

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date August 2, 2021</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DFI-CCS 25, SS 072-20</p>	
<p>4. Subject Guidance for remote notaries public and consumers</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected N/A</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy   <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b></p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). <b>\$0. No additional costs are anticipated to be incurred by the private sector or local governmental units as a result of these rules.</b></p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule 2019 Wisconsin Act 125 revises state law governing notaries and notarial acts and authorizes notaries public to perform notarial acts for remotely located individuals using approved communication technologies. These rules provide a framework and guidelines for implementing remote notarization to ensure that Wisconsin notaries are using providers that implement state-of-the-art safeguards to minimize the risk of fraud or mistake. To protect the public, the rules codify certain processes for granting and restricting notary commissions, including the process for making complaints against a notary public, the department's authority to investigate those complaints, and the grounds for restricting or revoking a notary commission.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Through the meetings of the Remote Notary Council that have been held, the agency has received valuable input from members of many of the types of businesses that would be affected by the rules, such as title insurance companies, real estate firms, the banking industry, and firms that provide communication technology that is used to perform a remote notarial act. Additionally, representatives of other industries, as well as firms from the aforementioned industries, would have the opportunity to submit written comments or appear at the public hearing.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The rule is expected to have minimal fiscal impact as it will not affect costs incurred by businesses or individuals.</p>	
<p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The implementation of these administrative rules will provide clarity to notaries public regarding standards and practices for remote notarization and for granting and restricting notary commissions. Clarifying the department's authority to</p>	

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investigate complaints against notaries. The alternative, not adopting the rule, may reduce the department's ability to most effectively protect the public and may make it more difficult to standardize the procedures for remote notarization.

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**16. Long Range Implications of Implementing the Rule**

The rules will enable the flexibility of remote notarization while ensuring the integrity of the notarial process. These rules will also take advantage of the expertise of the newly created remote notary council, a body unique to Wisconsin, to evaluate remote online notarization platforms and providers and ensure that Wisconsin notaries are using providers that implement state-of-the-art safeguards to minimize the risk of fraud or mistake.

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**17. Compare With Approaches Being Used by Federal Government**

There are no federal government regulations governing notaries public as such regulation is a state matter.

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**18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)**

In 2019 and 2020, Michigan, Minnesota, and Iowa have all enacted statutes governing remote notarization, all of which are similar to Wisconsin's 2019 Act 125, and Iowa has also promulgated administrative rules. Michigan's Secretary of State oversees communication technology providers to determine if they meet state standards. In 2021, Illinois enacted a remote online notarization statute which took effect on 1/1/2022.

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**19. Contact Name**

Matthew Lynch

**20. Contact Phone Number**

608.440.0292

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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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