



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

March 16, 2022

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H.512 An act relating to modernizing land records and notarial acts law

As recommended by the House Committee on Commerce and Economic Development

URL for bill:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Commerce/Bills/H.512/Drafts,%20Amendments,%20and%20Legal%20Documents/H.512~Tucker%20Anderson~%20Draft%203.1,%203-10-2022~3-11-2022.pdf>

Bill Summary

The bill proposes to enact the Uniform Real Property Electronic Recording Act, which is legislation proposed by the Uniform Law Commission to update laws concerning the management of land records within states. This legislation has already been enacted in several states nationwide. The bill proposes to require a report from the Vermont State Archives and Records Administration (VSARA) on further approaches to modernizing land records and proposes one new permanent position within VSARA. The bill also proposes changes to laws regulating notaries public, including an increase to the existing notary commissioning fee and a new fee for a special endorsement allowing for performance of remote and electronic notarial acts. The effective date for the bill would be July 1, 2022.

Fiscal Impacts

This bill would result in approximately \$125,000 of annual new costs from the Secretary of State Services Fund for a new position. The bill would also result in approximately \$180,000 in new revenues biennially from an increase to the notary commissioning fee from \$15 to \$30. This new revenue would be deposited in the Professional Regulatory Fee Fund. Additional revenues could come from a new \$30 fee on notary special endorsements but are unknown at this time due to rulemaking that would need to happen before the fee can be levied.

Background and details

Section 4:

A new permanent classified position is proposed within the Vermont State Archives and Records Administration (VSARA). The position would exist to ensure consistent implementation and administration of the Uniform Real Property Electronic Recording Act by recorders throughout the state. The estimated cost for salary and benefits for the position would be \$125,000 and would be funded from the Secretary of

State Services Fund. Unobligated monies in this fund are swept to the General Fund at the end of each fiscal year, so this provision will result in a reduction in available General Fund dollars.

Section 5:

The bill proposes to increase the fee for commissioning as a notary public from \$15 to \$30. This fee is due upon initial commissioning and then every two years thereafter. This fee is collected by the Office of Professional Regulation (OPR) and is deposited in the Profession Regulatory Fee Fund for use in regulating the various advisor professions overseen by OPR. Per OPR, the cost to regulate notaries greatly exceeds the revenues from notary commissioning fees resulting in an ongoing operating deficit. The regulatory costs are approximately \$800,000 per year, but current fee revenues are \$180,000 every two years (\$90,000 averaged annually). The fee increase will help address the deficit within the advisor profession but will not eliminate the deficit. Estimated new revenues are shown below.

- Fiscal year 2023 - \$160,000 new revenue (when most renewals are due)
- Fiscal year 2024 - \$20,000 new revenue (mainly only from new commissions)
- **Two-year new revenue - \$180,000**

The bill also proposes a new \$30 fee for notaries to attain special endorsements that would allow them to perform remote and electronic notarial acts. This fee would be due every two years to maintain the endorsement. It is estimated that most notaries will opt into this endorsement over the next four to six years. New revenues in FY23 from this fee are unknown as OPR will have to write rules for attaining the endorsement before the fee can be levied, but over time revenues will help address the deficit within the notary advisor profession.