

Department of Legislative Services  
2011 Session

FISCAL AND POLICY NOTE

House Bill 894 (Delegate Sophocleus, *et al.*)  
Health and Government Operations

State Government - Notaries Public - Fees and Requirements

This bill requires the Secretary of State to adopt regulations establishing fees of at least \$2 and no more than \$20 that may be charged by a notary public. The requirement that the Secretary of State set an appropriate lesser fee for other notarial acts is repealed. The bill further specifies that, if travel is required for the performance of a notarial act, a notary public may charge the amount set for mileage reimbursement in the standard State travel regulations of the Department of Budget and Management (DBM). Finally, the bill requires a notary public to obtain and file with the Secretary of State a \$1,000 surety bond to guarantee the payment of any liability incurred by the notary public due to either a violation of Title 18 of the State Government Article or any misconduct or negligence committed by the notary public in the notary public’s official capacity.

Fiscal Summary

**State Effect:** General fund expenditures increase by \$39,000 in FY 2012 due to increased communications with and monitoring of notaries public by the Office of the Secretary of State. Future year expenditures reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	39,000	52,600	53,800	55,100	56,400
Net Effect	(\$39,000)	(\$52,600)	(\$53,800)	(\$55,100)	(\$56,400)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal. Small businesses and individuals may pay higher fees to have documents notarized. Individuals serving as notaries public will have to obtain a \$1,000 surety bond, but revenues for these individuals may increase.

## Analysis

**Current Law:** The Secretary of State is required to adopt regulations establishing fees for notary services that do not exceed \$2 per original notarial act and an appropriate lesser fee for the repetition of that notarial act or to make a copy of the matter addressed by the original notarial act. A notary public may also charge \$0.19 per mile, or a higher amount set by regulation, and a fee of up to \$5 as compensation for travel.

Current regulations adopted by the Secretary of State set fees of \$2 for the performance of an original notarial act and \$1 for each additional copy of the same document and allow notaries to charge up to \$0.31 per mile and a fee not to exceed \$5 for travel required to perform a notarial act.

“Notarial act” is defined by regulation to mean any act that a notary public of this State is authorized to perform, and includes taking an acknowledgment, administering an oath or affirmation, acting as an official witness to the execution of a document, and noting a protest of a negotiable instrument.

Notaries public are appointed by the Governor upon the approval of their application by the Senator representing the senatorial district in which they reside. Applications by individuals who live outside of Maryland but work in the State may be approved by any Senator. Applicants pay a processing fee of \$20. Notaries must be at least 18 years of age, be of good moral character and integrity, and live or work in the State. Their commissions last for four years, after which they may apply for reappointment by the Secretary of State.

**Background:** There are currently more than 80,000 active commissioned notaries in Maryland. Notary fees were last raised in 1982 to their current level of \$2. **Exhibit 1** provides information on notary fees in surrounding jurisdictions.

---

### Exhibit 1 Notary Public Fees in Maryland and Surrounding Jurisdictions

<u>Jurisdiction</u>	<u>Application Fee</u>	<u>Term</u>	<u>Notary Fee<sup>1</sup></u>	<u>Bond Required</u>
Delaware	\$60-\$90	2-4 years	\$5	None
District of Columbia	\$50	5 years	\$2	\$2,000
Maryland	\$20	4 years	\$2	None
Pennsylvania <sup>2</sup>	\$40	4 years	\$5	\$10,000
Virginia	\$45	4 years	\$5	None
West Virginia	\$52	10 years	\$2	None

<sup>1</sup>Except in Pennsylvania, these fees apply to each notarial act. In Pennsylvania, this fee structure applies only to executing acknowledgements, the most common notarial act.

<sup>2</sup>The notary fee is \$5 for first document/\$2 for each successive document.

Source: Secretaries of State and notary handbooks from neighboring states

Virginia allows a notary to request actual travel expenses, at a rate to be agreed upon by the client, if required to travel to perform the notarial act. Pennsylvania allows a notary to charge a clerical or administrative fee for services they have provided in addition to the notarization of a document such as copying documents, postage, phone calls, or completing forms.

For 2011, the amount set for mileage reimbursement in the standard State travel regulations of DBM is \$0.51 per mile, which mirrors the IRS standard mileage rate for the cost of operating a car for business use.

Both Pennsylvania and the District of Columbia require a notary public to obtain a surety bond, in the amount of \$10,000 and \$2,000, respectively.

**State Revenues:** Fees for notary services are collected and kept by the notaries public who provide the services. State revenues are not affected.

**State Expenditures:** General fund expenditures increase by \$38,955 in fiscal 2012, which accounts for the bill's October 1, 2011 effective date. The estimate includes postage, equipment, and supplies associated with additional mailings and communications necessitated by the bill. In addition, the Office of the Secretary of State advises that one currently employed notary officer will have to work additional hours to implement the bill. Accordingly, the estimate also reflects one quarter-time salary and fringe benefits for a notary officer.

Position (Full-time Equivalent)	0.25
Salary and Fringe Benefits	\$11,616
Operating Expenses	<u>27,339</u>
<b>Total FY 2012 State Expenditures</b>	<b>\$38,955</b>

Future year expenditures reflect a part-time salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

---

### **Additional Information**

**Prior Introductions:** HB 1441 of 2010, which contained similar provisions, received an unfavorable report from the House Health and Government Operations Committee.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Secretary of State, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2011  
ncs/hlb

---

Analysis by: Jennifer A. Ellick

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510