

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5940-01
Bill No.: HB 2724
Subject: Notary Public; Secretary of State
Type: #Updated
Date: April 13, 2016
 # Updated to include the response from the Office of the Secretary of State

Bill Summary: This proposal changes the laws regarding a notary public.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
#General Revenue	(\$35,996)	(\$43,526)	(\$43,861)
Total Estimated Net Effect on General Revenue	(\$35,996)	(\$43,526)	(\$43,861)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** originally prepared a fiscal note for this bill without all of the agency responses. Oversight has since obtained the agency responses and upon review of those responses, believes the original fiscal note should be updated. Therefore, this fiscal note updates the original by providing agency responses.

#Officials at the **Office of the Secretary of State (SOS)** assume §486.245.2 and §486.285.1 introduces a new process for the Commissions Unit that is located within the Business Services Division.

#§486.245.2 would require the ability to search for old notary information such as old expiration dates and old commission numbers which is not currently searchable. This would require modifications to the current notary system by the SOS IT Division.

#§486.285.1 requires manufacturers of notary seals to register with the Secretary of State's office. SOS assume the registration would be with the Commissions Unit. The registration would require a database be created that contains the registration information along with the communication from the manufacturer that they issued a notary seal to a Missouri notary and information on the approval of the notary seal, which is approved by the Commissions Unit, from the manufacturer.

#Each year SOS receive thousands of notary filings that would require a new notary seal or an issuance of a new notary seal (due to a lost notary seal etc.). To verify the manufacturer is registered and then approve each notary seal, within 10 days, that the manufacturer has issued would require additional staff. We anticipate 1 FTE would be need to be created with a salary of \$26,000 per year.

#There would be no cost to modify the current notary filing system or to implement the new database that would store the manufacturer's information as the SOS IT Division would be able to make the required changes and create the database. The estimate that one additional full-time employee would be needed is based upon the estimate of how many notary filings would be processed per year divided by the number of working days per year.

Officials at the **Office of State Courts Administrator** assume no fiscal impact from this proposal to their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>#Cost - SOS</u>			
Personal Service	(\$21,667)	(\$26,260)	(\$26,523)
Fringe Benefits	(\$14,329)	(\$17,266)	(\$17,338)
<u>Total Cost - SOS</u>	<u>(\$35,996)</u>	<u>(\$43,526)</u>	<u>(\$43,861)</u>
#ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>(\$35,996)</u>	<u>(\$43,526)</u>	<u>(\$43,861)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill specifies that the Secretary of State must maintain a database that includes information contained on each notary public's seal or any lost seal of a notary public. A manufacturer of a notary public seal is required to register with the Secretary of State and notify the Secretary of State when a seal is issued. The Secretary of State must approve any seal issued by the manufacturer within 10 days. A copy of the commission must be maintained by the manufacturer and if a manufacturer violates this provision, they are subject to a \$1,000 fine for each violation.

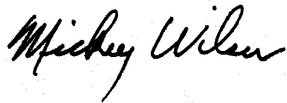
The bill increases the penalty for acting as, or willfully impersonating a notary public while not lawfully appointed and commissioned to perform notarial acts from a misdemeanor to a class D felony.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 5940-01
Bill No. HB 2724
Page 5 of 5
April 13, 2016

SOURCES OF INFORMATION

Office of State Courts Administrator
#Office of the Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA
Director
April 13, 2016

Ross Strobe
Assistant Director
April 13, 2016