

Financial Institutions

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LFB Summary Item Addressed in Standard Budget Adjustments (Paper #101)

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments



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May, 2021

Joint Committee on Finance

Paper #300

Information Technology (IT) Modernization (Financial Institutions)

[LFB 2021-23 Budget Summary: Page 198, #8 and #9]

CURRENT LAW

With certain exceptions, fees and assessments imposed on regulated entities and individuals by the Department of Financial Institutions (DFI) are deposited in DFI's general program operations appropriation. Base funding of \$18,446,700 PR is provided for DFI's general program operations. Any balance in this appropriation at the close of a fiscal year transfers to the general fund.

DISCUSSION POINTS

1. The Department of Financial Institutions is responsible for the regulation, examination, and licensure of banks and other financial institutions in Wisconsin. The Department utilizes several automated systems on its website and operates nearly 100 software applications to track and manage departmental revenue. Among the applications are those used for the regulation of notary publics and the management of the receipts and accounting of funds received by the Department. According to DFI, these systems need to be modernized to ensure accounting accuracy, eliminate inefficiencies, and decrease manual data entry by existing staff associated with these tasks.

Notary IT Modernization

2. A notary public is an individual issued an appointment by DFI to serve the public as an impartial witness, performing notarial acts as are allowed or required by law. At the end of 2020, DFI was regulating 80,835 active Wisconsin notaries. In addition, DFI processed 14,287 notary applications, including 281 permanent notary public applications. Under 2019 Act 125, notarial acts were expanded to allow notarization using information technology. The Act also created a remote notary council to adopt and implement standards related to remote notarization. The Department

recently began taking remote online notary applications, and as of January 31, 2020, Wisconsin had 292 active remote online notaries.

3. Under the budget bill, increased expenditure authority (\$806,000 PR in 2021-22 and \$6,000 PR in 2022-23) would be provided to DFI's general program operations appropriation to allow the Department to research, purchase, and implement software to modernize the notary IT system. According to DFI, the current online notary system needs "extensive upgrades and changes in order to more effectively fulfill its expanded statutory obligations as current inefficiencies already result in significant non-value added manual work by current staff."

4. Included among these inefficiencies is the current notary application process. While the notary application process can be started online, the current system does not allow for the entire process to be completed online. Applicants must print out a portable document format (PDF) form, affix their notary public seal on the form, and email or mail the form to DFI. According to the Department, this process has caused several issues. For example, many applicants do not realize their application is incomplete after filling out the online portion of the application. As a result, DFI must send out email notices of incomplete applications after 30 days, and refund dormant applications after 60 days. Approximately 200 applicants are refunded every month for incomplete applications. Some refunded applicants may choose not to re-apply, which results in lost revenue. A new, integrated system would remove these numerous steps by allowing applicants to scan their documents into the online portal to be submitted along with their online application, thereby completing the entire application process online. This upgrade would increase the accuracy of the accounting and receipt process, avoid having to send payments back, and decrease manual staff labor.

5. Similarly, renewal applicants who do not realize their renewal application is incomplete may continue to provide notarial services without an active commission from DFI. Due to the difficulty in tracking notary activity (it is not reported to DFI each time a form is notarized by a Wisconsin notary public), this confusion is difficult to identify and rectify. An updated software application would decrease the number of incomplete applications and provide more clarity for applicants.

6. Even if an applicant completes the physical form and emails or mails it to DFI, there is manual staff labor involved in matching those forms to the online application. The issue of application matching is further complicated when applications are emailed to various DFI email addresses in differing divisions. Once forms are matched to online applications, the printed PDFs must be manually scanned into the system by DFI staff. There is currently no function to track receipt of various application materials. An upgraded system would eliminate the need for DFI staff to match forms to applications, while increasing the efficiency and reliability of the process.

7. The Department also maintains a publically-accessible notary public database on the DFI website. The database allows Wisconsin residents to see who is an active notary public and whether or not the notary performs remote notarizations, and also allows notaries to find approved communication technology providers for remote notarization (as required by 2019 Act 125). According to the Department, the current process is labor intensive and requires staff to manually update an Excel spreadsheet, which is then uploaded to the DFI website on a weekly basis. This is both time consuming, and delayed.

8. By way of example, when a communication technology provider authorizes a notary public to use its software for remote notarization, an individual email is sent to the Department for each notary public. Upon notice, the unit supervisor validates the notary public has an active commission and writes a help desk ticket for IT staff, who manually update an Excel document and post it to DFI's website during weekly network maintenance. In addition to this labor-intensive process, the current system requires front-facing users to look in two different places for the traditional notary list and the remote notary list. A new system would automate and centralize this process, and would provide live updates to the statutorily-required database. In addition, a new system would likely make the database more user-friendly, as not all users are proficient in Excel.

9. When 2019 Assembly Bill 293 (enacted as 2019 Act 125) was initially introduced regarding online notarization, DFI submitted a fiscal estimate which identified increased costs and noted that it was not possible for the costs to be absorbed within the agency's existing budget. Specifically, the Department noted three categories of costs associated with the bill, including: (a) one-time costs associated with required modifications to the Department's existing electronic filing system for notaries (to create a new category of registrant and to hire IT contractors to develop applications to facilitate this process) (\$175,700); (b) one-time costs associated with development of mandatory rules (\$17,600); and (b) on-going administrative costs (\$86,800). An increase in appropriations was not provided under the Act.

10. On April 1, 2020, approximately one month after 2019 Act 125 was enacted, the Governor introduced a second COVID-19 legislative package, including \$806,000 to DFI for implementation of 2019 Act 125. On April 15, 2020, the notary proposal was included in Substitute Amendment 1 to Assembly Bill 1038. The Substitute Amendment was not taken up by the Legislature.

11. On March 9, 2021, the Remote Notary Council voted unanimously to express its support for DFI's proposed notary modernization and information technology project. Among other reasons for their support, Council members noted that the project would enable DFI to fully comply with the public database obligations created by 2019 Act 125.

12. Increasing expenditure authority by \$806,000 in 2021-22 and by \$6,000 in 2022-23 would allow the Department to purchase upgraded information technology software to: (a) process and track notary applications and payments more effectively; (b) streamline the notary public database updates; and (c) consolidate software applications to increase efficiency. Specifically, \$800,000 in one-time funding would be used in 2021-22 to research the best software and vendor options for this project and \$6,000 in ongoing funding would be used to maintain the software annually (including paying licensing fees and implementing any system updates). These cost estimates were provided from a vendor (Civix) that DFI already contracts with for trademark and Uniform Commercial Code (UCC) purposes. Civix based the estimate on current contracts it has with other states requiring similar software. The Department indicates that using this same vendor may be advantageous as the notary, trademark, and UCC responsibilities are all consolidated into the same DFI bureau, which would allow the 3.0 FTE in this program area to be cross-trained on integrated software. Given the identified need of a system upgrade, the enactment of 2019 Act 125, and support by the Remote Notary Council, the Committee may wish to provide \$806,000 in 2021-22 and \$6,000 in 2022-23 for this purpose. [Alternative A1]

13. The increased expenditure authority under Alternative A1 would support research and the purchase of software. Costs for DFI to implement the new system, as well as to provide project management, quality assurance, application development, and database administration are not included. Currently, the Department has two information technology teams dedicated to "solutions delivery" that work on specific projects until the project is completed. Under Alternative A1, DFI would need to dedicate one of the two teams to implementing the notary software, decreasing project-based IT availability by 50%, until the notary software implementation is complete (approximately 25 weeks). Increasing expenditure authority to include project-based resources (such as short-term contract staff) is estimated to cost approximately \$130,000 in one-time funding in 2021-22. The estimate is based on an assumption of average hourly salaries for a project manager, business analyst, application developer, product owner, database administrator, and positions for quality assurance and general operations over four phases (request phase (approximately 10 hours), planning phase (approximately four weeks), construction phase (approximately 18 weeks), and implementation phase (approximately three weeks)).

14. While the Department indicates that project-based costs can be absorbed by a reallocation of resources, the costs were included in the Department's fiscal estimate of 2019 AB 293 related to modifying the electronic filing system for notaries. The Committee could, therefore, consider providing funding to assist with these project-based resources, in addition to funding for research and software (for a total increase to expenditure authority of \$936,000 in 2021-22 and \$6,000 in 2022-23). [Alternative A2]

15. Alternatively, the Committee may want to exclude ongoing software costs (\$6,000) beyond the 2021-23 biennium and require the Department to request such funding in the future, if needed. While on-going funding was identified by Civix as the cost of a possible add-on item for ongoing services, it was not included in the Governor's April 1, 2020, funding proposal (that proposal also excluded the ongoing funding in 2022-23). This alternative would increase expenditure authority by \$806,000 in 2021-22 and \$6,000 in 2022-23, but would not include any ongoing funding beyond the 2021-23 biennium. [Alternative A3]

16. As noted previously, funding for DFI is primarily derived from fees and assessments paid by regulated entities and individuals. With certain exceptions, DFI transfers any unexpended amount from its general program operations appropriation at the close of a fiscal year to the general fund. If the Committee does not increase funding to support this item, unexpended revenues in DFI's general program operations appropriation would transfer to the general fund at the close of the fiscal year. Note that DFI did not request this item in its 2021-23 agency budget request. [Alternative A4]

Financial Integrity IT Modernization

17. Under 1995 Act 27 (the 1995-97 biennial budget), DFI was created from a merger of various regulatory agencies (including the offices of the Commissioner of Banking, Commissioner of Savings and Loans, and the Commissioner of Securities, in addition to the transfer of responsibility in maintaining the UCC from the Secretary of State and regulating the mortgage banking industry from the former Department of Regulation and Licensing). These entities each had their own receipting and accounting systems and processes. While the activities of the various agencies were consolidated into DFI, the various legacy software systems continued to operate.

18. In April, 2005, the Legislative Audit Bureau (LAB) conducted an audit of DFI. While LAB found that overall "the Department had adequate fiscal management practices in place," they also identified "areas in which [the Department] could further improve internal controls and fiscal processes, including the efficiency and controls of its receipts processing...access to the State's central payroll system, and physical inventories of capital assets." Specifically with regards to receipts processing, LAB noted "the Department retains several different receipting processes, which may not be as efficient or well-controlled as possible. The Department recognizes that inefficiencies exist and plans to develop a new billing and receipting system to further standardize procedures, although it does not have a timeline for such a system." At the time, LAB recommended that the Department "implement agency-wide center receipt processing." As of 2021, the receipt processing systems identified by the LAB in 2005 are still being used by DFI.

19. Currently, DFI uses almost 100 software applications department-wide for all accounting and cashing carried out by the Department. Maintenance of these applications requires four to six DFI developers. The Department has four developers, but is recruiting for two additional developers to fill newly vacant positions. The various applications are individually used for specific purposes, such as processing application fees and tracking departmental revenues. The Department processes and deposits approximately \$99 million in revenue each year (from receipts as small as \$10 to multi-million dollar single-wire transfers).

20. In addition to being labor intensive and numerous, DFI indicates that the existing systems cannot readily integrate data (including uploading transactions or allowing for data reconciliation) into the state's current financial accounting system (State Transforming Agency Resources (STAR)). Data that is able to be transferred into STAR must be entered manually, which introduces the chance for human error. In addition, this process is time-consuming on existing staff and does not provide adequate controls or checks-and-balances over revenue received. A new system would allow for one centralized cashing application, capable of integrating with the state's centralized financial system used by other state agencies.

21. In addition, the Department of Administration has a Cooperative Agreement on Accounting, Auditing, and Internal Control Activities with several executive agencies, including DFI, which outlines agency responsibilities related to internal controls. Among other requirements, the Cooperative Agreement requires DFI to be responsible for "ensuring the accuracy and propriety of all transactions entered by agency personnel into STAR, including any transactions uploaded to STAR through an internal system. This includes activity posted to revenue, expenditure, and balance sheet account types, as well as any other activity posted to STAR ledgers." The Cooperative Agreement further specifies that DFI is responsible for ensuring that any transactions processed by agency personnel into STAR have been properly authorized, documented, and are in accordance with applicable statutes, rules, and regulations, and requires the Department to report any significant deficiencies to the State Controller's Office (SCO) annually.

22. The Department indicates that it "has never been able to reconcile to the state's financial system (STAR) with detailed reporting necessary to prevent, detect, and correct misstatements on a timely basis." This deficiency has been reported by DFI to SCO, per the Cooperative Agreement, for a number of years.

23. A consolidated system is intended to reduce manual labor, increase the accuracy of cashiering and accounting, fully integrate DFI finances into the STAR system, and allow DFI to make decisions based on accurate, reconcilable data. According to the Department, the project would specifically "provide for improved processing of receipts collected by DFI to ensure that all are appropriately deposited and accounted for. The project will provide a central department-wide receipting system integrated into all business processes used to receive and record receipts and support all payment methods...It will also be fully reconcilable to the state's accounting system and provide comprehensive report and query capabilities."

24. The Department indicates that a project of this magnitude is likely to require multiple implementation phases (including a 12-month request for proposal (RFP) phase, a 12-month limited implementation phase (including vendor engagement, system architecture and design, proof of concept and limited system implementation), and a continued agency integration phase). The funding proposed in AB 68/SB 111 aligns with these phase timelines.

25. Increasing expenditure authority by \$332,800 PR in 2021-22 and \$1,018,000 PR in 2022-23 would allow DFI to consolidate multiple older financial applications into one centralized receipting application, capable of integrating with the state's accounting system (STAR). Specifically, the funding would be used to: (a) research vendor options and development applications in 2021-22 (\$322,800); and (b) implement procured software to improve the accuracy and processing of receipts collected by the Department in 2022-23 (\$935,000 in one-time costs, and \$83,000 in on-going costs).

26. The research and development phase would involve a year-long RFP process and subsequent product and vendor selection. Given the magnitude of the project, the RFP and product selection process is estimated to require approximately 3,700 hours of work by a project lead, business analyst, technical lead, database administrator, and operations personnel. The average contractor hourly rates for these positions range from \$62 to \$100. The recommended \$322,800 in 2021-22 would fund the internal IT costs for these positions and anticipated work hours.

27. The implementation process would involve vendor engagement, system architecture and design, proof of concept and limited system implementation, and continued agency integration. Specifically, the \$1,018,000 in 2022-23 would include: (a) internal IT costs for implementation (\$797,900); (b) vendor implementation and travel costs (\$137,100); and (c) on-going software service costs (\$83,000).

28. Implementation of the product requires a team of IT professionals that includes all of the positions needed for the RFP process, plus quality assurance and application developer positions. The DFI IT Director estimates that this would require approximately 10,700 hours of work from these individuals over the course of one year. As a point of comparison, a similar, but smaller recent internal DFI IT project required over 16,500 hours of IT time. While it is difficult to estimate the amount of work time this project would require, as the exact software product has yet to be identified, DFI indicates that the recommended funding is based on information from vendors.

29. In order to ensure accurate DFI receipt processing and accounting, the Committee may wish to provide increased expenditure authority (\$332,800 in 2021-22, \$1,018,000 in 2022-23, and \$83,000 annually thereafter) for this purpose. [Alternative B1]

30. Similar to the notary IT modernization item, ongoing costs are identified in 2022-23 under the bill as introduced. This funding would be used for annual product updates through a third-party vendor, as DFI does not have an expert on staff for applications of this magnitude. While the notary IT ongoing funding was built into an existing Civix contract as an add-on item, the \$83,000 in on-going costs for the financial integrity IT project is an estimate, since that system is a larger project, a vendor has not yet been identified, and actual ongoing costs are unknown until the bidding and procurement process is complete.

31. As such, the Committee may wish to exclude ongoing software costs beyond the 2021-23 biennium, and require the Department to request such funding in the future, if needed, and when a more precise figure can be determined (post-RFP process). This alternative would increase expenditure authority by \$332,800 in 2021-22 and \$1,018,000 in 2022-23, but would not include \$83,000 in ongoing funding beyond the 2021-23 biennium. [Alternative B2]

32. Although supported by DFI, this item was not requested in the agency's 2021-23 agency budget request. The Committee may, therefore, wish to take no action. [Alternative B3]

ALTERNATIVES

A. *Notary IT Modernization*

1. Provide increased expenditure authority of \$806,000 PR in 2021-22 and \$6,000 PR in 2022-23 and annually thereafter to modernize DFI's notary IT system. Reduce the estimated year-end transfer to the general fund by a corresponding amount.

ALT A1	Change to Base
PR	\$812,000
GPR-REV	- \$812,000

2. Provide increased expenditure authority of \$936,000 PR in 2021-22 and \$6,000 PR in 2022-23 (to include \$130,000 PR in costs for project-based resources in 2021-22). Reduce the estimated year-end transfer to the general fund by a corresponding amount.

ALT A2	Change to Base
PR	\$942,000
GPR-REV	- \$942,000

3. Provide increased expenditure authority of \$806,000 PR in 2021-22 and \$6,000 PR in 2022-23, but remove ongoing costs (\$6,000), beyond the 2021-23 biennium. Reduce the estimated year-end transfer to the general fund by a corresponding amount.

ALT A3	Change to Base
PR	\$812,000
GPR-REV	- \$812,000

4. Take no action.

B. Financial Integrity IT Modernization

1. Provide increased expenditure authority of \$332,800 PR in 2021-22 and \$1,018,000 PR in 2022-2023, including \$83,000 PR in ongoing costs annually thereafter to modernize the DFI's financial accounting and cashing IT systems. Reduce the estimated year-end transfer to the general fund by a corresponding amount.

ALT B1	Change to Base
PR	\$1,350,800
GPR-REV	- \$1,350,800

2. Provide increased expenditure authority of \$332,800 PR in 2021-22 and \$1,018,000 PR in 2022-2023, but remove ongoing costs (\$83,000), beyond the 2021-23 biennium. Reduce the estimated year-end transfer to the general fund by a corresponding amount.

ALT B2	Change to Base
PR	\$1,350,800
GPR-REV	- \$1,350,800

3. Take no action.

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May, 2021

Joint Committee on Finance

Paper #301

Notary Application Fee Increases (Financial Institutions)

[LFB 2021-23 Budget Summary: Page 198, #10]

CURRENT LAW

Wisconsin statutes govern the notary public application fees (s. 140.02). Among other requirements, four-year notary public applicants are required to pay a \$20 application fee (s. 140.02(1)(a)) and permanent (attorney) notary public applicants are required to pay a \$50 application fee (s. 140.02(2)).

With certain exceptions, fees and assessments imposed on regulated entities and individuals by the Department of Financial Institutions (DFI) are deposited in DFI's general program operations appropriation. Base funding of \$18,446,700 PR is provided for DFI's general program operations. Any balance in this appropriation at the close of a fiscal year transfers to the general fund.

DISCUSSION POINTS

1. Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. Any increase to DFI fees generally has a corresponding increase to the general fund, including increases to notary public fees.

2. A notary public is an individual issued an appointment by the Secretary of the Department of Financial Institutions to serve the public as an impartial witness, performing notarial acts as are allowed or required by law. Any United States resident 18 years of age or older who has at least the equivalent of an eighth grade education, has passed the notary exam, available online, with 90% or better within one year of applying (for non-attorneys), and has demonstrated adherence to laws according to the Wisconsin Statutes with regard to arrests and convictions, is eligible to apply

for a Wisconsin Notary Public Commission. Applicants must also submit an application form with requisite signatures and stamps/seals, and non-attorney applications must complete an oath of office form with requisite signatures and stamps/seals.

3. In addition, notary publics must pay an application fee. Under current law, non-attorneys must pay \$20 to receive a four-year commission and must purchase a \$500 bond. While not specified in statute, non-attorney notary publics must pay an additional \$20 fee and submit a new application when renewing his or her notary commission. Attorneys must pay \$50 and be in good standing with the Wisconsin Supreme Court to receive a permanent commission. Notary fees were last adjusted in Wisconsin in October, 1997, (under 1997 Act 27) when the fee increased from \$15 to \$20 for a four-year commission and from \$15 to \$50 for a permanent commission.

4. In comparison to other regional states (including Illinois, Indiana, Iowa, Michigan, and Minnesota), Wisconsin has the second-lowest non-attorney registration fee at \$20 (Michigan has the lowest, at \$10). Each of these states have varying notary commission expiration terms (between three years and eight years), and when the fees are broken down by cost-per-year, Wisconsin still has the second-lowest at \$5 per year (for a four-year term). Minnesota charges the most at \$120 for a five-year term (\$24 per year), which is six times higher than Wisconsin's current non-permanent notary fees.

<u>State</u>	<u>Current Fee</u>	<u>Term</u>	<u>Average Fee/Year</u>
Illinois	\$30	4 years	\$7.50
Indiana	75	8 years	9.38
Iowa	30	3 years	10.00
Michigan	10	6 to 7 years*	1.67
Minnesota	120	5 years	24.00
Wisconsin	20	4 years	5.00

* Notary commissions expire on the birthday of the notary.

5. Nationally, fees for notary publics vary widely. Many states require payment for initial and renewal applications, but some states (such as Utah and Nevada) additionally require payments for exams or training, some states (such as Georgia) have fees that vary by county, and some states (such as Arizona and Wisconsin) require a notaries to purchase a bond in addition to an application fee. In addition, notary terms vary widely by state. According to the National Notary Association, Louisiana is the only state that commissions all notaries for life.

6. According to the National Conference of State Legislatures, Wisconsin and Ohio are the only states that allow for permanent notary commission for attorneys. Given the similar attorney and non-attorney structures and geographic locations, Ohio may serve as a comparison for Wisconsin. Ohio currently charges a \$130 fee for an initial non-attorney notary application, and a \$75 fee for an initial attorney notary application. Non-attorney notaries must pay a \$45 renewal fee every five years. The initial Ohio fees are higher than the current and proposed Wisconsin non-attorney notary public fees and higher than the current, but lower than the proposed Wisconsin attorney notary public fee. Ohio's non-attorney notary term is also one year longer than the Wisconsin non-attorney term.

7. The bill would increase the non-attorney notary public application fee from \$20 to \$40

and increase the attorney notary public application fee from \$50 to \$100. These changes would first apply to applications filed and first take effect on the first day of the third month after publication of the bill. Under the bill, the notary fee increases are estimated to increase revenue by \$223,200 in 2021-22 and by \$297,600 in 2022-23. In total, the \$520,800 in revenue would be deposited into the Department's general program operations appropriation and would transfer to the general fund at the close of the fiscal year.

8. The bill's revenue estimate of \$223,200 in 2021-22 and \$297,600 in 2022-23 and annually thereafter was based on calendar year 2019 filings (2020 had slightly fewer filings) and assumes that the fee would be paid for 14,130 four-year notaries and 300 permanent notaries. In addition, the 2021-22 estimate reflects nine months of projected revenues to reflect the delayed effective date of the changes under the bill. [Alternative 1]

9. The Committee could also opt to increase the application fees by amounts other than the proposed \$20 and \$50 increases. For example, reducing the bill's proposal by 50% would increase the four-year notary fee by \$10 instead of \$20 and would increase the permanent notary fee by \$25 instead of \$50. This would result in an estimated revenue increase of \$111,600 in 2021-22 and \$148,800 in 2022-23 and annually thereafter. Similarly, increasing the proposal by an additional 50% (for a total increase of 150%) would increase the four-year notary fee by \$30 instead of \$20 and would increase the permanent notary fee by \$75 instead of \$50. This would result in an estimated revenue increase of \$334,800 in 2021-22 and \$446,600 in 2022-23. Either of these alternatives would make the four-year notary fee amount consistent with fee-per-year ranges imposed by other states (for example, Minnesota would still be higher at \$24 per year, and Michigan would still be lower at \$1.67 per year). [Alternatives 2a. and 2b.]

<u>Percent Change</u>	<u>Notary Fee Type</u>	<u>Increase Fees by</u>	<u>Increase Fees to</u>	<u>Estimated Revenue</u>	
				<u>2021-22</u>	<u>2022-23</u>
50%	Four-Year	\$10	\$30	\$105,975	\$141,300
	Permanent	\$25	\$75	<u>5,625</u>	<u>7,500</u>
Total				\$111,600	\$148,800
150%	Four-Year	\$30	\$50	\$317,925	\$423,900
	Permanent	\$75	\$125	<u>16,875</u>	<u>22,500</u>
Total				\$334,800	\$446,400

10. The Committee could also maintain the notary fees under current law (\$20 for four-year, non-attorney notaries and \$50 for permanent, attorney notaries). This alternative would not provide any increase in revenue for the Department or increase the transfer to the general fund. No fee increases were identified in DFI's 2021-23 agency budget request. [Alternative 3]

ALTERNATIVES

1. Increase the four-year notary public application fee from \$20 to \$40 and increase the permanent notary public application fee from \$50 to \$100. Modify statutes in accordance with these changes. This alternative would increase the current notary fees by 100% and would increase revenue by an estimated \$223,200 in 2021-22 and by an estimated \$297,600 in 2022-23 and annually

thereafter.

ALT 1	Change to Base
PR-REV	\$520,800
GPR-REV	\$520,800

2. Adopt one of the notary public fee increases specified below (2a. would increase notary fees 50% and 2b. would increase notary fees by 150%). Modify statutes in accordance with these changes.

a. Increase fees by 50% from current law (increase the four-year notary fee by \$10 (for a total fee of \$30) and increase the permanent notary fee by \$25 (for a total fee of \$75)). This alternative would increase revenue by \$111,600 in 2021-22 and \$148,800 in 2022-23 and annually thereafter.

ALT 2a	Change to Base
PR-REV	\$260,400
GPR-REV	\$260,400

b. Increase fees by 150% from current law (increase the four-year notary fee by \$30 (for a total fee of \$50) and increase the permanent notary fee by \$75 (for a total fee of \$125)). This alternative would increase revenue by \$334,800 in 2021-22 and \$446,400 in 2022-23 and annually thereafter.

ALT 2b	Change to Base
PR-REV	\$781,200
GPR-REV	\$781,200

3. Take no action.

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