

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6343-02
Bill No.: HB 2260
Subject: Notary Public; Courts
Type: Original
Date: April 16, 2014

Bill Summary: This proposal changes the laws regarding notaries public.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Criminal Records Fund	\$330,000	\$330,000	\$330,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$330,000	\$330,000	\$330,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Highway Patrol** assume the Secretary of State's Office has indicated that there are approximately 60,000 notary publics commissioned in the state. Notaries are required to re-apply every four years when their commission expires; therefore, the Secretary of State's Office estimates 15,000 annual applications for notary public. The Patrol believes this background checks can be handled with existing staff.

The charge for each background check processed is \$44.80. Twenty dollars for the state fingerprint check, \$16.50 for the federal check, and an \$8.30 charge for the electronic fingerprint option used through a third-party vendor ($\$20 + \$16.50 + \$8.30 = \44.80). Of this amount, the state retains the \$20 fee and \$2 of the federal charge of \$16.50 for a pass-thru fee. The \$8.30 charge is paid directly to the vendor at the time of application.

Estimated Revenue FY15	
15,000 x \$36.50 (state/federal background check)	\$547,500
Estimated Expense FY15	
15,000 x \$14.50 (federal background check charge)	\$217,500

Officials at the **Office of the Secretary of State** assume there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
CRIMINAL RECORDS FUND			
<u>Additional Revenue</u> - Highway Patrol - notary public background fees	\$547,500	\$547,500	\$547,500
<u>Cost</u> - Highway Patrol - notary public federal background check	<u>(\$217,500)</u>	<u>(\$217,500)</u>	<u>(\$217,500)</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORDS FUND	<u>\$330,000</u>	<u>\$330,000</u>	<u>\$330,000</u>

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses that retain notary publics on staff will have to pay the background check fees.

FISCAL DESCRIPTION

This bill specifies that each applicant for appointment and commission as a notary public must submit to fingerprinting and a criminal background check. Applicants must submit to the Secretary of State fingerprint images and related information for the purpose of obtaining information as to the existence and content of any record of state or federal arrests for which the person is free on bail, on his or her own recognizance, pending trial, or appeal. The Secretary of State is required to charge a fee sufficient to cover the cost of processing the fingerprints.

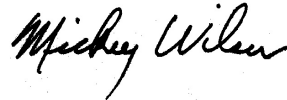
If the document to be notarized is a deed, quitclaim deed, deed of trust or other document affecting real property, or a power of attorney document, the notary public must require the party signing the document to place his or her right thumbprint in the journal, and the notary public must place his or her right thumbprint on the original document. If the right thumbprint is not available, then his or her left thumbprint may be used, or any available finger, which must be indicated in the journal or on the original document. If the party signing the document or notary public is physically unable to provide a thumbprint or fingerprint, it must be indicated in the journal or on the original document and must also provide an explanation of the physical condition. These provisions do not apply to a trustee's deed resulting from a decree of foreclosure, a nonjudicial foreclosure, or a deed of reconveyance.

A notary public may refuse to act as notary for any individual who will not provide the identification information required. A notary public is prohibited from entering an individual's Social Security number or credit card number in his or her journal. Beginning January 1, 2015, all manufacturers of notary seals are required to register with the Secretary of State.

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

SOURCES OF INFORMATION

Missouri Highway Patrol
Office of the Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 16, 2014

Ross Strope
Assistant Director
April 16, 2014