

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB316S1

Patron: Hackworth

Bill Title: Notarization, filing, & recordation of certain land records; duties of notary or settlement agent.

Bill Summary: This substitute removes personal knowledge of identity from the methods by which a notary public, electronic notary public, or other person authorized by law to perform a notarial act may identify an individual for purposes of performing a notarial act such as acknowledgement or affirmation. Under current law, the identity of an individual for such purpose may be established if such individual is personally known to the person performing the notarial act or by a presentation of satisfactory evidence of identity, as defined by law. The bill also adds a requirement that, within the six months immediately preceding the submission of his application, a person applying for commission to be a notary public or electronic notary public, or an existing notary public or electronic notary public applying for recommission, complete a course of instruction developed and approved by the Secretary of the Commonwealth. The bill specifies that one hour of such course of instruction shall be on the topic of real estate fraud and financial exploitation of elderly persons and shall include training on current trends on such topics and on recognizing instances of such fraud or financial exploitation. The bill directs the Secretary of the Commonwealth to develop the curricula for such courses of instruction by January 1, 2027, and has a delayed effective date of July 1, 2027, for those provisions related to the requirement that applicants for commission and recommission complete and present proof of completion of such courses of instruction.

The bill also requires any clerk of a circuit court that has established a network or system of electronic filing of land records also establish a property alert notification system for owners of real property within the circuit court's jurisdiction. The bill provides that an owner who enrolls his real property into such property alert notification system may do so at no cost and that such system shall send notifications to such owner when documents affecting or purporting to affect the enrolled property are filed with the clerk's office. The provisions related to the establishment of the property alert notification system have a delayed effective date of July 1, 2027.

Finally, the bill requires notaries public to keep a record of all notarial acts occurring on or after July 1, 2026, and to include in such record the form of satisfactory evidence of identification used to verify the identity of the principal and credible witnesses. Similarly, the bill requires settlement agents responsible for recording deeds, deeds of trust, or other documents relating to land records to obtain satisfactory evidence of identity of a seller of real property prior to settlement.

Budget Amendment Necessary: Yes

Items Impacted: 31 and 56

Explanation: See fiscal analysis

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Fiscal Summary: The Office of the Executive Secretary (OES) currently maintains a system that allows multiple circuit courts to electronically file land records. If this legislation is implemented, the current system would need to be updated at a one-time cost of \$397,614. In addition, the Secretary of the Commonwealth (SOC) indicates that an additional staff member would be required at a cost of \$110,392 to develop, maintain, and administer necessary curriculum.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
Supreme Court		\$397,614				
Secretary of the Commonwealth	\$18,399	\$110,392	\$110,392	\$110,392	\$110,392	\$110,392
TOTAL		\$508,006	\$110,392	\$110,392	\$110,392	\$110,392

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
Secretary of the Commonwealth		1.0	1.0	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0	1.0	1.0

Fiscal Analysis:

This legislation would require circuit courts that have electronic filing of land records to establish a property alert notification system. The system is required to notify the individuals who enroll when any document describing, affecting, or purporting to affect the property is filed, and include the nature of the document recorded along with the address or tax identification number. Multiple circuit courts offer the electronic filing of land records via a system maintained by the Office of the Executive Secretary (OES). OES is currently piloting a notification system that notifies enrollees if a document is filed; however, the notification is based on the names provided within the filing and not based on the identity of the property. If this legislation is implemented, the system would need to be updated to require the Tax Identification Number to be required for specified instrument types and include matching capabilities to allow for notifications to be sent based on synonymous entries within filings. The estimated cost for all the necessary system upgrades is \$397,614.

The Secretary of the Commonwealth (SOC) indicates that an additional staff member would be required at a cost of \$110,392 to develop, maintain, and administer necessary curriculum. According to the Secretary of the Commonwealth, since the curricula is due by January 1, 2027, the recruitment of the additional staff member would begin in FY2026 at an estimated cost of \$18,399.

Any impact on the Circuit Court Clerks is unknown at this time. This fiscal impact statement may be updated if additional information is provided by the Compensation Board.

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Other: Related to HB163H1.