



## **SB 360 – State Government – Notaries Public – Notary Public Fund and Remote Notarial Acts**

### **House Government and Operations Committee**

**March 31, 2021**

#### *Support*

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional and nation-wide banks that employ more than 26,000 Marylanders and hold more than \$182 billion in deposits in over 1,400 branches across our State. The Maryland banking industry serves about 6 million customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking and more. Banks also provide notary services for customers and, accordingly, scores of bankers are also notaries.

MBA supports SB 360. In 2020, HB 661, which is essentially the same as SB360, passed the House of Delegates. However, the 2020 Legislative Session concluded due to COVID-19 before the legislation could be acted on by the Senate. SB 360 establishes the Notary Public Fund, a special fund administered by the Secretary of State (SOS) for the purpose of providing funding to support the implementation, regulation, administration, and enforcement of the laws governing notaries public. Funding for the Notary Special Fund would be derived from the current \$9 application fee paid by new and renewing notaries. A modest amount of funding would be impacted as Notary application fees amount to approximately \$200,000 annually.

MBA worked with the Notary Workgroup in 2018 that studied the Maryland notary law and made recommendations for changes to the law and the 2019 Notary Workgroup that focused on Remote Online Notarizations. Membership of the Notary Workgroup also included stakeholders from every sector including: bankers, land title professionals, estates and trusts, the auto and real estate industries, Clerk of the Courts, as well as those concerned with the vulnerable and elderly.

During the Notary Workgroups, we learned that the Office of the SOS has only two Notary Officers who process applications; background checks; reference checks; interface with Clerks of the Court in every county for 90,000+ notaries. Further, these two Notary Officers manually document the date each Notary was sworn in by the Clerk of the Court and that Chapter 407 of 2019 that adds tracking Remote Notaries, vetting education vendors, and storing notary journals to their responsibilities.

The Workgroups understood and determined that the Office of the SOS needed modernized technology and additional staff in order to administer and enforce Chapter 407. This new notary law also added additional responsibilities to the Office of the Secretary of State, including remote online notarization, education and testing requirements for new and renewing notaries, which necessarily require additional resources.

Revenues from this Special Fund will provide funding to the Office of the Secretary of State to help pay the licensing and maintenance fees of a new notary database and help to pay for additional staff needed to administer the new notary requirements.

Approving SB360 will improve service to scores of notaries employed by Maryland banks and to the Maryland businesses and citizens who rely on the services of our notaries in 1,400 branches around the state. MBA urges a favorable committee report on SB 360.