

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	79,167		30,682	
CASH FUNDS	3,000	3,000	2,000	2,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>82,167</b>	<b>3,000</b>	<b>32,682</b>	<b>2,000</b>

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 186 is the Online Notary Public Act.

Upon completing a course of instruction and passing an examination approved by the Secretary of State, a notary may register as an online notary public.

Section 5 requires the fee to be an online notary public as an amount in addition to the fee required in section 33-102. The Secretary of State shall establish the fee by rule and regulation in an amount sufficient to cover the costs of administering the Online Notary Public Act, in an amount not to exceed fifty dollars (\$50).

The Secretary of State estimates the need for 0.50 FTE to implement and administer the Online Notary Public Act. The total cost estimate for staffing, benefits, start-up costs, one-time programming costs and travel is \$82,167 in the first year and \$32,682 in the second year. Based on the fifty dollar cap for Online Notary fees, the Secretary of State estimates revenue of \$3,000 in the first year and \$2,000 in the second year. This is based on a similar program for e-notaries. There is no basis to disagree with these estimates.

Since the bill's provisions appear to provide for insufficient cash fund revenue, the Secretary of State has proposed funding the difference between total cost and projected cash fund revenue be paid with General Funds.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	186	AM:	AGENCY/POLT. SUB: Nebraska Secretary of State
REVIEWED BY:	Ann Linneman	DATE:	1-23-19
		PHONE:	(402) 471-4180
COMMENTS: No basis to disagree with the Nebraska Secretary of State's assessment of fiscal impact.			

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2019

LB<sup>(1)</sup> 186

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Secretary of State's Office

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 1/23/2019 Phone: <sup>(5)</sup> 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$79,167</u>	<u></u>	<u>\$30,682</u>	<u></u>
CASH FUNDS	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$2,000</u>	<u>\$2,000</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$82,167</u>	<u>\$3,000</u>	<u>\$32,682</u>	<u>\$2,000</u>

Explanation of Estimate:

LB 186 would create a new registration for notaries public who wish to also perform online/remote notarization using approved communication technology. Any commissioned notary could apply to register as an online notary as long as they met the requirements.

Our office received funding for a Program Specialist for the implementation of a similar, yet different, notary registration a couple years ago – electronic notary. As that program is now fully implemented, our FY19-21 biennium budget included a request to revert half of the staff person (0.5 FTE) to our cash funds along with a related shift in job duties. If this legislation is passed, we would need to keep that Program Specialist to be full time (1.0 FTE) funded by the General Fund at a cost of \$31,487 in FY20 and \$32,342 in FY21.

This legislation will also require modifications to our notary filing system to add online/remote notary registrations. The estimate for such changes from the OCIO is \$46,636, which would be a one-time expense. There will also be the expense of updating our website, which is estimated to be \$360 for the initial set up and \$240 per year ongoing. The ongoing website costs are payments to Nebraska.gov in order to maintain a current listing of online/remote notaries on the website.

We would also require training for two of our staff in order to understand the more technical aspects of this new registration type. We estimate the cost for training registration, hotel, flight, and meals to be \$1,792 per person, or \$3,584 total. This would be a one-time expense in the first year only. Lastly, there may be some ongoing expenses incurred for traveling as our staff will have to teach a class to individuals interesting in becoming an online/remote notary. This training/travel expense is estimated to be \$100 per year.

In terms of revenue, the online notary registration fee is capped at \$50. Once registered, an online notary public will only have to renew their registration when their regular notary commission expires - every 4 years. Renewals are also \$50. Assuming that we have similar number of online/remote notaries compared to the electronic notaries (approximately 100), then we will have approximately \$5,000 in revenue every four years. For the purposes of this fiscal note, we have assumed that the revenue will come in a similar pattern as e-notary, with 60% in the first six months and the remaining 40% in the subsequent year.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
N09630 Program Specialist	0.50	0.50	\$24,098	\$24,580
Benefits.....			\$7,389	\$7,762
Operating.....			\$46,996	\$240
Travel.....			\$3,684	\$100
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$82,167	\$32,682