



State of Vermont

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Deputy Secretary of State Chris Winters Overview
Of H.526, an Act Relating to Regulating Notaries Public for the
House Committee on Ways and Means

4/18/17

- We all use notaries and rely on them to prevent fraud and to bring our private papers and transactions into the public sphere in a reliable way.
- The Notary Public plays a key role in lending integrity to those important transactions of commerce and law.
- Because of this, we need sound standards for the performance of notarial acts.
- Our notary laws were written in the late 1700s and early 1800s. Vermont ranks dead last in the soundness of our notary laws. Our law does not require personal appearance, verification of identification, or observation that the signer is free from duress. Notaries tend to do it, but there is no law enforcing it.
- There are no standards for who becomes a notary and no recourse for Vermonters when a notary makes a mistake – and sometimes these mistakes can be very costly.
- The current lack of standards even interferes with interstate commerce as Vermont notarizations are often not acceptable in other states.
- There is wide agreement among everyone who has testified or become familiar with this issue that the notary law needs to be improved.
- As we looked at standards, we also looked at the commissioning process itself. It is important that the bill pass this year so that we can get the process and the new laws in place soon for the notary commission renewals in February 2019.
- The existing process is a holdover from the times when assistant judges appointed people personally known to them and with excellent reputations who could be trusted to be notaries. That is no longer the case.

- The whole Notary Public commissioning process is scattered across the counties with a piece of it in the Secretary of State's office. The process is inconsistently applied and there are problems every four years in February.
 - SOS has always played a role, without any funding, in creating the central notary public database.
 - The assistant judges in each county send their notary commissions to us at VSARA where we compile, scan and file them so that any notary signature can be verified as needed.
 - Currently, the fee is sent from the AJs to the Judiciary, the Judiciary then sends half back to the Counties, and half to the GF.
- If we were designing a system from scratch to be efficient, productive, and easy for Vermonters to use – this wouldn't be it.
- We have the existing infrastructure at the Office of Professional Regulation (OPR) to do this quickly, consistently and in a way that is convenient for notaries and protective of the public.
- We have all the pieces in place already that would be costly and time-consuming for the AJs to recreate.
 - Regulation of notaries meets the public protection mission of OPR
 - Notaries and the public would quickly benefit from the efficiency and administrative structure already in place.
 - Public would have a place to turn for enforcement if harmed (investigators, prosecutors, case managers, hearing officers expertise)
- In order to do this and resource the improvements properly, it does involve making some difficult decisions about the fees. I understand that this is a particularly difficult budget year, and I understand that the idea of losing this revenue is a blow to the AJs and the GF. (See revenue amounts)
 - Roughly \$47K / year to GF, \$47K spread across 14 counties
 - 0-5K in every county except Chittenden (\$14k)
- We think this relatively small fee revenue is better spent ensuring notaries are well qualified and accountable to updated standards. That they receive educational opportunities, and that the public has somewhere to turn when necessary.
- This is about public protection, fraud prevention, and interstate commerce, not agency ownership.
- When we look at the current Notaries Public statute we cannot honestly say we are protecting the public, nor did the HGO committee think the public would be well served by leaving it with the AJs.