APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control:	680
Department or Agency:	Alabama State Board of Pharmacy
Rule No.:	680-X-1-.07
Rule Title:	Use of Electronic Signatures
Intended Action	New

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?	Yes
Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?	Yes
Is there another, less restrictive method of regulation available that could adequately protect the public?	No
Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved?	Yes

To what degree?: Slight. See fiscal note.

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule?	No
Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?	Yes
Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule?	No

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Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer: Jon M Linna

Jon Linna

Date: Wednesday, August 19, 2026

REC'D & FILED
AUG 19, 2026
LEGISLATIVE SVC AGENCY

APA-2

ALABAMA STATE BOARD OF PHARMACY

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama State Board of Pharmacy

RULE NO. & TITLE: 680-X-1-.07 Use of Electronic Signatures

INTENDED ACTION: New

SUBSTANCE OF PROPOSED ACTION:
This new Rule is proposed to outline the provisions for accepting signatures in an electronic format.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:
The public hearing will be October 21, 2026 during the business meeting beginning at 9:00 am CST at the Board of Pharmacy office, located at 111 Village Street, Birmingham, AL 35242. Comments may be submitted to Anne Marie Nolen via email to anolen@albop.com by EOB October 20, 2026.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Tuesday, October 20, 2026

CONTACT PERSON AT AGENCY:
Anne Marie Nolen
anolen@albop.com

Jon M Linna

Jon Linna

(Signature of officer authorized to promulgate and adopt rules or his or her deputy)

680-X-1-.07 Use of Electronic Signatures.

(1) Legal Basis: The Alabama Uniform Electronic Transactions Act ("UETA"), Ala. Code § 8-1A-1 et seq., enacted in 2002, is intended to facilitate the use of electronic documents in business, commercial, and governmental transactions. The Act promotes, but does not require, the use of electronic signatures and creation of electronic documents. Section 8-1A-18(a) provides that "each government agency of this state with rule-making authority . . . may determine by rule whether, and the extent to which, it will send and accept electronic records and electronic signatures to and from other persons and otherwise create generate, communicate, store, process, use, and rely upon electronic records and electronic signatures." Section 8-1A-12(a) provides that an electronic record meets other state law requirements for record retention if the electronic record both accurately reflects the original document and is accessible for later reference. Section 8-1A-13 provides that an electronic record may not be excluded from evidence in court solely because it is in electronic form.

(2) Use of Electronic Signatures and Electronic Records: In accordance with Ala. Code § 8-1A-18(a), the Alabama Board of Pharmacy hereby establishes that to the fullest extent permitted by the Act, and except as otherwise provided in this Rule, the Board will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. In accordance with Section 8-1A-18(b), the system(s) selected and used for collection and validation of electronic signatures will, at a minimum:

(a) Provide an identical copy of the original signed and executed document to the signer.

(b) Ensure non-repudiation (i.e., that the signer cannot deny the fact that he or she electronically signed the document).

(c) Capture information about the process used to capture signatures (i.e., create an audit trail) including but not limited to Internet Protocol addresses; date and time stamps of all events; all web pages, documents, disclosures, and other information presented; and what each party acknowledged, agreed to, and signed.

(d) Encrypt, end-to-end, all communication within the signature process. Encryption technologies shall comply with state encryption standards, including the requirements that cryptographic modules be validated to the current Federal Information Processing Standards (FIPS).

(3) Selection of Digital Signature Platform(s). The Executive Secretary is authorized, subject to applicable procurement laws, to select and contract with an appropriate provider(s) for collection and validation of electronic signatures that meet the requirements of subparagraphs (2)(a)-(d) of this Rule.

Author: Alabama Board of Pharmacy

Statutory Authority: 8-1A-18

History: **New Rule:** Published ______; effective ______.

APA-6

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No:	680
Department or Agency:	Alabama State Board of Pharmacy
Rule No:	680-X-1-.07
Rule Title:	Use of Electronic Signatures
Intended Action:	New

__________ This rule has no economic impact.

Yes This rule has an economic impact, as explained below:

1. **NEED/EXPECTED BENEFIT OF RULE:**

The UETA, enacted in 2002, promotes but does not require the use of electronic records and electronic signatures in transactions with Alabama government agencies. Ala. Code § 8-1A-18(a) provides that a state agency with rule-making authority "may determine by rule whether, and the extent to which," it will send and accept electronic records and electronic signatures. Absent an implementing rule, the Board does not have a formally established rule authorizing its reliance on electronic signatures and electronic records for licensing applications, renewals, change-of-ownership or change-of-address notices, controlled-substance registration filings, inspection responses, disciplinary correspondence, or other regulatory submissions, even though the Board's operations already rely extensively on such records through its existing electronic licensing portal.

The need for the rule is primarily structural and institutional: it closes the gap between the Board's current operational practice and the absence of a Board rule formally authorizing that practice under § 8-1A-18(a). The expected benefit of the rule is accordingly legal and institutional in nature: it confirms, through an express rule consistent with technical standards established by the Alabama Office of Information Technology, that the Board's electronic-record framework is properly authorized and is designed to be at least as reliable an evidentiary record as a paper original. Any incremental administrative or efficiency benefit beyond that legal confirmation is expected to be modest, since the Board has already transitioned in substantial part to electronic recordkeeping and transactions.

2. **COSTS/BENEFITS OF RULE AND WHY RULES IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**

The Board's principal cost associated with electronic signature and recordkeeping capability is the procurement of a commercial platform meeting the minimum requirements of paragraphs (2)(a)-(d) of the rule. The Board has already procured and substantially implemented the ThoughtSpan platform, which provides much of the electronic recordkeeping and signature validation described in the rule. Because that platform is already in place, adoption of this rule itself is expected to require very little, if any, new expenditure. Importantly, the rule imposes no compliance cost on any regulated persons; a regulated person interacting with the Board's electronic systems needs only ordinary internet access, and no purchase of specialized software is required.

Benefits associated with the Board's electronic-record framework include a more defensible evidentiary record (audit trail, non-repudiation, and encryption) for enforcement and regulatory purposes, and—to the extent regulated persons interact with the Board electronically instead of via traditional paper means—avoided mailing time and cost and faster turnaround on submissions. Because the Board's electronic system already provides most of these operational benefits, the rule's primary marginal contribution is to place that system on express legal footing.

The Board believes that formal rule-based authorization of its existing, already-implemented electronic system is the most cost-effective, efficient, and feasible means of achieving the Legislature's stated intent in enacting the UETA. By enacting UETA in 2002, the Legislature recognized the public benefits of electronic records and signatures where feasible, for both private and governmental actors; this rule formally authorizes the Board to rely on such records in accordance with that legislative intent and in conformance with technical standards adopted by the Alabama Office of Information Technology. Declining to adopt the rule, by contrast, would leave the Board's already-implemented electronic system without an express rule-based legal foundation, creating legal and evidentiary uncertainty without any offsetting cost savings.

3. **EFFECT OF THIS RULE ON COMPETITION:**

The rule applies uniformly to all persons who transact business with the Board; it does not classify or treat differently any type of pharmacy, pharmacist, pharmacy technician, wholesaler, or other regulated person. Because the rule confirms, rather than changes, the Board's existing manner of transacting with regulated persons, it is not expected to alter the competitive position of any regulated person relative to another. To the extent the Board's earlier transition to a predominantly electronic licensing system had any effect on the relative administrative burden faced by smaller versus larger regulated entities, that effect resulted from the Board's existing operational practice rather than from this rule, and this rule is not expected to have any additional, incremental effect on competition.

4. **EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**

The Board's regulatory jurisdiction is statewide; accordingly, the relevant geographical area for this analysis is the State of Alabama. Because the Board's transition to a predominantly electronic licensing and recordkeeping system has already mostly occurred independently of this rule, any reduction in postage, printing, courier, notarization, or travel costs associated with that transition has already been realized and is not attributable to this rule. The rule itself, by formally authorizing an already-implemented practice, is not expected to impose or eliminate any material cost of doing business beyond what already exists under current Board operations, and no fee increase to regulated persons is contemplated. The rule is principally directed to the internal legal and governance framework for the Board's own recordkeeping and correspondence, and does not address licensing standards, drug pricing, pharmacy operations, drug manufacturing, labeling, or purity standards, or other matters that might affect consumer prices or household cost of living. Accordingly, no material effect on the cost of living or of doing business in Alabama is anticipated.

5. **EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**

The rule is not expected to have any material effect on employment in Alabama. It does not create, eliminate, or modify any licensed profession, position, or staffing requirement for pharmacies or other regulated entities, and it does not change the Board's existing operational practice in a way that would be expected to affect staffing levels at the Board or at regulated entities.

6. **SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:**

The Board does not anticipate any material increase in costs associated with implementing and enforcing the proposed rule, because the rule, in the main, formalizes the legal framework for electronic recordkeeping and signature practices already in effect at the Board. To the extent there is any residual cost—such as staff or legal time to draft, notice, and adopt the rule—that cost will be absorbed within the Board’s existing operating budget, using existing personnel and resources, with no new fees, assessments, or General Fund appropriation required.

7. **THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON EFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:**

The proposed rule is not expected to impose material costs on the public treasury or on the general public. The Board's costs associated with implementing its electronic-signature and recordkeeping platform — procurement, integration with existing licensing systems, and staff training — were incurred prior to, and independent of, this rule's adoption. Adoption of the rule itself is expected to entail only the ordinary administrative and legal costs of rulemaking, which will be absorbed within the Board's existing operating budget. Regulated persons bear no direct costs under the rule; to the extent regulated persons realized savings on postage, printing, or travel by transacting electronically with the Board, those savings resulted from the Board's existing electronic system and were realized prior to, and independent of, this rule.

Because the Board's electronic portal is already its predominant means of transacting business with licensees, the rule is not expected to produce a material change in administrative efficiency; rather, it is expected to secure the legal durability of efficiencies already achieved through that system. The public benefits indirectly through greater assurance that the Board's licensing and regulatory determinations rest on an expressly authorized, legally sound recordkeeping framework. Direct beneficiaries of the rule itself include the Board, which gains a clear rule-based legal foundation for its existing electronic recordkeeping practices and a corresponding reduction in legal and evidentiary risk, and regulated persons, who benefit from the greater legal certainty and reliability of their electronic dealings with the Board.

8. **UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:**

Several uncertainties limit precise quantification of the rule's economic impact, which is expected to be slight given that the rule primarily formalizes existing practice. The rule's principal benefit — reducing legal and evidentiary uncertainty surrounding the Board's already-implemented electronic recordkeeping and signature practices — is inherently qualitative and cannot be reduced to a reliable dollar estimate, since it depends on the likelihood and consequences of hypothetical future legal or evidentiary challenges that cannot be forecast with precision. In addition, other qualitative benefits of the Board's electronic-record framework — improved evidentiary reliability and non-repudiation, enhanced cybersecurity through FIPS-validated encryption standards, and continuity of regulatory operations — are not readily reduced to a dollar figure, making them difficult to compare directly against the modest, largely administrative costs of rule adoption described above. This determination of need has accordingly considered both qualitative factors (legal and institutional certainty, evidentiary reliability, and alignment with the Legislature's stated intent in enacting UETA) and quantitative factors (the modest and largely already-incurred costs of the Board's electronic system, and the administrative costs of rule adoption), consistent with the requirement that the determination of need consider both types of benefits and burdens.

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:**

Because the Board's transition to electronic recordkeeping occurred prior to, and independent of, this rule, the environmental benefits typically associated with reduced paper use, printing, and mailing — as well as any indirect public-health benefit from faster processing of licensing, renewal, and controlled-substance registration matters — have already been substantially realized under the Board's current practice. Adoption of this rule, which formalizes the legal basis for that practice rather than changing it, is not expected to produce any additional, incremental effect on the environment or public health beyond what already exists under current Board operations.

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:**

Because the environmental and public-health effects associated with the Board's electronic system arise from that system's existing operation rather than from this rule, those effects would be expected to continue regardless of whether this rule is adopted. The principal detrimental consequence of not adopting the rule is therefore legal and institutional rather than environmental or public-health in the direct sense: the Board would continue to rely on its existing electronic recordkeeping and signature practices without an express rule-based determination under Ala. Code § 8-1A-18(a), leaving those practices potentially subject to legal or evidentiary challenge in licensing, disciplinary, or other contested proceedings. If such a challenge were successful, it could impair the Board's ability to rely on electronic records in matters bearing on public health and safety — such as enforcement actions involving controlled-substance diversion or other licensure violations — which would represent an indirect, but potentially significant, detriment to public health if the rule is not implemented.

Signature of certifying officer Jon M Linna

Jon Linna

Date Wednesday, August 19, 2026