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Letter of Information for SB 360
Notaries Public - Notary Public Fund and Remote Notarial Acts
Senate Judicial Proceedings Committee
Tuesday, February 9, 2021
by: Office of the Secretary of State

Dear Chairman Smith, Vice Chair Waldstreicher, and members of the Senate Judicial Proceedings Committee:

I want to provide the Committee with some background information on SB 360 Notaries Public - Notary Public Fund and Remote Notarial Acts. The Notary Public Fund would be used by the Office of the Secretary of State exclusively to cover expenses, including the implementation, regulation, administration, and enforcement of Chapter 407 (Senate Bill 678) of 2019.

Our Office regulates, administers, and ensures the enforcement of 90,000+ Notaries Public. SB360 was initially presented during the 2020 Legislative Session as HB 661 and passed the House before the Legislature closed early due to the Coronavirus pandemic. The purpose of SB360 is to augment funding and help to cover the costs to implement, regulate, administer, and enforce Chapter 407.

A Notary Public Special Fund would help defray the costs required to effectively regulate Chapter 407 - specifically to fund the estimated \$80,000 annually for licensing and maintenance fees of the new notary database and infrastructure which is essential for tracking, educating, testing, and identifying Remote Notaries, traditional notaries, etc.

Every day our only two (2) Notary Officers process applications, conduct background checks and reference checks for 90,000+ Maryland notaries, and manually enter the commissioning data for each notary into the database. Entering this data is a

critical function to allow the Public to verify the status of notaries public and whether a notary's commission is current. Additionally, our two (2) Notary Officers communicate with the Clerks of the Court in every Maryland County daily.

SB360 would enable our Office to meet the requirements of Chapter 407 by building the infrastructure to meet the needs of the citizens of Maryland, 90,000+ Notaries Public, and the Legislature's 2019 mandate to implement SB678.

In response to the Governor's Orders, all commissions for notaries public, in good standing, that are set to expire during the State of Emergency were extended. Those renewal commissions were automatically extended until thirty (30) days after the State of Emergency is terminated. Once that occurs, we anticipate an onslaught of renewal commissions, which will become due within 30 days after the State of Emergency is terminated. Additional personnel are essential to meet the needs of our statutory and regulatory requirements, especially as we anticipate an avalanche of work once the State of Emergency is terminated.

The Notary Special Fund would redirect the \$9 application fee paid by a notary from the General Fund to the Notary Public Special Fund to help underwrite the expenses incurred from the requirements of Chapter 407. A notary's commission is eligible for renewal every four (4) years. The amount that would be transferred from General Funds to the Notary Special Fund annually is \$200,000, which represents one fourth of the 90,000 notaries who renew their commissions annually.

In summary, a Notary Public Special Fund could help finance the infrastructure costs to implement, regulate, administer, and enforce Chapter 407 of 2019.

Thank you.