Adam C. Proffitt, Director



Phone: (785) 296-2436 adam.c.proffitt@ks.gov http://budget.kansas.gov

Laura Kelly, Governor

March 4, 2025

The Honorable Susan Humphries, Chairperson House Committee on Judiciary 300 SW 10th Avenue, Room 582-N Topeka, Kansas 66612

Dear Representative Humphries:

SUBJECT: Fiscal Note for HB 2309 by House Committee on Legislative Modernization

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2309 is respectfully submitted to your committee.

HB 2309 would require a biometric antifraud system to implement an authentication process for confirming the identity of a notary public witnessing a signature and obtaining identification information of the signer of the document utilizing the most current available technology. The bill would make the submission of 3D biometric information as required by a biometric antifraud system a condition of being granted authority to notarize signatures for real estate documents beginning December 31, 2026. 3D biometric information would mean a digital record of an individual's facial features obtained via an internet of things-based camera system utilizing 3D liveness detection and other technologies. Under current law, the Secretary of State approves applications to become a notary public. The bill would allow notaries public that elect to provide biometric information to charge a reasonable fee as approved by the Secretary of State. The bill would specify the capabilities and the components of the system. Each notary public in collaboration with the Secretary of State and the Office of Information Technology Services would ensure on an ongoing basis that the system used current technology and security provisions to protect real estate documents and personal identification information.

Beginning December 31, 2026, banks, private entities, and counties would be required to use the biometric antifraud system as a condition of recording real estate documents with the Register of Deeds. The Secretary of State would approve any systems used by the notary public for recording real estate documents with the Register to ensure functionality across all counties. Beginning December 31, 2026, no real estate document could be accepted by the Register without authentication through the biometric antifraud system. If the Register suspects a real estate

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document is fraudulent and is unable to verify the authenticity of the document, the Register may notify the notary public or person that signed the document that the document has been rejected for recording. The Register would then notify the appropriate law enforcement agency.

The Secretary of State estimates HB 2309 could increase the agency's fee fund expenditures in FY 2026 by \$2.5 million to \$5.0 million to select a vendor through the Request-for-Proposal process for a biometric antifraud system. The agency estimates ongoing expenditures of \$500,000 from its fee funds beginning in FY 2027 for maintenance of the system and maintaining a repository for the information, including documents created by the proposed notary system.

The Office of Information Technology Services, the Office of Attorney General, and the Office of Judicial Administration state the bill would have no fiscal effect on agency operations. Any fiscal effect associated with HB 2309 is not reflected in *The FY 2026 Governor's Budget Report*.

The Kansas Association of Counties states HB 2309 could increase costs to counties if counties would be required to purchase new software; however, the Association is unable to estimate a precise fiscal effect of the bill. The League of Kansas Municipalities indicates that municipalities would be required to develop and implement new procedures related to an authentication process for notarizing real estate documents. The additional duties would require additional time and training for city officials which would increase costs. The League is unable to estimate a precise fiscal effect of the bill.

Sincerely,

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Adam C. Proffitt Director of the Budget

cc: Sandy Tompkins, Office of the Secretary of State Brian Reiter, Office of Information Technology Services Jay Hall, Kansas Association of Counties Matt Bingesser, Office of the Attorney General Wendi Stark, League of Kansas Municipalities Trisha Morrow, Judiciary Paul Weisgerber, Kansas Bureau of Investigation