



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0486 Amended by the Senate on March 19, 2019
Author: Talley
Subject: SC Remote Online Notarization Act
Requestor: House Judiciary
RFA Analyst(s): Griffith and Gardner
Impact Date: August 2, 2019

Fiscal Impact Summary

This bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds of the Commission on Indigent Defense, the Commission on Prosecution Coordination, the Judicial Department, the Secretary of State's Office, or any county or municipal governments because the bill requires the organizations to perform activities conducted in the normal course of agency business, and they will manage any additional expenses within their existing appropriations.

The revenue impact of this bill is undetermined due to the lack of information available on remote online notaries public and electronic notaries public.

Explanation of Fiscal Impact

Amended by the Senate on March 19, 2019

State Expenditure

This bill allows notaries public commissioned in South Carolina to register as remote online notaries public or electronic notaries public.

Commission on Indigent Defense. The bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

Commission on Prosecution Coordination. The bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

Judicial Department. The bill creates a new offense triable in General Sessions Court, making it a misdemeanor for a person to conceal, damage, or destroy the certificate, disk, coding, card, program, software, or hardware that allows the notary to affix their seal or electronic signature. As this bill creates a new offense, there is no data available upon which to estimate the number of hearings or trials that may be initiated in General Sessions Court as a result of this legislation. The agency anticipates that any impact from the increased caseload in general sessions would be absorbed by the Judicial Department. Therefore, this bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds.

Secretary of State. The bill requires the Secretary of State to develop and uphold standards for remote online notarization and electronic notarization. The Secretary of State's Office expects to manage any additional expenses within its existing appropriations. Therefore, the bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

The bill authorizes the Secretary of State to charge a \$50 fee for an applicant to become a remote online notary public or an electronic notary public. In addition, the office may charge a \$10 fee for issuing an electronic certificate of authority for an electronic notary public. While the current number of paper notary publics is 141,000, it is unknown how many will apply to become remote online notary publics or electronic notary publics. We contacted two other states that have electronic notaries to find out what percentage of their notaries participate in their prospective electronic notary programs, but no information has been received. Therefore, the revenue impact of this bill is undetermined.

Local Expenditure

This bill provides procedures and requirements for electronic notarization by notaries public in South Carolina. All forty-six counties and the Municipal Association of South Carolina were surveyed to determine what, if any, expenditure impact the bill would have on county and municipal governments. Responses were provided by Florence County and Lancaster County, both of which indicated there would be no local expenditure impact. As such, no impact is expected for county or municipal governments, and any increase resulting from the bill will be managed using existing resources.

Local Revenue

N/A

Updated for Additional Agency Response on March 22, 2019

Introduced on February 6, 2019

State Expenditure

This bill allows notaries public commissioned in South Carolina to register as remote online notaries public.

Commission on Indigent Defense. The bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

Commission on Prosecution Coordination. The bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds. This section has been updated to include a response from the agency.

Judicial Department. The bill creates a new offense triable in General Sessions Court, making it a misdemeanor for a person to conceal, damage, or destroy the certificate, disk, coding, card, program, software, or hardware that allows the notary to affix their seal or electronic signature. As this bill creates a new offense, there is no data available upon which to estimate the number of hearings or trials that may be initiated in General Sessions Court as a result of this

legislation. The agency anticipates that any impact from the increased caseload in general sessions would be absorbed by the Judicial Department. Therefore, this bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds.

Secretary of State. The bill requires the Secretary of State to develop and uphold standards for remote online notarization. The Secretary of State's Office expects to manage any additional expenses within its existing appropriations. Therefore, the bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

The bill authorizes the Secretary of State to charge a \$50 fee for an applicant to become a remote online notary public. While the current number of paper notary publics is 141,000, it is unknown how many will apply to become remote online notary publics. We contacted two other states that have electronic notaries to find out what percentage of their notaries participate in their prospective electronic notary programs, but no information has been received. Therefore, the revenue impact of this bill is undetermined.

Local Expenditure

This bill provides procedures and requirements for electronic notarization by notaries public in South Carolina. All forty-six counties and the Municipal Association of South Carolina were surveyed to determine what, if any, expenditure impact the bill would have on county and municipal governments. Responses were provided by Florence County and Lancaster County, both of which indicated there would be no local expenditure impact. As such, no impact is expected for county or municipal governments, and any increase resulting from the bill will be managed using existing resources. This section has been updated to include responses from Florence and Lancaster Counties.

Local Revenue

N/A

Introduced on February 6, 2019

State Expenditure

This bill allows notaries public commissioned in South Carolina to register as remote online notaries public.

Commission on Indigent Defense. The bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

Commission on Prosecution Coordination. A determination of the bill's fiscal impact is pending, as the agency is still reviewing the bill.

Judicial Department. The bill creates a new offense triable in General Sessions Court, making it a misdemeanor for a person to conceal, damage, or destroy the certificate, disk, coding, card, program, software, or hardware that allows the notary to affix their seal or electronic signature. As this bill creates a new offense, there is no data available upon which to estimate the number of hearings or trials that may be initiated in General Sessions Court as a result of this

legislation. The agency anticipates that any impact from the increased caseload in general sessions would be absorbed by the Judicial Department. Therefore, this bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds.

Secretary of State. The bill requires the Secretary of State to develop and uphold standards for remote online notarization. The Secretary of State's Office expects to manage any additional expenses within its existing appropriations. Therefore, the bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

The bill authorizes the Secretary of State to charge a \$50 fee for an applicant to become a remote online notary public. While the current number of paper notary publics is 141,000, it is unknown how many will apply to become remote online notary publics. We contacted two other states that have electronic notaries to find out what percentage of their notaries participate in their prospective electronic notary programs, but no information has been received. Therefore, the revenue impact of this bill is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director