

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 16, 2025

TO: Honorable Jeff Leach, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3704 by Anchía (relating to notaries public; creating a criminal offense; authorizing a fee.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB3704, Committee Report 1st House, Substituted: a negative impact of (\$1,600,346) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$1,032,113)
2027	(\$568,233)
2028	(\$568,233)
2029	(\$568,233)
2030	(\$568,233)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>	Probable Savings/(Cost) from <i>Appropriated Receipts 666</i>	Probable Revenue Gain/(Loss) from <i>Appropriated Receipts 666</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,032,113)	(\$186,237)	\$186,237	10.0
2027	(\$568,233)	(\$170,267)	\$170,267	10.0
2028	(\$568,233)	(\$170,267)	\$170,267	10.0
2029	(\$568,233)	(\$170,267)	\$170,267	10.0
2030	(\$568,233)	(\$170,267)	\$170,267	10.0

Fiscal Analysis

This bill would amend the Government Code related to notaries public commissioned by the Secretary of State (SOS) to require an individual to complete certain education requirements to be qualified to become a notary public. The bill would establish the Class A misdemeanor offense of performing a notarization with knowledge that the signer for whom the notarization is performed did not personally appear before the notary, with an enhancement to a state jail felony if that notarization involved the transfer of real property.

Methodology

According to SOS, there are over 500,000 commissioned notaries public in Texas and the agency estimates that it processes an average of 130,000 traditional notary applications and 2,500 online notary applications each year. The SOS also estimates that the agency investigates over 250 notary complaints each year.

The bill would require all commissioned notaries to receive up to two hours of training in order to be appointed or reappointed as a notary public. The SOS anticipates providing this newly required training online, with an expected development cost of \$400,000.

According to the SOS, an anticipated increase in phone calls and e-mails related to the new education requirement would require 5 Program Specialists I positions (\$53,723 per year) and 1 Program Specialist II position (\$58,288 per year). Also according to SOS, anticipated increases in enforcement related to the new criminal offense would require 2 additional Investigator III positions (\$51,024 per year). Associated benefits and other expenses for these 8 FTEs would be \$139,282 per year, with an additional \$63,880 in startup costs in fiscal year 2026.

The bill establishes that only SOS may offer notary education and authorizes the agency to charge a reasonable fee for providing this service. According to SOS, this education requirement would require one E-Learning Developer I (\$70,662 per year) and one Training and Development Specialist III (\$58,288 per year). Associated benefits and other expenses for these 2 FTEs would be \$41,317 per year, with an additional \$15,970 in startup costs in fiscal year 2026. It is assumed that the SOS would establish a fee sufficient to cover the cost of the two education positions as Appropriated Receipts to the agency for this purpose.

According to the Office of Court Administration, no significant impact to the state court system is anticipated.

It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

Technology

To implement the bill's notary public education requirements, the SOS would establish a Learning Management System (LMS) integrated with the agency's current platforms. SOS estimates this development would take one month for discovery of an application to fulfill the requirements of the bill and associated rulemaking, and another month to support the functionality of the new system. The SOS estimates an anticipated cost of \$200,000 per month for these tasks, with a total estimated cost to deploy the LMS of \$400,000 in fiscal year 2026.

Local Government Impact

It is assumed that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement would not be significant.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 307 Secretary of State

LBB Staff: JMc, KDw, LCO, GP, NV, MGol