



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0631 Signed by Governor on May 18, 2021
Author: Talley
Subject: SC Electronic Notary Public Act
Requestor: Senate
RFA Analyst(s): Griffith
Impact Date: September 21, 2021

Fiscal Impact Summary

This bill allows notaries public commissioned in South Carolina to register as electronic notaries. The bill will not have an expenditure impact on the Secretary of State's Office, the Commission on Indigent Defense, the Commission on Prosecution Coordination, the Judicial Department, or any county or municipal governments because the bill requires the agencies and local governments to perform activities conducted in the normal course of agency business. Any additional expenses will be managed within their existing appropriations.

The revenue impact of this bill on Other Funds of the Secretary of State's Office is undetermined due to the lack of information available on electronic notaries public.

Explanation of Fiscal Impact

Signed by Governor on May 18, 2021

State Expenditure

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

Secretary of State. The bill requires the Secretary of State to develop and uphold standards for 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 agency.

Commission on Indigent Defense. Based on a previous response by the agency, the bill requires the commission 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 agency.

Commission on Prosecution Coordination. Based on a previous response by the agency, the bill requires the commission 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 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. Based on a previous response, 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 on the agency.

State Revenue

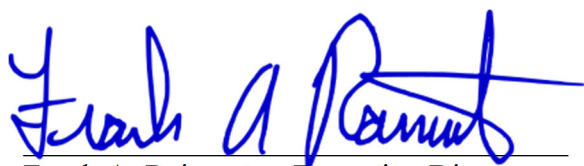
The bill requires the Secretary of State to charge a \$50 fee for the registration of an electronic notary public. Revenue generated from these registrations is retained by the Secretary of State's Office to administer the provisions of the bill. In addition, the office may charge a \$10 fee for issuing an electronic certificate of authority. The agency indicates that this fee will also be retained by the Secretary of State's Office. While the current number of paper notaries is 146,232, it is unknown how many will apply to become electronic notaries. We contacted two other states that have electronic notaries to determine 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 on Other Funds of the Secretary of State's Office is undetermined.

Local Expenditure

This bill provides procedures and requirements for electronic notarization by notaries public in South Carolina. Based on previous responses from Florence and Lancaster Counties, the Revenue and Fiscal Affairs Office does not expect any fiscal impact on county or municipal governments.

Local Revenue

N/A



Frank A. Rainwater, Exccutive Director