

**Department of Legislative Services**  
 Maryland General Assembly  
 2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 236 (Senator Brochin)  
 Judicial Proceedings

**State Government - Notary Public - Appointment and Removal**

This bill requires the Secretary of State (SOS) to approve all applications for notary public appointments and eliminates the requirement that notary applications be approved by a State senator. It also repeals the requirement that, if living in the State, an individual appointed as a notary public be a resident of the senatorial district from which the individual is appointed. Finally, SOS, rather than the senator who approved the appointment, may submit a written request to the Governor to have a notary public removed or suspended from office for good cause.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$49,900 in FY 2017 for SOS to approve additional notary applications. Future year expenditures reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	49,900	62,200	64,700	67,300	70,100
Net Effect	(\$49,900)	(\$62,200)	(\$64,700)	(\$67,300)	(\$70,100)

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** A notary public must (1) be at least age 18; (2) be of good moral character and integrity; (3) live or work in Maryland; and (4) be a resident of the senatorial district

in which they are appointed or, if living outside the state, be a resident of a state that allows Maryland residents working in that state to serve as notaries.

All applications for notary public commissions must be approved by the State senator representing the senatorial district in which the applicant resides. If that office is vacant, any State senator may approve the application. A State senator may opt out of reviewing references for notary public applications. If a senator chooses to opt out, the responsibility shifts to SOS. Applicants must take an oath of office and pay a nonrefundable application fee of \$20, a fee of up to \$11 (currently \$10) for appointment, and a \$1 registration fee. Notary appointments are made by the Governor for a term of four years.

**Background:** SOS reports that in calendar 2015, it received approximately 15,439 notary applications to process; 13,348 of these did not require senatorial approval (and thus required SOS approval) and 2,091 required senatorial approval. According to SOS, the approval process includes checking references, conducting background checks, and generally establishing that applicants are “of good moral character and integrity” as required by statute. Processing times for applications requiring senatorial approval varies, but SOS advises that there is a significant backlog. Applications filed directly with SOS have a shorter processing time of 3.5 days, due in part to a recently implemented online notary application and renewal system. Even so, SOS also reports a backlog in applications.

**State Expenditures:** General fund expenditures for SOS increase by \$49,945 in fiscal 2017, which accounts for the bill’s October 1, 2016 effective date. This estimate reflects the cost of hiring one administrative staff to approve the additional applications expected under the bill. As noted above, in calendar 2015, SOS approved 13,348 new applications directly. Under the bill, SOS expects to receive an additional 2,100 new applications annually that would otherwise be approved by senators, as well as additional renewals.

Position	1
Salary and Fringe Benefits	\$45,716
Additional Equipment	3,777
Other Operating Expenses	<u>452</u>
<b>Total FY 2017 State Expenditures</b>	<b>\$49,945</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

SOS advises that costs increase by approximately \$150,000 in fiscal 2017 to hire *three* additional staff to process notary applications. SOS’s out-year estimates average \$198,000 annually from fiscal 2018 through 2021. The Department of Legislative

Services (DLS) disagrees and notes that SOS currently has two full-time staff dedicated to processing approximately 20,000 new and renewal applications annually. SOS advises that its two existing staff have a difficult time handling the workload that currently exists and, thus, there is a considerable backlog in applications. While its notary application processing unit may well be understaffed, DLS advises that *this bill alone* does not increase the number of applications it must approve enough to justify three additional staff. Thus, it is assumed that the additional workload generated by the bill can be handled with one additional staff. To the extent one additional staff member is not sufficient to handle the increase in workload that stems from this bill, SOS can request additional positions through the annual budget process.

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### **Additional Information**

**Prior Introductions:** SB 100 of 2011 and SB 846 of 2010, similar bills, both received a hearing in the Senate Judicial Proceedings Committee, but no further action was taken on either bill. In addition, SB 126 of 2009, SB 222 of 2007, and SB 28 of 2006 all received unfavorable reports from the Senate Judicial Proceedings Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 12, 2016  
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