

Secretary of State Annual Report 2011-2013

Chapter One

Constitutional, Statutory, and Legislative Authority

The origin of the Secretary of State's office begins prior to North Dakota's admittance to the union as a state on November 2, 1889. On March 2, 1861, the Congress of the United States adopted The Organic Law, which established the Territory of Dakota. Section three of that law prescribed there would be a secretary of the territory. The term of office was four years, unless sooner removed by the President of the United States. The duties of the secretary were to record and preserve all the laws and proceedings of the legislative assembly, the acts and proceedings of the Governor, and many other duties, which are very similar to those mandated in present day law to the Secretary of State.

The office, as known today, was established in Article V, Section 12, of the Constitution of North Dakota when the state's citizens adopted it on October 1, 1889. In that election, 35,548 electors cast their ballot, with 27,441 voters (77%) voting in favor of its adoption and 8,107 voters (23%) opposed.

Presently, the office of Secretary of State is authorized in Article V, Section 2, of the North Dakota Constitution (as amended by the voters June 11, 1996, and as amended by the voters June 13, 2000). The duties of the Secretary of State are defined in various parts of the state's constitution, in numerous state statutes, and within the agency's administrative rules.

In the state's constitution, the duties of the Secretary of State appear in Article III, related to the initiative and referral powers of the people; Article IV, Section 12, related to selecting the elected person by a toss of a coin if two or more legislative candidates have an equal and highest number of votes; Article IV, Section 13, related to the filing of legislative bills; Article V, Section 5, related to the term of office for the Secretary of State; Article V, Section 11, related to succession in the event of a vacancy in the office of Governor and Lieutenant Governor; Article IX, Section 3, related to membership on the Board of University and School Lands; and Article X, Section 17, related to the certificates regarding bonds or evidence of indebtedness on the part of the state.

In the North Dakota Century Code (state law), the general duties of the Secretary of State are established in Chapter 54-09; in Title 10 as they pertain to various business structures, e.g., registered agents, corporate and limited liability company farming, electric cooperative corporations, cooperative associations, business corporations, development corporations, venture capital corporations, community development corporations, professional organizations, limited liability companies, nonprofit corporations, real estate investment trusts, and publicly traded corporations; in Title 16.1 as they relate to elections; in Title 35 as they relate to liens, e.g., agister's, agricultural processor's, and agricultural supplier's; in Title 41 as they relate to the uniform commercial code; in Chapter 43-07 related to contractors; in Chapter 43-54 related to home inspectors; in Chapter 43-55 related to professional employer organizations; in Title 45 as they pertain to general partnerships, limited partnerships, limited liability partnerships, and limited liability limited partnerships; in Chapter 50-22 related to charitable solicitation; in Chapter 53-01 related to commissioner of combative sports, i.e., boxing and mixed fighting styles; in Chapter 54-02-01 related to the state's Great Seal; in Chapter 54-05.1 related to lobbying of the legislature and Governor; and in various other sections related to miscellaneous duties.

Under both the provisions of the Constitution and the North Dakota Century Code, the Secretary of State serves on the following boards, commissions, and advisory committees:

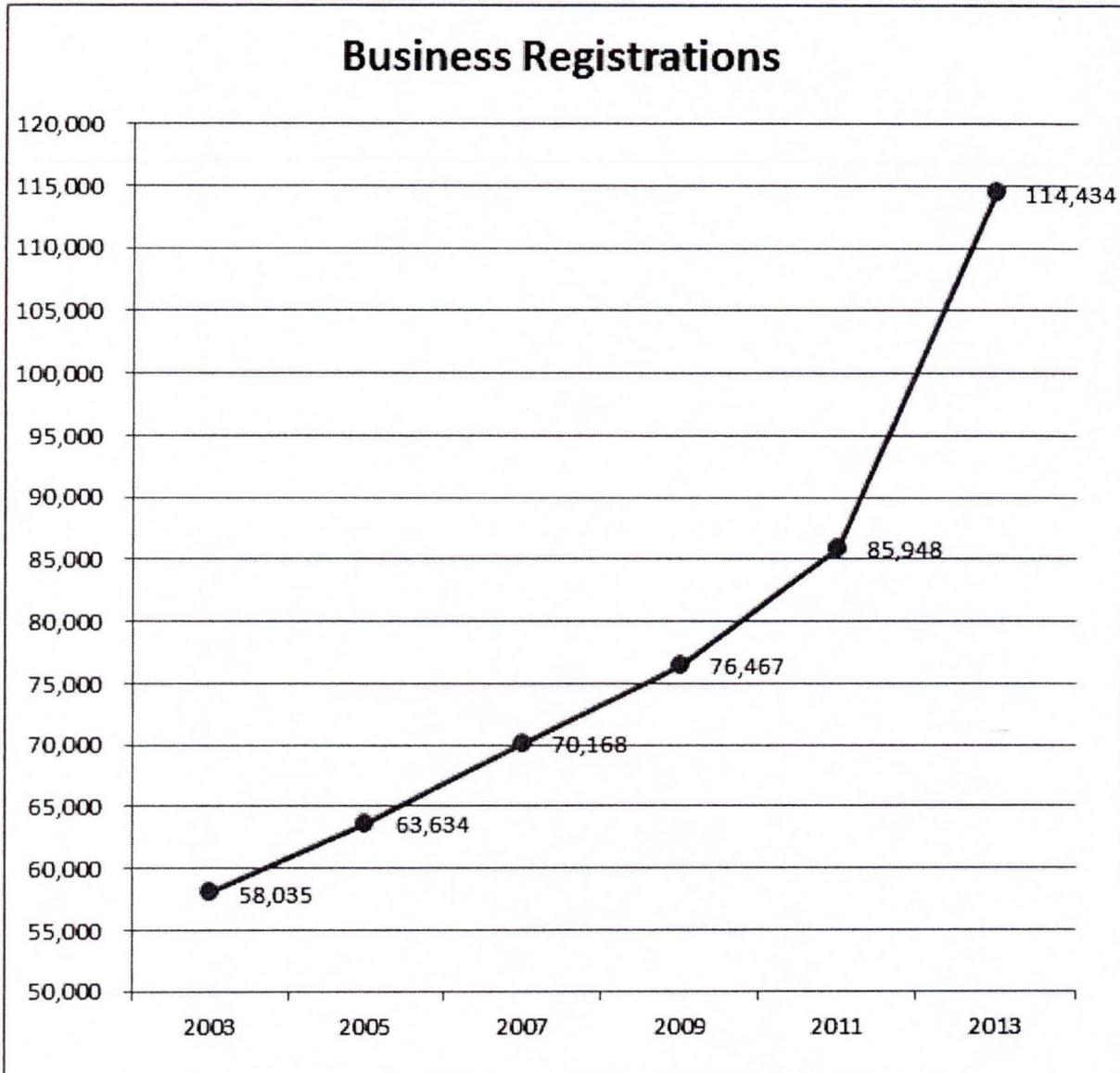
Board of University and School Lands (North Dakota Constitution, Article IX, Section 3)

Emergency Commission (also serves as secretary of the commission) (N.D.C.C. § 54-16-01)

State Historical Board (N.D.C.C. § 55-01-01)

State Canvassing Board (N.D.C.C. § 16.1-15-33)

Theodore Roosevelt Rough Rider Award (N.D.C.C. § 54-02-07)



Summary

- From June 30, 2011 to June 30, 2013, business registrations increased by 28,486 or 33.1%
- From June 30, 2009 to June 30, 2011, business registrations increased by 9,481 or 12.4%
- Combined increase from June 30, 2009 to June 30, 2013 was 37,967 or 44.0%

Business Registrations

	<u>2003</u>	<u>2005</u>	<u>2007</u>	<u>2009</u>	<u>2011</u>	<u>2013</u>
Domestic Churches	1,419	1,388	1,372	1,361	1,356	1,435
Domestic Cooperatives	376	354	325	318	261	399
Domestic Credit Unions	40	39	36	34	29	26
Domestic Farm	665	688	703	712	756	837
Domestic Farm LLC	60	76	94	131	190	270
Domestic For Profit Corporations	12,284	12,849	13,211	13,283	13,330	13,785
Domestic LLC*	2,220	3,362	4,833	6,818	9,732	16,783
Domestic LLP	1,416	1,767	2,092	2,536	2,764	3,097
Domestic Nonprofit Corporations	5,610	5,721	5,795	5,925	6,072	6,297
Domestic Professional Corporations	756	825	876	945	971	1,169
Domestic Professional LLC	19	35	65	98	138	221
Domestic Professional LLP	20	20	25	26	22	19
Domestic State Banks	89	84	82	79	77	75
Foreign Cooperatives	73	71	70	75	73	95
Foreign For Profit Corporations*	10,764	11,304	11,903	11,815	14,072	23,694
Foreign LLC*	1,497	2,049	2,975	3,917	5,311	10,010
Foreign LLP	49	42	44	22	76	94
Foreign Nonprofit Corporations	1,145	1,371	1,716	2,005	2,310	3,070
Foreign Professional LLC	4	9	10	25	33	81
Foreign Professional LLP	9	9	9	14	15	14
Limited Liability Limited Partnerships	309	384	452	672	774	1,017
Limited Partnerships	1,528	1,374	1,332	1,580	1,602	1,690
Partnership Fictitious Names	1,543	1,654	1,760	1,774	1,777	1,945
Trade Names	14,686	16,666	18,877	20,797	22,749	26,851
Trademarks	1,454	1,493	1,511	1,505	1,458	1,460
Business Registration/Information Totals:	58,035	63,634	70,168	76,467	85,948	114,434

*Summary of Notable Increases

Domestic LLC

- From June 30, 2011 to June 30, 2013, registrations increased by 7,051 or 72.5%
- From June 30, 2009 to June 30, 2011, registrations increased by 2,914 or 42.7%
- Combined increase from June 30, 2009 to June 30, 2013 increased by 9,965 or 146.2%

Foreign LLC

- From June 30, 2011 to June 30, 2013, registrations increased by 4,699 or 88.5%
- From June 30, 2009 to June 30, 2011, registrations increased by 1,394 or 35.5%
- Combined increase from June 30, 2009 to June 30, 2013 increased by 6,093 or 155.6%

Foreign For Profit Corporations

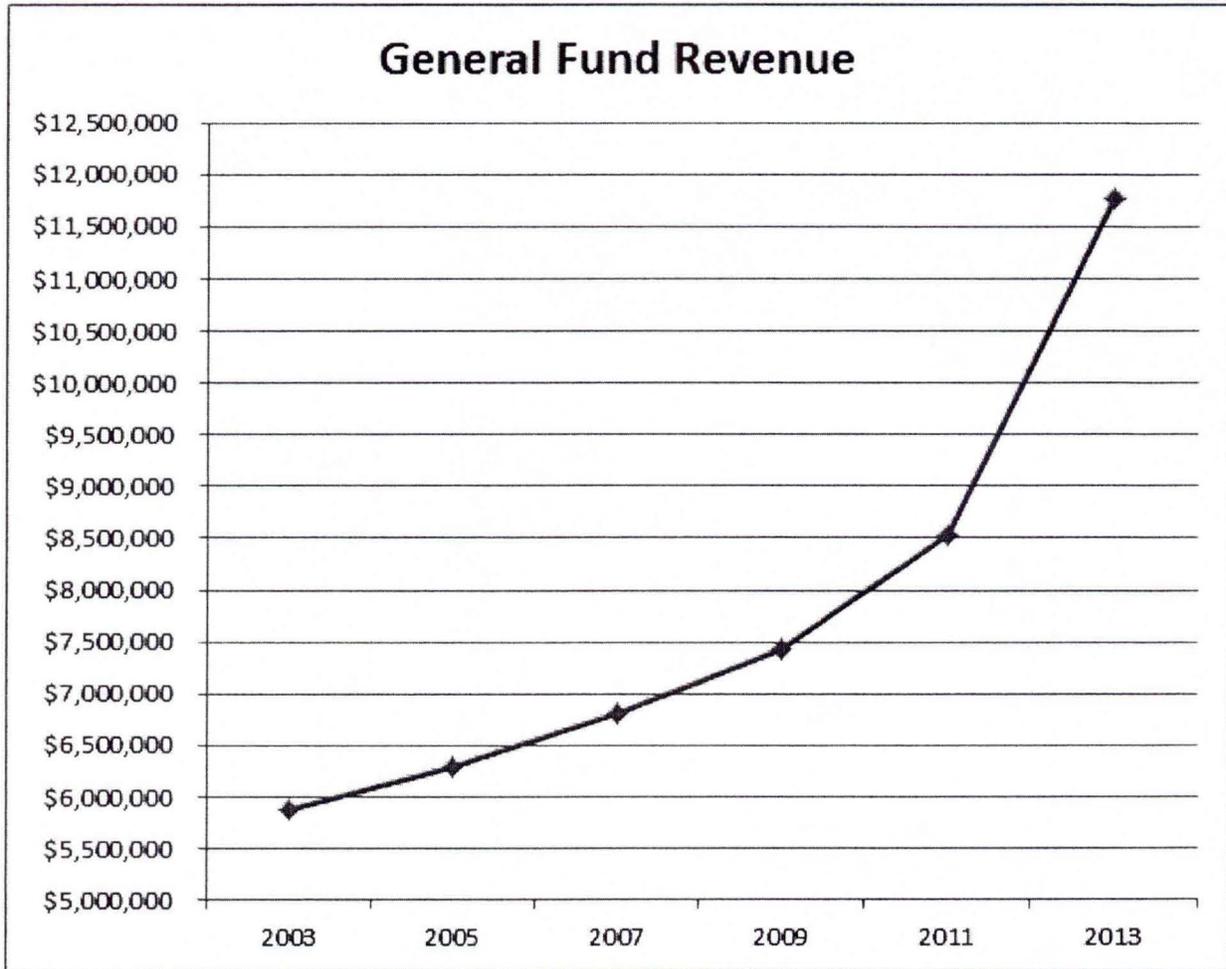
- From June 30, 2011 to June 30, 2013, registrations increased by 9,622 or 68.4%
- From June 30, 2009 to June 30, 2011, registrations increased by 2,257 or 19.1%
- Combined increase from June 30, 2009 to June 30, 2013 increased by 11,879 or 100.5%

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Summary

- From June 30, 2011 to June 30, 2013, the number of contractors licensed increased by 2,877 or 32.6%
- From June 30, 2009 to June 30, 2011, the number of contractors licensed increased by 1,458 or 19.8%
- Combined increase from June 30, 2009 to June 30, 2013 was 4,335 or 58.9%

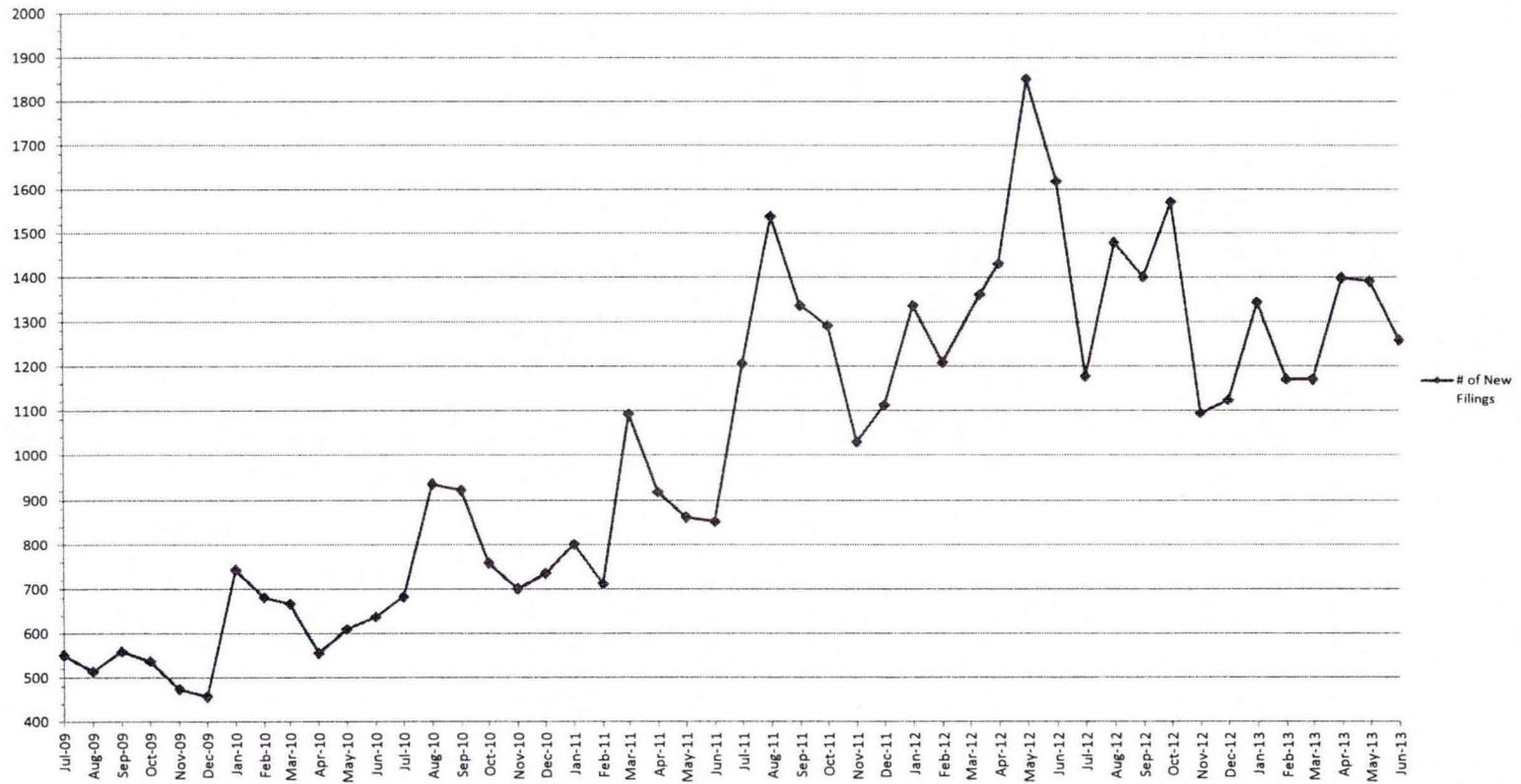


Summary

- From June 30, 2011 to June 30, 2013, the general fund revenue increased by \$3,294,673 or 38.0%
- From June 30, 2009 to June 30, 2011, the general fund revenue increased by \$1,097,317 or 14.8%
- Combined increase from June 30, 2009 to June 30, 2013 was \$4,341,990 or 58.4%

Months	# of New Filings
Jul-09	551
Aug-09	514
Sep-09	559
Oct-09	537
Nov-09	474
Dec-09	457
Jan-10	744
Feb-10	681
Mar-10	667
Apr-10	555
May-10	610
Jun-10	638
Jul-10	683
Aug-10	937
Sep-10	923
Oct-10	759
Nov-10	701
Dec-10	736
Jan-11	801
Feb-11	713
Mar-11	1092
Apr-11	919
May-11	862
Jun-11	853
Jul-11	1206
Aug-11	1539
Sep-11	1336
Oct-11	1291
Nov-11	1030
Dec-11	1113
Jan-12	1336
Feb-12	1208
Mar-12	1361
Apr-12	1431
May-12	1851
Jun-12	1619
Jul-12	1177
Aug-12	1479
Sep-12	1401
Oct-12	1571
Nov-12	1094
Dec-12	1124
Jan-13	1343
Feb-13	1170
Mar-13	1170
Apr-13	1399
May-13	1392
Jun-13	1258

Secretary of State - # of New Filings per Month



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