

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 110

February 5, 2009

SUMMARY OF BILL: Requires five hours of continuing education for new and renewing notaries and the passage of a written exam at applicant's expense. Requires notaries to maintain and keep their own notarial journal. Authorizes notaries to perform electronic notarizations. Creates a new regulatory infrastructure within the Department of State relative to notaries.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Less than \$20,000/One-Time
Increase State Expenditures - \$10,100/One-Time
\$291,100/Recurring

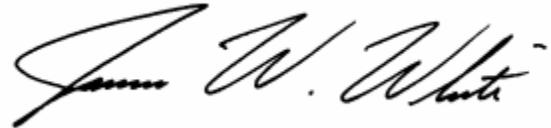
Assumptions:

- There are approximately 24,000 individuals elected or reelected each year to a four-year term by county legislative bodies to the position of notary.
- There are approximately 96,000 active notaries at any given time.
- The Secretary of State (SOS) currently has no regulatory duties relative to notaries or their functions. Enactment of the bill will require the creation of a new regulatory infrastructure within the Department of State.
- Requires the SOS to approve notary vendors and notary instructors and authorizes the SOS to charge a one-time fee for such approvals.
- Requires the SOS to approve notary seal vendors and issue an original certificate of authorization in order that vendors may manufacture notary seals, impressions of which must be submitted and maintained on file with the SOS. Authorizes the SOS to charge a one-time fee for such approvals.
- Requires the SOS to approve electronic notary solution providers before authorizing any electronic notary seals or electronic signatures to notaries. Updates and revisions of the provider's electronic notarization system must also be approved by the SOS.
- According to the SOS, two additional staff positions would be needed due to the increased workload and to handle the regulatory functions of these individuals/entities.

- In addition, the filing of up to 24,000 notary seals annually as well as collecting and maintaining exemplars of the electronic notary signature and the electronic notary seal for every subscribing notary would require two additional filing officers in the SOS.
- Increased revenue from administrative fees established for the applications of notary public vendors, notary instructors, and notary seal vendors is estimated to be less than \$20,000 due to the limited number of such individuals and the one-time nature of the applications.
- Recurring costs for four additional staff positions in the SOS are estimated to be \$234,000, including salaries and benefits for one staff attorney (\$70,200 salary and \$36,200 benefits), one ASA3 (\$40,600 salary and \$20,900 benefits), and two filing officers (\$43,600 salaries and \$22,500 benefits).
- Recurring operational costs are estimated to be \$57,100.
- One-time costs of \$10,096 for four workstations ($\$1,024 \times 4 = \$4,096$) and two scanners ($\$3,000 \times 2 = \$6,000$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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