW

Existing state law provides for the Department of Information Technology (DOIT). Its duties are to provide leadership, guidance, and oversight of information technology (IT) in state government.

Board Position:

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____ N ____ OUA ____ X PENDING

Department Director

Date

Gerald H. Goldberg

06/28/01

State law also provides for the Governor to appoint the Director of Information Technology. The Director's duties include some of the following:

- develop plans and policies to support and promote IT,
- oversee the management of IT projects,
- prepare annual reports,
- provide recommendations regarding IT to the Governor and the Legislature,
- identify which applications of IT should be statewide in scope, and
- establish policies and procedures for scheduling and funding major IT projects.

Existing state law requires corporate taxpayers with a tax liability over \$80,000 or that make estimated payments over \$20,000 to remit their tax payments through electronic funds transfer (EFT). The law allows other taxpayers to request EFT payments. Depending on the type of EFT payment used, the law specifies whether any associated EFT fees shall be paid by the state or may be charged to the taxpayer.

In addition, existing state law allows state agencies to accept payments of taxes, fees, etc., by means of credit cards.

Existing state law gives state entities the option to accept or use digital signatures for any electronic written communication that requires a signature. Currently, Franchise Tax Board does not accept digital signatures. Once this program is implemented, the department will accept digital certificates as valid proof of identification and for verification of signature.

THIS BILL

This bill would change the name of DOIT to the ITA and the title of the Director to Secretary of ITA.

This bill would require the development of plans, specifications, protocols, and implementation schedules for a single Internet portal that would provide the public with one point of access to all California Government Internet services. Plans for the Internet portal would be required by July 1, 2002, with implementation no later than July 1, 2003.

In addition, this bill would provide that by July 1, 2002, ITA, in conjunction with other agencies, must develop plans, specifications, protocols, and implementation schedules for the following (all of which would be implemented no later than July 1, 2003):

- Making available crucial public information through the California Internet portal.
- Allowing for the electronic reporting of information.
- Filing of applications for services, licenses, registrations, and permits.
- Payment of fees or taxes through electronic transfer or other electronic payment methods.
- Electronic notification of permits renewals, orders, or other notifications generally provided by state agencies to the public through postal mail or private carrier services.

This bill would specify that nothing in it or other statutes dealing with electronic transactions among state agencies or other state entities should be interpreted to imply that the existing statutory rights to privacy are abrogated, surrendered, or diminished because a transaction or any other function of government is performed electronically.

This bill would require the Department of Motor Vehicles (DMV) to issue a digital identification certificate to any person who requests one. DMV will only issue one certificate per person. If the certificate is lost or compromised, DMV will issue another one only after the previous certificate has been canceled. Any state entity that requires proof of identification or requires a signature for any electronic transaction would be required to accept the digital certificate as valid proof of identification.

IMPLEMENTATION CONSIDERATIONS

Currently, FTB is developing its own Internet portal. FTB's Internet portal will improve upon the department's business function, provide additional alternatives for income tax filings, and meet customer service demands. It is unclear how this bill would impact the development of the department's Internet portal.

The ITA secretary would be responsible for developing a plan and implementing a process to allow the payment of fees or taxes electronically. However, the department already accepts credit cards and EFT payments, as required by law. The department would continue to follow those statutory requirements unless they are amended or repealed.

It is unclear if the bill would override provisions of the Government Code regarding digital signatures and require state entities to begin accepting digital certificates once they have been issued by DMV.

LEGISLATIVE HISTORY

AB 2163 (Cunneen, 1999/2000), which died in the Assembly Committee on Information Technology, was identical to AB 1624.

PROGRAM BACKGROUND

In March of 1995, Governor Wilson issued an executive order requiring all state agencies to provide public information on the Internet. The California Government website was subsequently established. It allowed agencies to comply with the executive order without having to develop independent websites.

FTB was the first department to comply with the order by providing general information and forms on the Internet. FTB has its own website to more easily customize data and gather statistics on information requests.

A portal is defined as an entry point or starting site into a website that provides a combination of services and content. A portal attempts to provide a personalized home base that allows users to customize start pages to easily guide them through a website.

OTHER STATES' INFORMATION

Florida and *New York City* have an Internet portal similar to the California Government website.

Illinois, *Massachusetts*, *Michigan*, *Minnesota*, and *New York State* have a website with the ability to link to any state agency website. Also, *Massachusetts* is in the process of developing an Internet portal.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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