

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2002

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Cheresea J. Bee
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10-14-03
Date

2003 SENATE APPROPRIATIONS

SB 2002

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Cheropa G. Lee
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10-14-03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

Senate Appropriations Committee

Conference Committee

Hearing Date *Click here to type Hearing Date*

Tape Number	Side A	Side B	Meter #
1	X		800-3616

Committee Clerk Signature *Sandra Davison*

Minutes: Chairman Holmberg opened the hearing to SB 2002. (Meter # 820) Secretary of State Al Jaeger: Stated he is not requesting any additional funds that were not included in the governor's recommendations. See written testimony Exhibit #1 and Exhibit 2 (Draft Emergency Clause). (Meter #2340) Chairman Holmberg: Asked Al Jaeger to have Roxanne review and put it in the language, the drafting language for line 15 on the bill (Election reform). (Meter #3616)
Chairman Holmberg closed the hearing on SB 2002.

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Cherisea J. Bee
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10-14-03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002 vote

Senate Appropriations Committee

Conference Committee

Hearing Date 2-12-03

Tape Number	Side A	Side B	Meter #
3	X		400-675

Committee Clerk Signature *Sandra Davison*

Minutes: Chairman Holmberg opened the hearing to the voting of SB 2002. (Meter 440) Senator Andrist proposed amendments (38025.0101). (Meter 423) Senator Andrist moved to pass the amendment and Senator Thane seconded. (Meter 440) Senator Krauter: A clarification on the footnote, no. 1 , some of the state agencies do not have the same language, we are trying to be consistent aren't we? (Meter 493) Chairman Holmberg referred to Roxanne who stated all amendments prepared by Legislative Council, they adjust them to statute. (Meter 590) A voice vote passed the amendment. (Meter 607) Senator Andrist moved a DO PASS as AMENDED and Senator Kilzer seconded. A roll call vote concluded with 12 yeas, 0 nays, 2 absent. Chairman Holmberg assigned Senator Andrist to carry. Closed at Meter 675.

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Yherosa J. Bee
Operator's Signature

10-14-03
Date

FISCAL NOTE
 Requested by Legislative Council
 02/14/2003

Amendment to: SB 2002

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$133,731	\$0	\$136,036	\$0	\$0	\$0
Appropriations	\$133,731	\$0	\$136,036	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

The amount listed in 1A, for the 2001-2003 biennium, is the salary, as established by law, paid to the Secretary of State during the biennium. It does not include any benefits. The amount listed in 1A, for the 2003-2005 biennium, is the salary for the Secretary of State as proposed in SB 2002 as passed by the Senate. It also does not include any benefits. The appropriation for the Secretary of State's salary are included in the salary and wages line item of the agency's budget.

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Not applicable.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Explained in narrative.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Explained in narrative

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-2900	Date Prepared:	02/17/2003

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Cheresea W. Bee
 Operator's Signature

10-14-03
 Date

FISCAL NOTE
 Requested by Legislative Council
 12/24/2002

Bill/Resolution No.: SB 2002

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$133,731	\$0	\$137,740	\$0	\$0	\$0
Appropriations	\$133,731	\$0	\$137,740	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The amount listed in 1A, for the 2001-2003 biennium, is the salary, as established by law, paid to the Secretary of State during the biennium. It does not include any benefits. The amount listed in 1A, for the 2003-2005 biennium, is the salary for the Secretary of State as proposed in the budget submitted for the legislature's consideration by the Governor. It also does not include any benefits. The appropriation for the Secretary of State's salary are included in the salary and wages line item of the agency's budget.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Not applicable.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Explained in narrative.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Explained in narrative

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Yherosa G. Lee
 Operator's Signature

10-14-03
 Date

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-2900	Date Prepared:	12/30/2002

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Cheresea A. Bee
Operator's Signature

10-14-03
Date

38025.0101
Title.0200
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Andrist
February 12, 2003

*2-12-03
1 of 2*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2002

Page 1, line 2, replace "; and to amend and reenact section 54-09-05 of the North" with a period

Page 1, remove line 3

Page 1, line 12, replace "2,178,282" with "2,156,301"

Page 1, line 14, replace "12,000" with "8,000"

Page 1, line 16, replace "9,302,779" with "9,276,798"

Page 1, line 18, replace "3,902,866" with "3,876,885"

Page 1, line 23, replace "4,238,866" with "4,212,885"

Page 2, line 2, replace "9,638,779" with "9,612,798"

Page 2, remove lines 3 through 9

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Secretary of State			
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913		5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
Public Printing			
Total all funds	\$338,000	\$0	\$338,000
Less estimated income			
General fund	\$338,000	\$0	\$338,000
Bill Total			
Total all funds	\$9,638,779	(\$25,981)	\$9,612,798
Less estimated income	5,399,913		5,399,913
General fund	\$4,238,866	(\$25,981)	\$4,212,885

Senate Bill No. 2002 - Secretary of State - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,178,282	(\$21,981)	\$2,156,301
Operating expenses	2,112,497		2,112,497
Petition review	12,000	(4,000)	8,000
Election reform	5,000,000		5,000,000
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913		5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
FTE	26.00	0.00	26.00

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Yvonne A. Lee
Operator's Signature

10-14-03
Date

2 of 2

Dept. 108 - Secretary of State - Detail of Senate Changes

	REMOVES RECOMMENDED SALARY INCREASE 1	REDUCES FUNDING FOR PETITION REVIEW	TOTAL SENATE CHANGES
Salaries and wages	(\$21,981)		(\$21,981)
Operating expenses			
Petition review		(\$4,000)	(4,000)
Election reform			
Total all funds	(\$21,981)	(\$4,000)	(\$25,981)
Less estimated income			
General fund	(\$21,981)	(\$4,000)	(\$25,981)
FTE	0.00	0.00	0.00

1 This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance premiums. Section 2 of the bill is removed which included the statutory changes relating to the Secretary of State's salary increase. The Secretary of State's salary will remain at the current level of \$88,018 per year.

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Yuberaca d. Free
Operator's Signature

10-14-03
Date

Amendments
Voice vote

2002

Date:
Roll Call Vote #:

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025.0101

Action Taken DO PASS

Motion Made By Andrist Seconded By Kilzer

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Andrist

If the vote is on an amendment, briefly indicate intent:

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Cheresea J. Bee
Operator's Signature

10-14-03
Date

REPORT OF STANDING COMMITTEE (410)
February 13, 2003 8:39 a.m.

Module No: SR-28-2523
Carrier: Andrist
Insert LC: 38025.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2002: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2002 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "; and to amend and reenact section 54-09-05 of the North" with a period

Page 1, remove line 3

Page 1, line 12, replace "2,178,282" with "2,156,301"

Page 1, line 14, replace "12,000" with "8,000"

Page 1, line 16, replace "9,302,779" with "9,276,798"

Page 1, line 18, replace "3,902,866" with "3,876,885"

Page 1, line 23, replace "4,238,866" with "4,212,885"

Page 2, line 2, replace "9,638,779" with "9,612,798"

Page 2, remove lines 3 through 9

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Secretary of State			
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913		5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
Public Printing			
Total all funds	\$336,000	\$0	\$336,000
Less estimated income			
General fund	\$336,000	\$0	\$336,000
Bill Total			
Total all funds	\$9,638,779	(\$25,981)	\$9,612,798
Less estimated income	5,399,913		5,399,913
General fund	\$4,238,866	(\$25,981)	\$4,212,885

Senate Bill No. 2002 - Secretary of State - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,178,282	(\$21,981)	\$2,156,301
Operating expenses	2,112,497		2,112,497
Petition review	12,000	(4,000)	8,000
Election reform	5,000,000		5,000,000
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913		5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885

(2) DESK, (3) COMM

Page No. 1

SR-28-2523

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Cherisea J. Lee
Operator's Signature

10-14-03
Date

2003 HOUSE APPROPRIATIONS

SB 2002

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Cheresa J. Lee
Operator's Signature

10-11-03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date March 5, 2003

Tape Number	Side A	Side B	Meter #
1	xx	xx	
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: **Secretary of State, Al Jaeger** shared written testimony in support of SB 2002. His departments projected turn back is \$175,000. He shared the new Federal Program, Handicap Assessable Voting Amendment (HAVA) The minimum each state will be receiving \$5M, we are currently eligible for \$9,150,000. A handicapped machine is currently \$2500-\$3000 to interface with the current system, an additional \$10,000 per machine will be needed. There are 6066 precincts in ND. Interest received from the principal is federally mandated to be directed to election reform. There is also a mandate to educate voters.

Rep. Thoreson commented this bill is quite comprehensive,

Sec. Al Jaeger responded the punch card machines have to be bought our. \$207,000 would need to be placed in account for our "federal 5% match" for election reform. Our department needs an emergency clause to establish this account by May 1, 2003 in order to receive the federal funding. These funds can also be carried over. This will also be a role change in the local

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Theresa A. Lee
Operator's Signature

10-14-03
Date

Page 2

Government Operations Division

Bill/Resolution Number *Click here to type bill number*

Hearing Date *Click here to type Hearing Date*

election process and the Secretary of State's office. This also needs to be addressed. The budget be presented does not include the \$207,000 needed to match the HAVA federal funding. His department will work with the subcommittee to establish the means to establish this fund. He shared the bill is not specific regarding administrative costs.

Hearing no further testimony, the chairman closed the hearing.

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10-14-03
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
I	XX		
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Committee Work, Roll was taken with all committee members present.

Secretary of State, Al Jaeger, informed the committee of federal funding that will be made available to the state through the HABA program. (voting reform) 1 FTE will be fully funded by HABA, this will be a clerical position.

Rep. Koppelman asked if some of the HABA funding could be used for salaries with in the office, when doing the tasks required by HABA.

Al Jaeger, we would be taking only \$15,000

Chairman Calisle commented, "We've seen many budget adjustments by \$1,000 and \$1,500. \$15,000 would be appropriate. He also asked if the Senate had been the money coming in with this program. (5M initial with an additional \$4M to come with matching funds)

Al Jaeger I've been to Washington since the senate reviewed this budget. I wasn't as updated until now. Federal money is coming as soon as May. We will need the consultant ASAP, and

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10-14-03
Date

Page 2
Government Operations Division
Bill/Resolution Number SB 2002
Hearing Date March 14, 2003

the clerical staff soon to follow. I have spoke with many counties regarding the 5% match, some idea were discussed, their boards have "blessed" the idea. This idea would have the state contribute 2.5% and the county 2.5%. The counties response was extremely favorable. We met with 30 auditors. The Federal program puts the accountability on the state. In response to a question from **Rep. Timm** the counties will not be burdened by this, the bulk will come from the HABA funding.

Chairman Carlisle recommended a amendment be drafted that will allow for the language necessary for the funding.

Rep. Warner asked if the counties will contribute based on population or a county basis.

Secretary of State, Al Jaeger That has yet to be determined.

Secretary of State, Al Jaeger The budget before you now is ok, the election reform line is in need of an emergency clause. An amendment will be drafted reflecting the necessary changes.

In lieu of the turn back of \$105,000 he would like to use the turn back for the states portion of the match needed for HABA.

Corey Fong, Chief Elections Officer the match is needed for only what is spent.

Rep. Kroeber would wording be necessary for counties contributions?

OMB the reporting process would cover that

Corey Fong the direction would also be gained from the Election Reform Act., A state plan would designate the funding sources.

Rep. Belter introduced Proposed Amendment 38025.0201 regarding limited partnerships. His amendment in introduced due to the filing fee's that have transpired. The law was changed in 1999 and the fees increased,

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10-14-03
Date

Page 3
Government Operations Division
Bill/Resolution Number SB 2002
Hearing Date March 14, 2003

Chairman Carlisle asked about a fiscal note, (Secretary of State will provide one)

Rep. Kroeber This could effect all limited partnerships.

Secretary of State, Al Jaeger we do register many corporations, in 1999 the Legislature passed a bill which effected the limited partnership issue, they previously had no filing fee, the new legislation changed that. This amendment would be apply a different reporting standard for limited partnerships. He will respond to the proposed amendment in written

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Yherosa J. Lee
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10-14-03
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date March 18, 2003

Tape Number	Side A	Side B	Meter #
1	XX	XX	

Committee Clerk Signature *Kelly Schmidt*

Minutes: Committee Work

Rep. Thoreson explained and reviewed the written response from the Secretary of State regarding the Belter Amendment.

Rep. Carlson as the response shows there are many reasons for not adopting the Belter Amendment.

Rep. Thoreson informed the committee an amendment is being drafted to establish an FTE for the HAPA and establishing the fund needed for the match. We are awaiting SB 2409 dealing with the Election Fund, this bill is pending and has a 2M fiscal note attached.

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10-14-03
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date March 24, 2003

Tape Number	Side A	Side B	Meter #
2	XX	XX	
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes: Committee Work

Rep. Thoreson shared an overview of HAVA funding and the response from the Sec. Of State.

Rep. Glassheim Noted the maintenance of effort clause (7) in the handout. He noted it does not maintain but is a comparative ending Nov. 2000 vs. 03-05 budget.

Rep. Koppelman agreed 1) The issue is the level of spending ending prior to Nov. 2000 and ending 6/30/00, 99-01 fiscal year 2) Contradicts the next paragraph the spending is since. I disagree with the Secretary of States interpretation. .

OMB In reference to the use of the federal funds and Corey's responsibilities. He is appointed, he cannot be charged to federal funds.

LC Budget documents don't identify the election activities. The Sec. Of State would have to identify those funds.

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Operator's Signature

10-14-03
Date

Rep. Warner Corey was previously a classified employee, he resigned to work with the Hoeven campaign and came back as an appointed position.

Rep. Koppelman commented a need to get together with an attorney and get a full understanding of the language.

Chairman Carlisle Rep. Thoreson, Glassheim and Koppelman will check into this and bring into full committee.

A Do Pass motion was made on amendment 38025.0201 by Rep. Carlson, second by Rep. Timm

Rep. Kroeber noted this amendment would create a dual fee schedule and increase general fund spending.

Rep. Timm noted Corporations have the same fee structure.

Rep. Skarphol even non-profits have to pay the same type of fee.

Roll Call Vote 1 yes 8 no 0 absent.....Motion Fails.

Rep. Thoreson moved a DO PASS on Amendment 38025.0204, second by Rep. Skarphol

Rep. Glassheim questioned if the statement of intent was included as needed for the HAVA funds.

Legislative council This is included in SB 2409, we're covered this allows for the \$105,000 carryover to be used for the state's part of the federal match 2.5% the remainder will be collected from the counties 2.5%.

Rep. Carlson commented the turn back should be reappropriated. This turnback has been used to anticipate the budget...I don't like the language.

Rep. Warner noted the fund has to be in place my May 1st, that's why the language is this way.

Page 3
Government Operations Division
Bill/Resolution Number SB 2002
Hearing Date March 24, 2003

ROLL CALL VOTE 8 yes 1 no.....MOTION CARRIES

A DO PASS AS AMENDED ON SB 2002, was made by Rep. Thoreson, second by Rep.

Skarphol, ROLL CALL VOTE 8 yes 1 noMotion Carries

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Cheresa D. Lee
Operator's Signature

10-14-03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

House Appropriations Committee

Conference Committee

Hearing Date 03-31-03

Tape Number	Side A	Side B	Meter #
2			
Committee Clerk Signature <i>Chris S. Svedjan</i>			

Minutes:

Chairman Svedjan Opened SB 2002 for hearing. A quorum was present.

Rep. Thoreson I move amendment .0207 to SB 2002. 2nd by **Rep. Skarphol**. This increases line 14 by 4.5 million dollars.

Rep. Warner There are large variations of revenue streams in the budgets. If we cut IT, yet allow discretion we ignore the problem. This was poorly conceived.

Chairman Svedjan The whole picture is not in front of us. There is another centralizing amendment with IT functions. When that happens, there are savings rolled up and made available to agencies. Agencies have asked for flexibility. We leave 80% of IT funding and that carries them well into the next biennium.

Rep. Gulleson I'm more interested in funding human rather than IT needs. Special funds still come from ND taxpayers. We need to be consistent.

Rep. Warner Will we run into problems with maintenance cutting 20% of 20%?

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Theresa J. Bee
Operator's Signature

10-14-03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number SB 2002
Hearing Date 03-31-03

Rep. Skarphol All answers aren't answered this biennium. We are hiring a consultant to evaluate and report.

Chairman Svedjan Your points are all well taken. I can't answer the MOE question.

Rep. Aarsvold Last session, Human Services tried to do this very thing.

Motion Carries.

Rep. Thoreson I move a Do Pass As Amended. 2nd by Rep. Skarphol. Motion Carries

21-0-2. Rep. Thoreson will carry this bill on the floor.

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Yherosa J. Lee
Operator's Signature

10-14-03
Date

38025.0203
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations

March 20, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2002

Page 1, line 2, after "printing" insert "; to provide an exemption; and to declare an emergency"

Page 1, line 6, after the second comma insert "and from special funds derived from federal funds and other income,"

Page 1, line 14, replace "5,000,000" with "9,500,000"

Page 1, line 15, replace "9,276,798" with "13,776,798"

Page 1, line 16, replace "5,399,913" with "9,899,913"

Page 1, line 23, replace "5,399,913" with "9,899,913"

Page 1, line 24, replace "9,612,798" with "14,112,798"

Page 1, after line 24, insert:

"SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000 and this amount may be used as state matching funds for federal election reform funding available to the state for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State				
Total all funds	\$9,302,779	\$9,276,798	\$4,500,000	\$13,776,798
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$3,902,866	\$3,876,885	\$0	\$3,876,885
Public Printing				
Total all funds	\$336,000	\$336,000	\$0	\$336,000
Less estimated income				
General fund	\$336,000	\$336,000	\$0	\$336,000
Bill Total				
Total all funds	\$9,638,779	\$9,612,798	\$4,500,000	\$14,112,798
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$4,238,866	\$4,212,885	\$0	\$4,212,885

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,178,282	\$2,156,301		\$2,156,301
Operating expenses	2,112,497	2,112,497		2,112,497
Petition review	12,000	8,000		8,000
Election reform	5,000,000	5,000,000	\$4,500,000	9,500,000
Total all funds	\$9,302,779	\$9,276,798	\$4,500,000	\$13,776,798

Page No. 1

38025.0203

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Yvonnea W. Bee
Operator's Signature

10-14-03
Date

Less estimated income	<u>6,399,913</u>	<u>5,399,913</u>	<u>4,500,000</u>	<u>9,899,913</u>
General fund	\$3,902,868	\$3,876,865	\$0	\$3,876,865
FTE	26.00	26.00	1.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	INCREASES ELECTION REFORM FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Petition review		
Election reform	<u>\$4,500,000</u>	<u>\$4,500,000</u>
Total all funds	<u>\$4,500,000</u>	<u>\$4,500,000</u>
Less estimated income	<u>4,500,000</u>	<u>4,500,000</u>
General fund	\$0	\$0
FTE	1.00	1.00

¹ The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be received and spent prior to July 1, 2003.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to public printing.

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Cheresea J. Bee
Operator's Signature

10-14-03
Date

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2002

Page 1, line 2, after "printing" insert "; to amend and reenact section 45-10.1-14, subsection 18 of section 45-10.1-15, sections 45-10.1-58, 45-22-03, 45-22-14, and 45-22-16, subdivision c of subsection 1 of section 45-22-22, section 45-22-25, and subsection 18 of section 45-23-08 of the North Dakota Century Code, relating to limited partnership, limited liability partnership, and limited liability limited partnership renewals; and to repeal section 45-22-21.1 of the North Dakota Century Code, relating to limited liability partnership annual reports"

Page 1, after line 24, insert:

"**SECTION 2. AMENDMENT.** Section 45-10.1-14 of the North Dakota Century Code is amended and reenacted as follows:

45-10.1-14. Secretary of state - Annual report of limited partnership and foreign limited partnership Renewal of certificate.

1. ~~Each limited partnership, and each foreign limited partnership authorized to transact business in this state, shall file, within the time prescribed by subsection 3, an annual report setting forth:~~
 - a. ~~The name of the limited partnership or foreign limited partnership and the jurisdiction of origin.~~
 - b. ~~The address of the registered office of the limited partnership or foreign limited partnership in this state and the name of the limited partnership's or foreign limited partnership's registered agent in this state at that address.~~
 - c. ~~The address of the limited partnership's or foreign limited partnership's principal executive office.~~
 - d. ~~A brief statement of the character of the business in which the limited partnership or foreign limited partnership is actually engaged in this state.~~
 - e. ~~The name and respective address of every general partner of the limited partnership or foreign limited partnership.~~
2. ~~The annual report must be submitted on forms prescribed by the secretary of state. The information provided in the annual report must be accurate as of the time of filing the report. The annual report must be signed as prescribed in subsection 15 of section 45-10.1-01 or a resolution approved by the affirmative vote of the required proportion or number of partners. If the limited partnership or foreign limited partnership is in the hands of a receiver or trustee, the annual report must be signed on behalf of the limited partnership or foreign limited partnership by the receiver or trustee. The secretary of state may destroy any annual reports provided for in this section after the annual report is on file for six years.~~
3. ~~The annual report of a limited partnership or foreign limited partnership must be delivered to the secretary of state before April first of each year, except the first annual report of a limited partnership or foreign limited~~

partnership must be delivered before April first of the year following the calendar year in which the registration was filed by the secretary of state. A limited partnership existing before July 1, 1900, or a foreign limited partnership registered before July 1, 1900, shall file the limited partnership's or foreign limited partnership's first annual report before April first in the year of the expiration of the limited partnership's or foreign limited partnership's registration or renewal registration in effect on December 31, 1900.

- a. An annual report in a sealed envelope postmarked by the United States postal service on or before April first or an annual report in a sealed packet with a verified shipment date by any other carrier service on or before April first, complies with the delivery requirement under this subsection.
 - b. The secretary of state shall file the report if the report conforms to the requirements of subsection 2.
 - (1) If the report does not conform, the report must be returned to the limited partnership or foreign limited partnership for any necessary corrections.
 - (2) If the report is filed before the deadlines prescribed in this subsection, penalties for the failure to file a report within the time provided do not apply if the report is corrected to conform to the requirements of subsection 2 and returned to the secretary of state within thirty days after the annual report was returned by the secretary of state for correction.
4. After the date established under subsection 3, the secretary of state shall notify any limited partnership or foreign limited partnership failing to file an annual report that the limited partnership's or foreign limited partnership's certificate or registration is not in good standing and that the limited partnership's certificate or foreign limited partnership's registration may be terminated or revoked pursuant to subsection 5.
- a. The secretary of state must mail notice of termination or revocation to the last registered agent at the last registered office of record.
 - b. If the limited partnership or foreign limited partnership files an annual report after the notice is mailed, together with the annual report filing fee and late filing penalty fee as prescribed by section 45-10-1-15, the secretary of state will restore the limited partnership's or foreign limited partnership's certificate or registration to good standing.
5. A limited partnership that does not file an annual report, along with the statutory filing and penalty fees, within six months after the date established in subsection 3, ceases to exist and is considered involuntarily terminated by operation of law.
- a. The secretary of state shall note the termination of the limited partnership's certificate on the records of the secretary of state and shall give notice of the action to the terminated limited partnership.
 - b. Notice by the secretary of state must be mailed to the limited partnership's last registered agent at the last registered office of record.
6. A foreign limited partnership that does not file an annual report, along with the statutory filing and penalty fees, within six months after the date

18. ~~Filing an annual report a statement of renewal~~ of a limited partnership or foreign limited partnership, twenty-five dollars. ~~The secretary of state shall charge and collect additional fees for late filing of an annual report as follows:~~

- a. ~~After the date prescribed in subsection 3 of section 45-10.1-14, twenty dollars; and~~
- b. ~~After the termination of the limited partnership or the revocation of the registration of a foreign limited partnership, the reinstatement fee of one hundred dollars.~~

SECTION 4. AMENDMENT. Section 45-10.1-58 of the North Dakota Century Code is amended and reenacted as follows:

45-10.1-58. (908) Foreign limited partnership - Action by secretary of state.

1. The secretary of state may revoke the registration of a foreign limited partnership upon occurrence of any of the following:
 - a. Transacting business in this state in violation of sections 45-10.1-52 through 45-10.1-58 or in violation of section 45-10.1-14 for failing to file a renewal statement;
 - b. Falling to:
 - (1) Maintain a registered office as required by this chapter;
 - (2) Appoint and maintain a registered agent as required by this chapter;
 - (3) File a report upon any change in the address of the foreign limited partnership's registered office;
 - (4) File a report upon any change in the name or business address of the registered agent; or
 - (5) File in the office of the secretary of state any amendment to the foreign limited partnership's registration as specified in section 45-10.1-55; or
 - c. Misrepresenting any material matter in any registration, certificate, report, or other document submitted by the foreign limited partnership pursuant to this chapter.
2. Except for the ~~annual report~~ renewal statement for which the registration may be revoked as provided in section 45-10.1-14, registration of a foreign limited partnership may not be revoked by the secretary of state unless:
 - a. The secretary of state gave the foreign limited partnership at least sixty days' notice by mail addressed to the foreign limited partnership's registered office in this state or, if the foreign limited partnership fails to appoint and maintain a registered agent in this state, addressed to the foreign limited partnership's principal executive office; and
 - b. During the sixty-day period, the foreign limited partnership failed to file the report of change regarding the registered office or the registered agent, to file any amendment, or to correct the misrepresentation.

3. Upon the expiration of sixty days after the mailing of the notice, the authority of the foreign limited partnership to transact business in this state ceases and the secretary of state shall issue a notice of revocation and shall mail the notice to the principal executive office of the foreign limited partnership.

SECTION 5. AMENDMENT. Section 45-22-03 of the North Dakota Century Code is amended and reenacted as follows:

45-22-03. Registration - Renewal.

1. A partnership may become a limited liability partnership pursuant to this section.
 - a. In determining whether the underlying partnership necessary for registration as a domestic limited liability partnership has been formed, the rules set forth in section 45-14-02 apply.
 - b. The terms and conditions on which a partnership becomes a limited liability partnership must be approved by the necessary vote of partners required to amend the partnership agreement, unless the partnership agreement contains a requirement that the vote of a greater number of partners is necessary to amend provisions relating to the partners' obligations to contribute to the partnership, in which case by the necessary vote of the partners to amend these provisions.
2. After the approval required by subdivision b of subsection 1, a partnership shall become a limited liability partnership by filing a registration with the secretary of state. A domestic limited liability partnership or foreign limited liability partnership that is transacting business in this state must have in effect and filed with the secretary of state a registration that complies with this section. From the effective date of filing, the registration of:
 - a. A domestic limited liability partnership establishes the status as a domestic limited liability partnership; and
 - b. A foreign limited liability partnership authorizes the transaction of business in this state.
3. A registration or renewal registration must contain:
 - a. With respect to a domestic limited liability partnership:
 - (1) The name of the domestic limited liability partnership.
 - (2) The nature of the business to be transacted in this state.
 - (3) The address of the principal executive office of the domestic limited liability partnership.
 - (4) The address of the registered office of the domestic limited liability partnership and the name of the registered agent at that address.
 - (5) The name and address of each managing partner.
 - (6) A statement that the partnership elects to be a limited liability partnership.
 - (7) A deferred effective date, if any.

- (8) An acknowledgment that the status of limited liability partnership will automatically expire if the partnership fails to file a proper renewal registration.
- b. With respect to a foreign limited liability partnership:
- (1) The name of the foreign limited liability partnership and, if different, the name under which the foreign limited liability partnership proposes to transact business in this state.
 - (2) The jurisdiction of origin.
 - (3) The date on which the foreign limited liability partnership expires in the jurisdiction of origin.
 - (4) The nature of the business to be transacted in this state.
 - (5) The address of the principal executive office of the foreign limited liability partnership.
 - (6) The address of the registered office of the foreign limited liability partnership and the name of the foreign limited liability partnership's registered agent at that address.
 - (7) The name and address of each managing partner.
 - (8) An acknowledgment that the status of the foreign limited liability partnership in this state will automatically expire unless the foreign limited liability partnership continuously maintains limited liability partnership status in the jurisdiction of origin.
 - (9) An acknowledgment that the status of foreign limited liability partnership will automatically expire if the partnership fails to file a proper renewal registration.
- c. The registration must be accompanied by payment of the fees provided in section 45-22-22 together with a certificate of good standing or certificate of existence authenticated by the registering officer of the state or country where the foreign limited liability partnership is originally registered and the consent of the designated registered agent for service of process to serve in that capacity.
4. An original of the registration and any renewal registration must be filed with the secretary of state.
- a. If the secretary of state finds the registration or renewal registration conforms to law and the fees provided in section 45-22-22 are paid, the secretary of state shall endorse on the original the word "filed" and the day, month, and year of the filing and shall file the original in the office of the secretary of state.
 - b. If any statement in the registration or renewal registration is false when made or becomes inaccurate after the registration or renewal registration is filed, making the registration or renewal registration false or inaccurate in any respect, the limited liability partnership shall file promptly with the secretary of state an amended or corrected registration or renewal registration or reflect the changes on the limited liability partnership's next ~~annual report~~ renewal registration.

- c. In the case of a change in a foreign limited liability partnership's name, a foreign limited liability partnership shall file promptly with the secretary of state a certificate to that effect authenticated by the proper officer of the jurisdiction of origin.
 - d. In the case of a termination or merger:
 - (1) A foreign limited liability partnership that is not the surviving organization need not file an amended registration but, within thirty days after the merger or termination becomes effective, shall file with the secretary of state a certificate to that effect authenticated by the proper officer of the foreign limited liability partnership's jurisdiction of origin.
 - (2) It is not necessary for any foreign limited liability partnership, which is the surviving organization in a merger, to procure a new or amended registration unless the name of the foreign limited liability partnership is changed or unless the foreign limited liability partnership desires to pursue in this state purposes other than those which the foreign limited liability partnership is authorized to transact in this state.
 - e. The secretary of state may destroy any registration and renewal registration that is on file for seven years.
5. A managing partner must be separately registered with the secretary of state at the time of the registration of a domestic or foreign limited liability partnership if that managing partner is a domestic or foreign:
- a. Corporation;
 - b. Limited liability company;
 - c. Limited partnership;
 - d. Limited liability partnership;
 - e. Limited liability limited partnership; or
 - f. Partnership using a fictitious name.
6. With respect to a domestic limited liability partnership:
- a. A partnership's decision to file a registration or renewal registration is an ordinary matter that may be decided by a majority of the partners.
 - b. The decision to withdraw a registration may be undertaken only with the consent of all partners or as otherwise expressly provided in a written partnership agreement.
7. A partnership that registers as a limited liability partnership is not deemed to have dissolved as a result of the registration.
8. If a limited liability partnership or foreign limited liability partnership dissolves without winding up business or changes the jurisdiction of origin, a partnership that is a successor to the limited liability partnership or foreign limited liability partnership and which intends to be a limited liability partnership or foreign limited liability partnership is not required to file a new registration or renewal and is deemed to have filed any documents

required or permitted under this section which were filed by the predecessor partnership.

9. The status of a partnership as a limited liability partnership is effective on the later of the filing of the registration or a date specified in the registration which is within ninety days after the filing of the registration.
 - a. The status of a partnership as a domestic limited liability partnership and the authority of a foreign limited liability partnership to transact business in this state remains effective, regardless of changes in the partnership, until the partnership's registration is voluntarily withdrawn pursuant to section 45-22-13 or revoked by the secretary of state pursuant to ~~sections~~ section 45-22-16 and 45-22-21.1.
 - b. The status of a partnership as a limited liability partnership and the liability of the partnership's partners for obligation of the partnership is not affected by errors or later changes in the information required to be contained in the registration or renewal registration under subsection 3.
10. With respect to renewal of registration, as provided under section 45-22-16, the secretary of state shall revoke a registration if a renewal registration is not properly filed with the secretary of state. A registration of limited liability partnership filed under this chapter must be renewed every five years from the date of the initial filing. A limited liability partnership existing before July 1, 2003, shall file the registration renewal by July 1, 2005, and every five years thereafter. The registration renewal must be executed by the limited liability partnership on forms prescribed and furnished by the secretary of state. The secretary of state shall send registration renewal forms to the limited liability partnership no less than sixty days before the deadline for filing the registration renewal. If the secretary of state finds that the renewal registration conforms to the requirements of this section and that the proper filing fee has been paid, the secretary of state shall file the renewal registration. If the secretary of state finds that the renewal registration does not conform to the requirements of this section, the secretary of state shall promptly return the renewal forms to the limited liability partnership for any necessary corrections. The secretary of state shall cancel the registration of a limited liability partnership if the corrected renewal registration is not returned within thirty days after the registration renewal forms were returned by the secretary of state for correction.

SECTION 6. AMENDMENT. Section 45-22-14 of the North Dakota Century Code is amended and reenacted as follows:

45-22-14. Filing after dissolution.

1. A dissolved limited liability partnership that is winding up affairs may continue the limited liability partnership's status as a limited liability partnership through termination by continuing to file an annual report a renewal registration until termination.
2. When the dissolved limited liability partnership winds up affairs, the limited liability partnership shall file with the secretary of state a termination notice, together with the fees provided in section 45-22-22. The termination notice must:
 - a. Contain:
 - (1) The name of the limited liability partnership.

Yherosa J. Jee
Operator's Signature

10-14-03
Date

- (2) A statement the limited liability partnership dissolved and wound up affairs.
- (3) A statement the limited liability partnership is terminated.
- b. Be signed by one former managing partner who did not wrongfully dissolve the partnership or, in the case of a foreign limited liability partnership, by an authorized partner.

SECTION 7. AMENDMENT. Section 45-22-16 of the North Dakota Century Code is amended and reenacted as follows:

45-22-16. Revocation of registration.

- 1. The registration of a limited liability partnership may be revoked by the secretary of state upon the occurrence of any of these events:
 - a. The limited liability partnership fails:
 - (1) To appoint and maintain a registered agent as required by this chapter;
 - (2) To file a report upon any change in the name or business address of the registered agent; ~~or~~
 - (3) To file any amendment to the limited liability partnership's registration required to be filed pursuant to subdivision b or c of subsection 4 of section 45-22-03; or
 - (4) To file a renewal registration as provided under section 45-22-03.
 - b. An intentional misrepresentation is made in any material matter in any registration, report, affidavit, or other document submitted by the limited liability partnership pursuant to this chapter.
- 2. The secretary of state may not revoke the registration of a limited liability partnership unless:
 - a. The secretary of state gave the limited liability partnership at least sixty days' notice of the reason for the pending revocation by mail addressed to the limited liability partnership's registered office or, if the limited liability partnership fails to appoint and maintain a registered agent in this state, by mail addressed to the limited liability partnership's principal executive office; and
 - b. During the sixty-day period, the limited liability partnership fails:
 - (1) To appoint and maintain a registered agent as required by this chapter;
 - (2) To file the report of change regarding the name or business address of the registered agent;
 - (3) To file any amendment to the limited liability partnership's registration required to be filed pursuant to subdivision b or c of subsection 4 of section 45-22-03; or
 - (4) To correct the misrepresentation.

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Yvonnea J. Bee
Operator's Signature

10-14-03
Date

3. Upon the expiration of the sixty-day period without the limited liability partnership curing the reason for the pending revocation set forth in the notice, the registration is revoked. The secretary of state shall note the revocation in the records of the secretary of state and shall give notice of the revocation to the limited liability partnership. Notice by the secretary of state must be mailed to the last registered agent at the last registered office of record. If the limited liability partnership fails to appoint and maintain a registered office in this state, the notice must be mailed to the limited liability partnership's principal executive office.

SECTION 8. AMENDMENT. Subdivision c of subsection 1 of section 45-22-22 of the North Dakota Century Code is amended and reenacted as follows:

- c. ~~Filing an annual report of a domestic limited liability partnership or foreign limited liability partnership, twenty five dollars. The secretary of state shall charge and collect additional fees for late filing of an annual report as follows:~~
- (1) ~~After the date prescribed in subsection 3 of section 45-22-21.1, twenty dollars; and~~
 - (2) ~~After the revocation of the domestic limited liability partnership registration or the foreign limited liability partnership registration, the reinstatement fee of fifty dollars a renewal registration, twenty-five dollars.~~

SECTION 9. AMENDMENT. Section 45-22-25 of the North Dakota Century Code is amended and reenacted as follows:

45-22-25. Forms to be furnished by the secretary of state. Every annual report renewal registration must be made on forms prescribed by the secretary of state. Upon request, the secretary of state may furnish forms for all other documents to be filed in the office of the secretary of state. However, the use of these documents, unless otherwise specifically required by law, is not mandatory.

SECTION 10. AMENDMENT. Subsection 18 of section 45-23-08 of the North Dakota Century Code is amended and reenacted as follows:

18. ~~Filing an annual report of limited liability limited partnership, twenty five dollars. The secretary of state shall charge and collect additional fees for late filing of the annual report as follows:~~
- a. ~~After the date prescribed in subsection 3 of section 45-10.1-14, twenty dollars; and~~
 - b. ~~After the termination of the limited liability limited partnership or the revocation of the registration of a foreign limited liability limited partnership, the reinstatement fee of one hundred dollars a statement of renewal, twenty-five dollars.~~

SECTION 11. REPEAL. Section 45-22-21.1 of the North Dakota Century Code is repealed."

Renumber accordingly

Date:03-24-03
Roll Call Vote Number # 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2002

House Appropriations: Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025.0201

Action Taken Do Pass on Amendment

Motion Made By Rep. Carlson Seconded By Rep. Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle		x			
Vice Chairman Carlson	x				
Rep. Koppelman		x			
Rep. Skarphol		x			
Rep. Thoreson		x			
Rep. Timm		x			
Rep. Glassheim		x			
Rep. Kroeber		x			
Rep. Warner		x			

Fails

Total (Yes) 71 No 8

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
See attached amendment

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Yvonnea J. Bee
Operator's Signature

10-14-03
Date

38025.0204
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations

March 25, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2002

Page 1, line 2, after "printing" insert "; to provide an exemption; and to declare an emergency"

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Page 1, line 16, replace "5,399,913" with "9,899,913"

Page 1, line 23, replace "5,399,913" with "9,899,913"

Page 1, line 24, replace "9,612,798" with "14,112,798"

Page 1, after line 24, insert:

"SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000 and this amount may be used as state matching funds for federal election reform funding available to the state for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 and section 2 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State				
Total all funds	\$9,302,779	\$9,276,798	\$4,500,000	\$13,776,798
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$3,902,866	\$3,876,885	\$0	\$3,876,885
Public Printing				
Total all funds	\$336,000	\$336,000	\$0	\$336,000
Less estimated income				
General fund	\$336,000	\$336,000	\$0	\$336,000
Bill Total				
Total all funds	\$9,638,779	\$9,612,798	\$4,500,000	\$14,112,798
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$4,238,866	\$4,212,885	\$0	\$4,212,885

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,178,282	\$2,156,301		\$2,156,301
Operating expenses	2,112,497	2,112,497		2,112,497
Petition review	12,000	8,000		8,000
Election reform	5,000,000	5,000,000	\$4,500,000	9,500,000
Total all funds	\$9,302,779	\$9,276,798	\$4,500,000	\$13,776,798

Page No. 1

38025.0204

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Yvonnea J. Lee
Operator's Signature

10-14-03
Date

Less estimated income	<u>5,399,913</u>	<u>5,399,913</u>	<u>4,500,000</u>	<u>9,899,913</u>
General fund	\$3,902,886	\$3,878,885	\$0	\$3,878,885
FTE	26.00	26.00	1.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	INCREASES ELECTION REFORM FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Petition review		
Election reform	<u>\$4,500,000</u>	<u>\$4,500,000</u>
Total all funds	<u>\$4,500,000</u>	<u>\$4,500,000</u>
Less estimated income	<u>4,500,000</u>	<u>4,500,000</u>
General fund	\$0	\$0
FTE	1.00	1.00

¹ The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be received and spent prior to July 1, 2003.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to public printing.

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Yvonnea J. Bee
Operator's Signature

10-14-03
Date

Date:03-24-03
Roll Call Vote Number # 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2002

House Appropriations: Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025.0204

Action Taken Do Pass on Amendment

Motion Made By Rep. Thoreson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	x				
Vice Chairman Carlson		x			
Rep. Koppelman	x				
Rep. Skarphol	x				
Rep. Thoreson	x				
Rep. Timm	x				
Rep. Glassheim	x				
Rep. Kroeber	x				
Rep. Warner	x				

Total (Yes) 8 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
See attached amendment

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Yvonne A. Lee 10-14-03
Operator's Signature Date

Date:03-24-03
Roll Call Vote Number # 3

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2002

House Appropriations: Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025.0204

Action Taken Do Pass as Amended

Motion Made By Rep. Thoreson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	x				
Vice Chairman Carlson		x			
Rep. Koppelman	x				
Rep. Skarphol	x				
Rep. Thoreson	x				
Rep. Timm	x				
Rep. Glassheim	x				
Rep. Kroeber	x				
Rep. Warner	x				

Total (Yes) 8 No 1

Absent 0

Floor Assignment Rep. Thoreson

If the vote is on an amendment, briefly indicate intent:
See attached amendment

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Cheresea W. Lee
Operator's Signature

10-14-03
Date

REPORT OF STANDING COMMITTEE

SB 2002, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2002 was placed on the Sixth order on the calendar.

Page 1, line 2, after "printing" insert "; to provide an exemption; and to declare an emergency"

Page 1, line 6, after the second comma insert "and from special funds derived from federal funds and other income,"

Page 1, line 11, replace "2,156,301" with "2,153,618"

Page 1, line 12, replace "2,112,497" with "1,843,067"

Page 1, line 14, replace "5,000,000" with "9,500,000"

Page 1, line 15, replace "9,276,798" with "13,504,685"

Page 1, line 16, replace "5,399,913" with "9,899,913"

Page 1, line 17, replace "3,876,885" with "3,604,772"

Page 1, line 22, replace "4,212,885" with "3,940,772"

Page 1, line 23, replace "5,399,913" with "9,899,913"

Page 1, line 24, replace "9,612,798" with "13,840,685"

Page 1, after line 24, insert:

SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used as state matching funds for federal election reform funding available to the state for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 and section 2 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State				
Total all funds	\$9,302,779	\$9,276,798	\$4,227,887	\$13,504,685
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$3,902,866	\$3,876,885	(\$272,113)	\$3,604,772
Public Printing				
Total all funds	\$338,000	\$338,000	\$0	\$338,000
Less estimated income				
General fund	\$338,000	\$338,000	\$0	\$338,000
Bill Total				
Total all funds	\$9,638,779	\$9,612,798	\$4,227,887	\$13,840,685

(2) DESK, (3) COMM

Page No. 1

HR-58-6327

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Theresa J. Bee
Operator's Signature

10-14-03
Date

REPORT OF STANDING COMMITTEE (410)
April 1, 2003 1:12 p.m.

Module No: HR-58-6327
Carrier: Thoreson
Insert LC: 38025.0207 Title: .0300

Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$4,238,888	\$4,212,885	(\$272,113)	\$3,940,772

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,178,282	\$2,166,301	(\$2,683)	\$2,163,618
Operating expenses	2,112,497	2,112,497	(269,430)	1,843,067
Petition review	12,000	8,000		8,000
Election reform	<u>5,000,000</u>	<u>5,000,000</u>	<u>4,500,000</u>	<u>9,500,000</u>
Total all funds	\$9,302,779	\$9,276,798	\$4,227,887	\$13,504,885
Less estimated income	<u>5,399,913</u>	<u>5,399,913</u>	<u>4,500,000</u>	<u>9,899,913</u>
General fund	\$3,902,866	\$3,876,885	(\$272,113)	\$3,604,772
FTE	26.00	26.00	1.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	INCREASES ELECTION REFORM FUNDING ¹	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE ²	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ³	TOTAL HOUSE CHANGES
Salaries and wages		(\$2,683)		(\$2,683)
Operating expenses			(\$269,430)	(269,430)
Petition review				
Election reform	<u>\$4,500,000</u>			<u>4,500,000</u>
Total all funds	\$4,500,000	(\$2,683)	(\$269,430)	\$4,227,887
Less estimated income	<u>4,500,000</u>			<u>4,500,000</u>
General fund	\$0	(\$2,683)	(\$269,430)	(\$272,113)
FTE	1.00	0.00	0.00	1.00

¹ The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position.

² Funding for state employee health insurance premiums is reduced from \$493 per month to \$486.70 per month.

³ This amendment reduces funding for information technology by \$269,430 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be spent prior to July 1, 2003.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to public printing.

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Thoreson J. Lee
 Operator's Signature

10-14-03
 Date

2003 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2002

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Cherese A. Lee
Operator's Signature

10-14-03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

Senate Appropriations Committee

XXXXConference Committee

Hearing Date April 11, 2003

Tape Number	Side A	Side B	Meter #
#1		x	1822 -2900
Committee Clerk Signature <i>Jan Hendrickson</i>			

Minutes:

Senator Andrist, chair called the conference committee on SB 2002 to order (#1822). Roll was taken by the clerk. Members present: **Senators Andrist and Kilzer; Representatives Thoreson, Warner and Koppelman. Senator Tallackson** was absent.

Representative Thoreson explained the House changes (#1895) on exhibit #1 page 3. The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position is authorized for the period of time that federal funds are available to provide for the cost of the position. Funding for state employee health insurance premium is reduced from \$493 per month to \$488.70 per month. And the last change reduces funding for information technology by \$269,430 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20%.

Senator Andrist stated that the House had done pretty good work. He wanted to know if anyone had any concerns other than Information Technology?

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Operator's Signature

10-14-03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB 2002
Hearing Date April 11, 2003

Senator Kilzer (#2058) moved that the Senate accede to the House, except for the 20% on Information technology which will be settled later. Second by Rep. Warner.

Rep. Thoreson (#2097) In the other committees they have done that they have reached an understanding that if IT is the only sticking point on recessing subject to the call of the chair, with the understanding that we will get together and resolve that when the "big dogs fight" sort of speak. **Senator Andrist** stated that was what they had done on other committees also. He will take the motion for now, not saying that it can not be recalled later. Since this is the wishes of at least 2 of the committee members, the clerk will call the roll. **Motion carried. 5 y 0 n 1 absent and not voting.**

Senator Andrist (#2285) was not sure how the IT issue is going to be resolved but he had one concern which is that one size does not fit all sizes. In other conference committees the State Historical Society and Parks & Recreation are very similar budgets, at least their technology costs are very similar, but the 20% cut would be an enormous hit to the State Historical which would turn into a 38%. On the other hand the Parks & Rec who had almost the same kind of cut said he could live with it (#2387). Whatever resolution is suggested from higher places, he is hoping for some flexibility. **Senator Andrist** asked Secretary Jaeger provide the committee with some overview of his IT plan, so that the committee could get some kind of sense of what to look at in reductions. He asked Secretary Jaeger to have that before the next meeting. Discussion continued regarding those that have sat on conference committees so far and found that most agencies will lost federal funds, etc, if IT money is cut. All members wanted flexibility from leadership. **Rep. Koppelman** stated that the 20% cut in IT on the House side could be closer to 5% in reality. There has also been discussion about a pool of money--he thought \$1 million--that

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Operator's Signature

10-14-03
Date

Page 3
Senate Appropriations Committee
Bill/Resolution Number SB 2002
Hearing Date April 11, 2003

would be set aside for these agencies, these agencies could come to this board or committee and explain why this one size doesn't fit all and what it will do to us, etc. If they could make their case, then that board would have the authority to change that allocation for that particular agency. Flexibility is hopefully be worked on this bill. **Senator Andrist** felt this was the whole issue behind the concept of centralize the agency, that agency could do that, they could prioritize these agency and let each agency make the case to them. Down side is that there will be a creation of a whole lot more power, if they are given the authority to do that, some are concerned now with the power the agency has now. If you want accountability, you have to also give authority. **Rep. Koppleman** that concern is shared throughout the much of the legislature both in the House and Senate. He thought that those decision would be made by an independent body. **With no other business the meeting was adjourned by Senator Andrist, Chair. (#2900)**

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Cheresea A. Bee
Operator's Signature

10-14-03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2002

~~Senate Appropriations Committee~~

Conference Committee

Hearing Date April 21, 2003

Tape Number	Side A	Side B	Meter #
#2	x		2745-4215-2745
Committee Clerk Signature <i>Jam Hendrickson</i>			

Minutes:

Senator Andrist, chairman, opened the conference committee meeting on SB 2002 (#2745) with the clerk calling the roll. All members present: **Senators: Andrist, Kilzer, Tallackson, Representatives Thoreson, Glassheim and Koppleman.**

Senator Andrist presented the amendments 38025.0208 which talked about the things they talked about before and makes the IT adjustment to 5%. There is a spreadsheet (Exhibit #1) from the Secretary of State regarding the IT costs which he notes that he reduced his IT costs by 12.8% in the initial budget request so the additional 5% takes another \$67,000 from that figure, which makes his challenge somewhat greater. His instructions from leadership are to stay as close as possible to the 5% and if anyone has serious hurt should go to the special fund committee which is being established, the flexible fund. The amount is \$1 million.

Rep. Thoreson also added that he hoped those agencies that would have trouble with the 5% reduction in IT would go to the special fund committee. His leadership also encouraged them to

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Operator's Signature

10-14-03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB 2002
Hearing Date April 21, 2003

apply for the extra money. **Rep. Thoreson** moved amendment 38025.0208 **Seconded by Rep. Koppleman.**

Discussion continued regarding the IT cuts that the Secretary of State took in preparing this budget and the IT cuts now. Some discussion was held on restoring some of the money to this budget, but there is the alternative to the special committee which the Secretary can plead his case. Other concerns were expressed also regarding the access fees that this budget and maybe others have to pay also to IT, and that the departments do not have any control over these fees. The election reform money was also discussed with the idea that maybe some of that money will be used for technology. The leadership has said that they don't want anything added to the budget without talking to them first. Several suggestions were made regarding talking to the leadership regarding this budget.

Senator Andrist suggested that the committee can either approve the amendment and he will talk to the leadership about this concern, or he can talk to the leadership first and bring back a response before we take final action which would require another meeting.

Decision by committee to pass the amendment and then have Senator Andrist talk to the leadership and plead the case for the Secretary of State.

Roll call vote was taken on the amendments as presented. *5 y 1 n. Motion carried.*

Rep. Thoreson, moved to have the House recede its amendments and amend SB 2002, seconded by **Rep. Koppleman.** *Roll call vote 5 y 1 n Motion carried.*

With no other business, conference committee on SB 2002 was closed by **Senator Andrist**,
Chair. (#4215)

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Theresa A. Bee
Operator's Signature

10-14-03
Date

38025.0208
Title.0400
Fiscal No. 1

Prepared by the Legislative Council staff for
Conference Committee
April 17, 2003

GC
4-21-0
1042

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2002

That the House recede from its amendments as printed on pages 1127 and 1128 of the Senate Journal and pages 1232 and 1233 of the House Journal and that Engrossed Senate Bill No. 2002 be amended as follows:

Page 1, line 2, after "printing" insert "; to provide an exemption; and to declare an emergency"

Page 1, line 6, after the second comma insert "and from special funds derived from federal funds and other income,"

Page 1, line 11, replace "2,156,301" with "2,153,618"

Page 1, line 12, replace "2,112,497" with "2,025,589"

Page 1, line 14, replace "5,000,000" with "9,500,000"

Page 1, line 15, replace "9,276,798" with "13,687,207"

Page 1, line 16, replace "5,399,913" with "9,880,363"

Page 1, line 17, replace "3,876,885" with "3,806,844"

Page 1, line 22, replace "4,212,885" with "4,142,844"

Page 1, line 23, replace "5,399,913" with "9,880,363"

Page 1, line 24, replace "9,612,798" with "14,023,207"

Page 1, after line 24, insert:

"SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used as state matching funds for federal election reform funding available to the state, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 and section 2 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Secretary of State						
Total all funds	\$9,302,779	\$9,276,798	\$4,410,409	\$13,687,207	\$13,504,885	\$182,522
Less estimated income	5,399,913	5,399,913	4,480,450	9,880,363	9,899,913	(19,550)
General fund	\$3,902,866	\$3,876,885	(\$70,041)	\$3,806,844	\$3,604,772	\$202,072

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Cheresea J. Bee
Operator's Signature

10-14-03
Date

204 -

Public Printing						
Total all funds	\$338,000	\$338,000	\$0	\$338,000	\$338,000	\$0
Less estimated income						
General fund	\$338,000	\$338,000	\$0	\$338,000	\$338,000	\$0
Bill Total						
Total all funds	\$9,838,779	\$9,812,798	\$4,410,409	\$14,023,207	\$13,840,885	\$182,522
Less estimated income	5,399,913	5,399,913	4,480,450	9,880,363	9,899,913	(19,550)
General fund	\$4,238,888	\$4,212,885	(\$70,041)	\$4,142,844	\$3,940,772	\$202,072

Senate Bill No. 2002 - Secretary of State - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,178,282	\$2,158,301	(\$2,883)	\$2,153,818	\$2,153,818	
Operating expenses	2,112,497	2,112,497	(88,908)	2,025,589	1,843,087	\$182,522
Petition review	12,000	8,000		8,000	8,000	
Election reform	5,000,000	5,000,000	4,500,000	9,500,000	9,500,000	
Total all funds	\$9,302,779	\$9,276,798	\$4,410,409	\$13,687,207	\$13,604,885	\$182,522
Less estimated income	5,399,913	5,399,913	4,480,450	9,880,363	9,899,913	(19,550)
General fund	\$3,902,868	\$3,876,885	(\$70,041)	\$3,806,844	\$3,604,772	\$202,072
FTE	28.00	28.00	1.00	27.00	27.00	0.00

Dept. 108 - Secretary of State - Detail of Conference Committee Changes

	INCREASES ELECTION REFORM FUNDING 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$2,883)		(\$2,883)
Operating expenses			(\$88,908)	(\$88,908)
Petition review				
Election reform	\$4,500,000			4,500,000
Total all funds	\$4,500,000	(\$2,883)	(\$88,908)	\$4,410,409
Less estimated income	4,500,000		(19,550)	4,480,450
General fund	\$0	(\$2,883)	(\$87,358)	(\$70,041)
FTE	1.00	0.00	0.00	1.00

1 The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position. The House also made these changes.

2 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

3 This amendment reduces funding for information technology by \$88,908, of which \$87,358 is from the general fund and \$19,550 is from the Secretary of State's general services operating fund, which represents a reduction in information technology funding of approximately 5 percent.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be spent prior to July 1, 2003, the same as the House version.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The House also added this section. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to Public Printing.

Amendments
only

Date: 4/21/03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2002

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025.0208

Action Taken accept amends.

Motion Made By Thorsen Seconded By Koppelman

Senators	Yes	No	Representatives	Yes	No
Sen. Andriest	✓		Rep. Thorsen	✓	
Sen. Kelsen	✓		Rep. Koppelman	✓	
Sen. Jallackson	✓		Rep. Glassheim		✓

Total (Yes) 5 No 1

Absent Motion Carried

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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Cherisea J. Bee 10-14-03
Operator's Signature Date

M Bill with amendment

Date: 4-21-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2002

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 38025,0208

Action Taken House needs to amendments to future amend

Motion Made By Thorsen Seconded By Koppelman

Senators	Yes	No	Representatives	Yes	No
Sen. Andrist	✓		Rep. Thorsen	✓	
Sen. Allyn	✓		Rep. Koppelman	✓	
Sen. LaBelton	✓		Rep. Glassheim		✓

Total (Yes) 5 No 1

Absent _____

Floor Assignment Andrist/Thorsen

If the vote is on an amendment, briefly indicate intent: *Motion carries*

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Cheresea J. Lee Operator's Signature 10-14-03 Date

REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2003 3:18 p.m.

Module No: SR-72-7995

Insert LC: 38025.0208

REPORT OF CONFERENCE COMMITTEE

SB 2002, as engrossed: Your conference committee (Sens. Andrist, Kilzer, Tallackson and Reps. Thoreson, Glasshelm, Koppelman) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1127-1128, adopt amendments as follows, and place SB 2002 on the Seventh order:

That the House recede from its amendments as printed on pages 1127 and 1128 of the Senate Journal and pages 1232 and 1233 of the House Journal and that Engrossed Senate Bill No. 2002 be amended as follows:

Page 1, line 2, after "printing" insert "; to provide an exemption; and to declare an emergency"

Page 1, line 6, after the second comma insert "and from special funds derived from federal funds and other income,"

Page 1, line 11, replace "2,156,301" with "2,153,618"

Page 1, line 12, replace "2,112,497" with "2,025,589"

Page 1, line 14, replace "5,000,000" with "9,500,000"

Page 1, line 15, replace "9,276,798" with "13,687,207"

Page 1, line 16, replace "5,399,913" with "9,880,363"

Page 1, line 17, replace "3,876,885" with "3,806,844"

Page 1, line 22, replace "4,212,885" with "4,142,844"

Page 1, line 23, replace "5,399,913" with "9,880,363"

Page 1, line 24, replace "9,612,798" with "14,023,207"

Page 1, after line 24, insert:

"SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used as state matching funds for federal election reform funding available to the state, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 and section 2 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Secretary of State						
Total all funds	\$9,302,779	\$9,276,798	\$4,410,409	\$13,687,207	\$13,504,686	\$182,522
Less estimated income	<u>5,399,913</u>	<u>5,399,913</u>	<u>4,480,450</u>	<u>9,880,363</u>	<u>9,899,913</u>	<u>(19,550)</u>

(2) DESK, (2) COMM

Page No. 1

SR-72-7995

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Yherosa J. Lee
Operator's Signature

10-14-03
Date

REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2003 3:18 p.m.

Module No: SR-72-7995

Insert LC: 38025.0208

General fund	\$3,902,866	\$3,876,885	(\$70,041)	\$3,808,844	\$3,604,772	\$202,072
Public Printing						
Total all funds	\$336,000	\$336,000	\$0	\$336,000	\$336,000	\$0
Less estimated income						
General fund	\$336,000	\$336,000	\$0	\$336,000	\$336,000	\$0
Bill Total						
Total all funds	\$9,838,779	\$9,812,798	\$4,410,409	\$14,023,207	\$13,840,885	\$182,522
Less estimated income	5,399,913	5,399,913	4,480,450	9,880,363	9,899,913	(19,550)
General fund	\$4,238,866	\$4,212,885	(\$70,041)	\$4,142,844	\$3,640,772	\$202,072

Senate Bill No. 2002 - Secretary of State - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,178,282	\$2,158,301	(\$2,683)	\$2,153,618	\$2,153,618	
Operating expenses	2,112,497	2,112,497	(86,908)	2,025,589	1,843,087	\$182,522
Petition review	12,000	8,000		8,000	8,000	
Election reform	5,000,000	5,000,000	4,500,000	9,500,000	9,500,000	
Total all funds	\$9,302,779	\$9,276,798	\$4,410,409	\$13,687,207	\$13,604,885	\$182,522
Less estimated income	5,399,913	5,399,913	4,480,450	9,880,363	9,899,913	(19,550)
General fund	\$3,902,866	\$3,876,885	(\$70,041)	\$3,808,844	\$3,604,772	\$202,072
FTE	26.00	28.00	1.00	27.00	27.00	0.00

Dept. 108 - Secretary of State - Detail of Conference Committee Changes

	INCREASES/ ELECTION REFORM FUNDING 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$2,683)		(\$2,683)
Operating expenses			(\$86,908)	(\$86,908)
Petition review				
Election reform	\$4,500,000			4,500,000
Total all funds	\$4,500,000	(\$2,683)	(\$86,908)	\$4,410,409
Less estimated income	4,500,000		(19,550)	4,480,450
General fund	\$0	(\$2,683)	(\$87,358)	(\$70,041)
FTE	1.00	0.00	0.00	1.00

¹ The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position. The House also made these changes.

² Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$86,908, of which \$87,358 is from the general fund and \$19,550 is from the Secretary of State's general services operating fund, which represents a reduction in information technology funding of approximately 5 percent.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be spent prior to July 1, 2003, the same as the House version.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The House also added this section. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to Public Printing.

Engrossed SB 2002 was placed on the Seventh order of business on the calendar.

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Cheresea J. Bee
 Operator's Signature

10-14-03
 Date

2003 TESTIMONY

SB 2002

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Cheresa J. Lee
Operator's Signature

10-14-03
Date

**Department 108 - Secretary of State
 Senate Bill No. 2002**

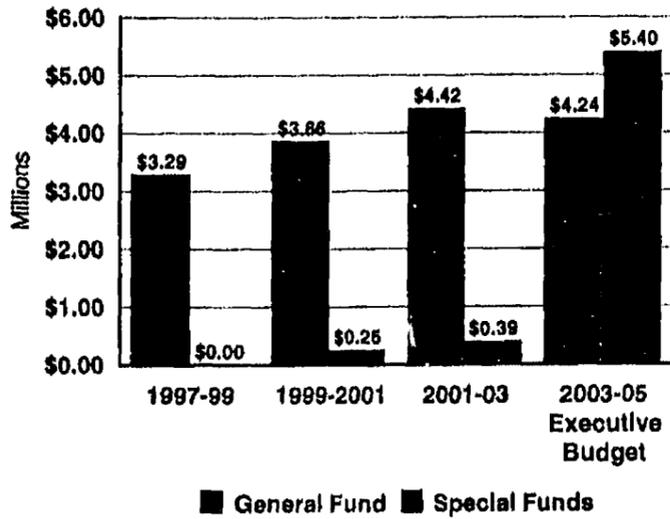
	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	26.00	\$4,238,866	\$5,399,913	\$9,638,779
2001-03 Legislative Appropriations	26.00	4,417,990 ¹	391,000	4,808,990 ²
Increase (Decrease)	0.00	(\$179,124)	\$5,008,913	\$4,829,789

NOTE: The amounts shown above include funding for public printing. The 2003-05 executive budget includes \$336,000 for public printing, and the 2001-03 legislative appropriations include \$508,000.

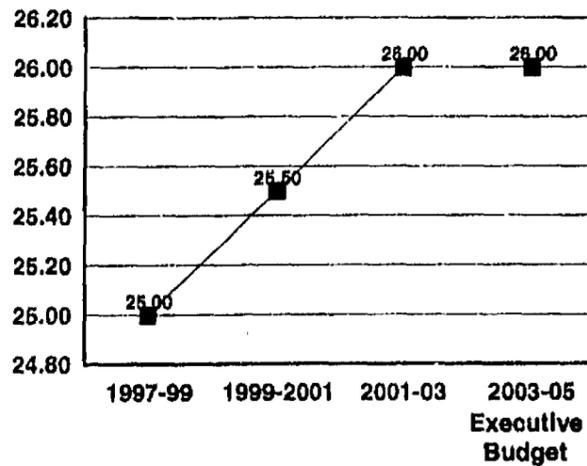
¹ The 2001-03 general fund appropriation is the amount appropriated by the 2001 Legislative Assembly and does not include a reduction of \$46,389 relating to the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

² The 2001-03 appropriation amounts include \$5,069 from the general fund for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2001-03 appropriation amounts do not include \$50,000 of additional special funds authority resulting from Emergency Commission action during the 2001-03 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Adds federal grant funds to comply with federal election standards and to improve North Dakota's election process		\$5,000,000	\$5,000,000
2. Provides \$200,000 from the general fund to continue development of "e-government" services of the Secretary of State's office			\$0
3. Reduces funding for public printing to \$336,000, the level anticipated necessary for the 2003-05 biennium	(\$172,000)		(\$172,000)

Major Related Legislation

Senate Bill No. 2157 requires athlete agents to register with the Secretary of State's office.

Senate Bill No. 2409 requires the Secretary of State to establish an election fund and adopt rules to establish a state-based voting grievance procedure and to certify and decertify electronic voting systems.

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Yvonne W. Bee
 Operator's Signature

10-14-03
 Date

02/25/03

STATEMENT OF PURPOSE OF AMENDMENT**Senate Bill No. 2002 - Funding Summary**

	Executive Budget	Senate Changes	Senate Version
Secretary of State			
Salaries and wages	\$2,178,282	(\$21,981)	\$2,156,301
Operating expenses	2,112,497		2,112,497
Petition review	12,000	(4,000)	8,000
Election reform	5,000,000		5,000,000
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913	0	5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
FTE	26.00	0.00	26.00
Public Printing			
Operating expenses	\$336,000		\$336,000
Total all funds	\$336,000	\$0	\$336,000
Less estimated income	0	0	0
General fund	\$336,000	\$0	\$336,000
FTE	0.00	0.00	0.00
Bill Total			
Total all funds	\$9,638,779	(\$25,981)	\$9,612,798
Less estimated income	5,399,913	0	5,399,913
General fund	\$4,238,866	(\$25,981)	\$4,212,885
FTE	26.00	0.00	26.00

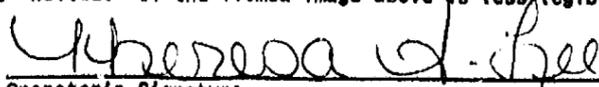
Senate Bill No. 2002 - Secretary of State - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$2,178,282	(\$21,981)	\$2,156,301
Operating expenses	2,112,497		2,112,497
Petition review	12,000	(4,000)	8,000
Election reform	5,000,000		5,000,000
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913	0	5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
FTE	26.00	0.00	26.00

SB2002

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Operator's Signature



Date

10-14-03

02/25/03

Department No. 108 - Secretary of State - Detail of Senate Changes

	Removes Recommended Salary Increase ¹	Reduces Funding for Petition Review	Total Senate Changes
Salaries and wages	(\$21,981)		(\$21,981)
Operating expenses			
Petition review		(4,000)	(4,000)
Election reform			
Total all funds	(\$21,981)	(\$4,000)	(\$25,981)
Less estimated income	0	0	0
General fund	(\$21,981)	(\$4,000)	(\$25,981)
FTE	0.00	0.00	0.00

¹ This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance premiums. Section 2 of the bill is removed which included the statutory changes relating to the Secretary of State's salary increase. The Secretary of State's salary will remain at the current level of \$68,018 per year.

Senate Bill No. 2002 - Public Printing - Senate Action

The Senate did not change the executive budget recommendation for public printing.

SB2002

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Cheresea W. Free
Operator's Signature

10-14-03
Date

04/09/03

STATEMENT OF PURPOSE OF AMENDMENT

Senate Bill No. 2002 - Funding Summary

	Executive Budget	Senate Version	House Changes	House Version
Secretary of State				
Salaries and wages	\$2,178,282	\$2,156,301	(\$2,683)	\$2,153,618
Operating expenses	2,112,497	2,112,497	(269,430)	1,843,067
Petition review	12,000	8,000		8,000
Election reform	5,000,000	5,000,000	4,500,000	9,500,000
Total all funds	\$9,302,779	\$9,276,798	\$4,227,887	\$13,504,685
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$3,902,866	\$3,876,885	(\$272,113)	\$3,604,772
FTE	26.00	26.00	1.00	27.00
Public Printing				
Operating expenses	\$336,000	\$336,000		\$336,000
Total all funds	\$336,000	\$336,000	\$0	\$336,000
Less estimated income	0	0	0	0
General fund	\$336,000	\$336,000	\$0	\$336,000
FTE	0.00	0.00	0.00	0.00
Bill Total				
Total all funds	\$9,638,779	\$9,612,798	\$4,227,887	\$13,840,685
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$4,238,866	\$4,212,885	(\$272,113)	\$3,940,772
FTE	26.00	26.00	1.00	27.00

Senate Bill No. 2002 - Secretary of State - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$2,178,282	(\$21,981)	\$2,156,301
Operating expenses	2,112,497		2,112,497
Petition review	12,000	(4,000)	8,000
Election reform	5,000,000		5,000,000
Total all funds	\$9,302,779	(\$25,981)	\$9,276,798
Less estimated income	5,399,913	0	5,399,913
General fund	\$3,902,866	(\$25,981)	\$3,876,885
FTE	26.00	0.00	26.00

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Cheresea J. Bee
Operator's Signature

10-14-03
Date

04/09/03

Department No. 108 - Secretary of State - Detail of Senate Changes

	Removes Recommended Salary Increase¹	Reduces Funding for Petition Review	Total Senate Changes
Salaries and wages	(\$21,981)		(\$21,981)
Operating expenses			
Petition review		(4,000)	(4,000)
Election reform			
Total all funds	(\$21,981)	(\$4,000)	(\$25,981)
Less estimated income	0	0	0
General fund	(\$21,981)	(\$4,000)	(\$25,981)
FTE	0.00	0.00	0.00

¹ This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance premiums. Section 2 of the bill is removed which included the statutory changes relating to the Secretary of State's salary increase. The Secretary of State's salary will remain at the current level of \$68,018 per year.

Senate Bill No. 2002 - Secretary of State - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,178,282	\$2,156,301	(\$2,683)	\$2,153,618
Operating expenses	2,112,497	2,112,497	(269,430)	1,843,067
Petition review	12,000	8,000	8,000	8,000
Election reform	5,000,000	5,000,000	4,500,000	9,500,000
Total all funds	\$9,302,779	\$9,276,798	\$4,227,887	\$13,504,685
Less estimated income	5,399,913	5,399,913	4,500,000	9,899,913
General fund	\$3,902,866	\$3,876,885	(\$272,113)	\$3,604,772
FTE	26.00	26.00	1.00	27.00

Department No. 108 - Secretary of State - Detail of House Changes

	Increases Election Reform Funding¹	Reduces the Recommended Funding for Health Insurance¹	Reduces Funding for Information Technology Costs²	Total House Changes
Salaries and wages		(\$2,683)		(\$2,683)
Operating expenses			(269,430)	(269,430)
Petition review				
Election reform	4,500,000			4,500,000
Total all funds	\$4,500,000	(\$2,683)	(\$269,430)	\$4,227,887
Less estimated income	4,500,000	0	0	4,500,000
General fund	\$0	(\$2,683)	(\$269,430)	(\$272,113)
FTE	1.00	0.00	0.00	1.00

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Cheresea J. Bee
Operator's Signature

10-14-03
Date

04/09/03

¹ The election reform line item is increased by \$4.5 million of federal funds for election reform activities. An additional FTE position (office assistant III) is authorized only for the period of time that federal funds are available to provide for the cost of the position.

² Funding for state employee health insurance premiums is reduced from \$493 per month to \$488.70 per month.

³ This amendment reduces funding for information technology by \$269,430 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

An emergency clause section is added allowing the funding appropriated in the election reform line item to be spent prior to July 1, 2003.

A section is added allowing the Secretary of State to continue up to \$105,000 of the Secretary of State's 2001-03 biennium general fund appropriation for the purpose of providing state matching funds for federal election reform funding during the 2003-05 biennium. The Secretary of State's 2001-03 biennium unspent general fund appropriation authority is anticipated to total \$55,000 after this adjustment and excluding unspent appropriation authority relating to public printing.

Senate Bill No. 2002 - Public Printing - Senate Action

The Senate did not change the executive budget recommendation for public printing.

Senate Bill No. 2002 - Public Printing - House Action

The House did not change the Senate version.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Yherosa J. Bee
Operator's Signature

10-14-03
Date

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.state.nd.us/seo



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0800

January 9, 2003

Exhibit #1

PHONE (701) 328-2900
FAX (701) 328-2992

E-MAIL sos@state.nd.us

TO: Senator Holmberg and Members – Senate Appropriations Committee
FR: Al Jaeger, Secretary of State
RE: SB 1002 – Appropriation for Secretary of State

1. Agency's overview and program narrative (pages 2 to 9) submitted to Office of Management and Budget last August. It is a comprehensive overview of the services provided by the Secretary of State's office and a biennial history of the agency's gross revenues and expenditures beginning with the 1991-1993 biennium.
2. Agency's six-biennium financial history (page 10) from the Secretary of State's 1999/2001 biennial report.
3. The agency's budget, for the current biennium, is still on target to generate revenue of approximately \$5,500,000 for the state's general fund, which is approximately \$1,500,000 greater than the agency's general fund appropriation.
4. The agency's General Services Operating Fund continues to be a valuable tool in managing the unpredictable demand for the agency's "retail" business, which is the sale of lists and information. The balance in the fund, in excess of \$75,000, is transferred at the end of the biennium to the state's general fund.
5. Among the agency's major accomplishments during the current biennium is the launch of the "live" business records search service available on its web site, which is averaging 50,000 hits a month.
6. Submitted a 95% general fund budget request, which the Governor is recommending (less \$22,981).
7. Submitted one optional request of \$350,000 for general funds to create the required architecture for the delivery of e-government services (narrative – pages 11 to 15). The Governor is recommending \$200,000.
8. Governor's combined recommended general fund appropriation (without wage and benefit increases) is \$3,828,525. This amount represents 98% of the agency's original general fund appropriation for this biennium (\$3,868,935) and 99% of the August reduced amount (\$3,868,935).
9. Based on figures supplied by the Legislative Council, the general fund request for public printing (page 16) was reduced 34% (\$172,000) from this biennium's appropriation (\$508,000 to \$336,000).
10. Learned in October that Congress included a minimum of \$5,000,000 for each state in the *Help America Vote Act of 2002* as funding for the purchase of punch card voting equipment; improving administration of elections; educating voters about voting procedures, rights, and technology; training election officials and poll workers; developing a state plan; enhancement of voting systems; voter accessibility; etc.

Although Congress has not yet appropriated these funds, in order to receive them, the state must establish a fund that is designated specifically for carrying out these activities. This fund must be established before the end of April. Therefore, I respectfully request that SB 2002 be amended to include an emergency clause to make line 15 of the bill effective immediately upon the bill's filing in the Secretary of State's office as provided for in law. I am also requesting that a legislative statement of intent be placed in the bill, which makes it specific that the election reform line is the state's designated fund to receive and expend congressional appropriations related to the *Help America Vote Act of 2002*.

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STATUTORY AUTHORITY

1. North Dakota Constitution, Article V, Section 12;
2. N.D.C.C. Chapter 54-09 (duties of secretary of state);
3. N.D.C.C. Title 10 (various business entities, e.g., corporations, limited liability companies - thirteen different chapters)
3. N.D.C.C. Title 16.1 (elections)
4. N.D.C.C. Chapters 35-01, 35-17, 35-21, 35-29, 35-30, 35-31, and 35-05 (various liens)
5. N.D.C.C. Chapter 41-09 (uniform commercial code - secured transactions)
6. N.D.C.C. Chapter 43-07 (contractors)
7. N.D.C.C. Chapter 44-06 (notaries public)
8. N.D.C.C. Chapters 45-10, 45-10.1, and 45-11 (partnerships)
9. N.D.C.C. Chapter 45-22 (limited liability partnerships)
10. N.D.C.C. Chapter 45-23 (limited liability partnership)
11. N.D.C.C. Chapters 47-22 and 47-25 (trademarks and trade names)
12. N.D.C.C. Chapter 50-22 (charitable solicitation)
13. N.D.C.C. Chapter 53-01 (athletic commissioner)
14. N.D.C.C. Chapter 54-05.1 (lobbyists)
15. Plus various other miscellaneous sections of the North Dakota Century Code

AGENCY MISSION

To serve the people of the State of North Dakota and its guests; Execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code; Collect and preserve the records of the State as defined by the law; Act as an ambassador for the State of North Dakota, its people, and its way of life. This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

MAJOR ACCOMPLISHMENTS

The Secretary of State's office has made several noteworthy advancements during the 2001-03 biennium, most of which were technology related and all which resulted in greater efficiencies and better services for the public and the agency's customers.

Since introduction of its web site in 1997, the agency has provided increasingly more services from each of the agency's four major divisions. Major applications and components include: (1) a live business records search that displays data from the agency's ASI/400 database applications; (2) a Central Indexing System that provides direct access for lien searches and filings; (3) a contractor search; (4) a charitable solicitation search; (5) a listing of registered lobbyists; (6) election results dating back to 1996; (7) election campaign finance reports dating back to 1998; (8) information about legislation filed with the agency; (9) and general information about the agency and its diverse functions.

Of these, the most significant is the live business records search. The live search, which is averaging approximately 47,000 web hits per month, has significantly enhanced the agency's customer service while reducing day-to-day, employee/customer contact via the telephone. The search allows the public and agency customers to conduct a live search of the business entities registered with the Secretary of State to obtain information listed in the agency's database, e.g., entity type; incorporation date; whether the entity is active and

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inactive; whether the entity has a trade name; and other pertinent information. To access all active business records (or, any record inactivated within the past twelve months), researchers only need the first few words of a business name, a significant word within that business name, or the ID number assigned to that record by the Secretary of State's office. The service has proven to be a valuable tool for North Dakota's business and legal communities and anyone interested in starting a new business, or researching existing businesses.

Prior to the implementation of the business records search service, the Secretary of State's office received numerous calls each day requesting information about the status of corporations, partnerships, trade names, and the names of registered agents, along with other related information. The direct search has been instrumental in reducing the volume of calls, which allows staff to work on other duties. One of the main reasons for its value is its "live" feature, which is not available in many other states. What this means is that the information provided on the website matches, to the minute, the status of a business record, as it exists in the Secretary of State's database.

Expanding upon the business records search, the agency launched another important web based tool for business and legal communities that allows business customers to access their annual reports from the web site, pre-populated with the correct agency data, for the customer to complete, print, sign and return. The initial deployment of this application was in April of 2002 and coincided with the foreign annual reporting deadline in May. The initial success of the annual report application prompted the agency to expand the application for other annual reports - domestic corporations, professional corporations, partnerships, and non-profits. Future development in this area will allow business customers to file annual reports electronically without having to print, sign, and mail them. This effort will first require statutory changes concerning the requirement of physical, original signatures.

The Central Indexing Division unveiled the next component of its web-based services by providing subscription fee direct access filing. This component compliments and functions much like the subscription fee direct access searching components introduced by the agency in 1997. The application will allow financial, banking, lending, and agricultural customers and institutions to electronically file UCC related information with the Secretary of State's office that is maintained in the Central Indexing System, a centralized system that is also accessible in all of the state's County Recorder offices.

In addition, the Central Indexing Division successfully imaged all Uniform Commercial Code (UCC) and lien related documents currently maintained and stored by the agency, which represented almost 80,000 documents and 175,000 images. Once stored and indexed into the ITD's Electronic Data Management Solution, known as FileNET, the agency will be disposing of the physical paper filings, creating additional workspace within the office. More important, having the images will allow the agency to eventually attach the images to the existing Central Indexing System and display the images to the web, allowing other counties and customers to more easily and cost effectively conduct UCC searches.

By the conclusion of the 2001-03 biennium, the Elections Division will have introduced an integrated web-based election management application. Its deployment is to coincide with the 2002 general election. The application will provide a more efficient and secure mechanism for collecting, distributing and displaying election data on the agency's web site, including: candidate filings; election results; political committee data; and campaign finance reports.

Future plans are to continue to enhance the agency's web site through the inclusion of additional applications that provide access to agency data. The agency is particularly interested in developing web site applications that will permit the public and customers to submit and/or file data and documents electronically. These efforts will first require statutory changes concerning the requirement of physical, original signatures, on certain documents filed with the agency. Additional information on these agency plans is outlined in the goals, objectives, and activities of the agency's IT Plan.

Support from IBM for the AS/400 word processing and document creation application, known as Office Vision, was terminated during the 2001-03 biennium. Therefore, by the conclusion of the 2001-03 biennium, the agency will have successfully implemented and installed a replacement for Office Vision, with the assistance of ITD and the agency's business partner, ESI. That replacement, known as DTM, was purchased by ITD in February 2002 and will be installed and tested by ITD, ESI, and agency staff by December of 2002. The agency will convert and index existing images as well as develop the necessary applications to create and index new documents and images. DTM is also intended to

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interface well with the Electronic Data Management System (EDMS) solution, known as FileNET, and its peripheral components, which the agency intends to implement and integrate during the 2003-05 biennium.

During the biennium the agency continued to upgrade personal computers, printers, and monitors, taking advantage and leveraging the most efficient technologies. As an example, physical space within the agency is a premium. For this reason, the agency upgraded work stations to the flat screen ViewSonic monitors wherever possible in order to provide additional space for employees within their work stations and on their desk tops.

The agency was successful in migrating to the Windows 2000 operating system during the previous biennium. This accomplishment, along with migrating from Token Ring to Ethernet, has greatly reduced the agency's need for day-to-day support from ITD. As a result, during the 2001-03 biennium, the agency, through organizational restructuring has expanded its internal technology team, giving the agency more responsive and effective internal IT support and guidance. The agency currently employs two Information Specialists responsible for managing and maintaining the bulk of the agency's immediate technology and records retention needs.

Finally, the agency was fortunate to have acquired additional workspace, which is located in the Judicial Wing and only a short distance from the rear entrance to the main office. The added space, together with the security concerns raised by the events of September 11, prompted the agency to evaluate its current work space usage and develop a revised work space plan that concentrates customer traffic flow to one area of the office, away from the majority of the agency's employees. The revised plan enhances agency operations to better serve the public and agency customers, while at the same time improving office security. Together with Facilities Management, the agency will complete the office restructuring by the close of the 2001-03 biennium.

The agency also believes a major accomplishment is its success during the past five legislative sessions in which it has asked the legislature to consider numerous pieces of legislation that improve, clarify and procedurally enhance laws administered by this agency. The ultimate beneficiaries have been those customers who use the services of the agency.

FUTURE CRITICAL ISSUES

In the statistical data section of the program narrative, the data reveals that since the 1991/1993 biennium, there has been a significant percentage increase (66%) in revenue generated by the agency when compared between that biennium and the current biennium. On the other hand, the estimated expenditures for the current biennium are only 15% more than they were for the 1991/1993 biennium. Since the individual fees collected by the agency have remained relatively unchanged during the past 12 years, the increased revenue is directly related to the increase in filings and increased demand for the services provided by the agency.

In order to respond to this increased demand, the agency is extensively dependent on the use of information technology (e.g. software, hardware, Internet, etc.), which it uses to provide the timely, accurate, and efficient services expected by the public, businesses, and customers of the agency.

The agency is the first place stop and prime filer of a variety of business related information. Therefore, the agency has a key role in the state's e-government initiatives making it imperative that the agency has adequate funding and support in order to implement the appropriate technology to meet these goals.

Another critical issue has been the lack of communication among agencies to share technology and equipment in which there would be a common benefit. This is, however, improving as ITD has been reaching out to agencies and encouraging agencies, at all levels and sizes, to communicate and collaborate on technology related projects. The establishment of an ITD Executive Advisory Committee, in which the agency participates, has been helpful.

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As an example of how this critical issue is being addressed, the agency is planning to invest, over the course of the 2001-03 and 2003-05 biennium and beyond if necessary, in FileNet, which is an imaging and workflow management tool purchased by ITD. FileNet, and its array of peripheral technologies, will position the agency to: enhance imaging and document retrieval functions; enhance document and data access and display; and improve agency work flow, while at the same time assisting ITD in providing the tool as a cost efficient solution for multiple agencies to use.

Another critical issue is the dysfunctional nature of the of the agency's AS/400 database applications that continue to be a barrier to the development of e-government services. To address that issue, the agency is submitting an optional request with this budget with the hope that it will be funded for the 2003-05 biennium. The re-organizing and re-design of the architecture programming language will allow the agency to more readily deploy and respond to the demand for web-based services and e-government applications. It will also allow the Secretary of State's office to potentially share common warehouse data with other state agencies.

Most of the documents filed with the agency require a physical signature. This becomes a critical issue in the development of e-government services as well. Therefore, plans are to ask the 2003 Legislative Assembly to remove that requirement. Removing the physical signature requirement on the various documents filed with the Secretary of State will allow the agency to pursue on-line filing of a variety of business documents such as arrival reports and registrations of business entities. By removing this requirement, it will allow for the deployment of cost-effective, usable, e-government solutions that will enhance the agency's business processes and provide a significant customer service.

Part 4

AGENCY DESCRIPTION

The agency is the office of record for the executive and legislative branches of government, the office of record for public records and notices (many that are related to various business entities), and it performs a wide range of licensing, regulatory, registration, and administrative functions in four operating divisions. The agency performs these functions in accordance with the requirements of the state's law and constitution.

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PROGRAM OBJECTIVES

To be the least complicated, most accessible agency in state government.

SERVICES PROVIDED

The services of the office are delivered through an organizational structure that includes four internal divisions that use one cost center. They are as follows.

A. Administrative/Licensing Division - administers the laws, filings, registrations, licensing, and record keeping related to the following duties of the Secretary of State.

1. Athletic Commission (boxing, kickboxing, and sparring)
2. Contractors
3. Charitable Solicitation and Professional Fund-raisers
4. Internal Services (accounting, mail, central office files, public records, personnel)
5. Legislative Actions
6. Lobbyists
7. Notary Publics
8. Miscellaneous Licensing and Filing (chemical applicators, Apostille's, mineral rights)
9. Official acts of the Governor
10. Apostille's
11. Chemical Applicators

B. Central Indexing Division - a central database maintained by the agency, which is connected to the offices of the County Recorders in the state's fifty-three counties for the filing of documents related to the following.

1. Uniform Commercial Code
2. Central Notice System
3. Agricultural Statutory Liens
4. Various Miscellaneous Liens

C. Business Division - administers the laws, filings, registrations, and reporting related to forty-four different business entities under the following general categories.

1. Cooperatives
2. Corporations (domestic, foreign, professional, nonprofit, farm,)
3. Credit Unions
4. Home Rules Charters for Cities and Counties
5. Limited Liability Companies (domestic, foreign, professional, farm)

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- 6. Limited Liability Partnerships (domestic, foreign, professional, farm)
 - 7. Limited Partnerships (domestic, foreign)
 - 8. Limited Liability Limited Partnerships
 - 9. Insurance Companies
 - 10. Miscellaneous (airport authorities, fiduciaries, irrigation districts, municipal power agencies, etc.)
 - 11. State Banks
 - 12. Trademarks
 - 13. Trade names
- D. Election Division - administers the laws related to elections such as the following.
- 1. Education of various election officials
 - 2. Preparation of election related publications and forms
 - 3. Election resource for various political subdivisions and candidates
 - 4. Maintain the integrity of the election process
 - 5. Certify the ballot, receive various filings and campaign finance reports, issue certificates of election, file oaths of office, etc.
 - 6. Review and certify for ballot initiatives and referendums

part #16

PROGRAM STATISTICAL DATA

History of Revenue and Expenditures for the past five budget cycles

Revenue

1991-1993	\$ 3,590,061
1993-1995	\$ 4,007,416 increase of 11.6% over previous biennium
1995-1997	\$ 4,342,289 increase of 8.4% over previous biennium
1997-1999	\$ 4,912,970 increase of 13.1% over previous biennium
1999-2001	\$ 5,748,947 (general \$5,417,040; * special \$331,907) increase of 17.0% over previous biennium
2001-2003	\$ 5,970,000 Estimated (general \$5,600,000; * special \$370,000) increase of 3.9% over previous biennium

* The 1999 Legislative Assembly authorized the agency to have a General Services Operating Fund for the agency's "retail" trade. At the end of the 1999/2001 biennium, the agency transferred \$40,835 to the state's general fund.

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Expenditures

1991-1993 \$ 3,623,237
 1993-1995 \$ 3,132,554 decrease of 13.5% from previous biennium
 1995-1997 \$ 2,721,385 decrease of 13.1% from previous biennium
 1997-1999 \$ 2,839,345 increase of 4.3% over previous biennium
 1999-2001 \$ 3,544,746 (general \$3,328,673; special \$216,072) increase of 24.8% over previous biennium (see note # 1)
 2001-2003 \$ 4,170,000 Estimated (general \$3,800,000; special \$370,000) increase of 17% over previous biennium (see note # 2)

Note # 1 Because of a system wide reallocation by ITD of the costs related to the wide area network connecting the agency and the state's fifty-three counties for the operation of the central indexing system, the budget was increased by \$300,000 from \$75,000 to \$375,000, accounting for 39% of the increase. Another \$197,000, or 26% of the increase, was for salaries as approved by the legislature, emergency commission, and the budget section. Most of the remaining \$264,000, or 35% of the increase was for increased expenses related to services provided by ITD and other technology related expense as approved by the legislature, emergency commission, and the budget section. Almost half of that amount was directly related to the cost of providing the increased demand for agency information as authorized through the agency's general services operating fund, with those expenses being covered by the revenue generated to that account.

Note # 2 ITD once again reallocated costs related to the wide area network resulting in another \$175,000 increase added to the agency's budget.

Summary: Since the 1991/1993 biennium, the agency's revenue has increased by 66%. Compared with the expenditures in the 1991/1993 biennium, the estimated expenses for the 2001/2002 biennium has only increase by 15%.

Demand for Services

The demand for the agency's services has grown steadily during just the five-year period beginning June 30, 1995, and ending June 30, 2000. This is in direct relationship to the net increase in filings and registrations as listed below.

	June 30, 1995	June 30, 2002	Percentage Increase/Decrease
Contractors	4,701	5,905	+25.6%
Charitable Solicitation	559	1,461	+ 161.4%
Notary Publics	10,419	11,643	+11.7%
ND For-profit corporations	10,734	12,114	+ 12.9%
ND Cooperatives	434	381	+ 7.8%
ND Professional corporation	552	721	+ 30.6%

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	7,307	10,634	+ 45.5%
Foreign For-profit corporations	45	75	+ 66.7%
Foreign cooperatives			
Limited Liability Companies (all)	441	3,092	+ 601.1%
Limited Liability partnerships (all)	13	1,331	+ 10,138.5%
Limited Partnerships (all)	864	1,566	+ 81.5%
Limited Liability Limited Partnerships	0	223	+ 223.0%
Partnership Fictitious Names	1,362	1,584	+ 16.3%
Trademarks	1,286	1,522	+ 18.4%
Trade names	3,565	13,618	+ 282.0%
ND non-profit corporations *	0	6,993	+ %
Foreign non-profit corporations *	0	1,056	+ %
Total	42,282	73,919	+ 74.8%

Done
AS

*Prior to 1997, non-profit corporations were not required to file an annual corporate report. Therefore, the agency is processing an additional 8,049 filings that it did not process five years ago.

Even though the agency is processing an additional 30,600 documents a year, the FTE authorization has only increased 2.0 FTE from 24 FTE on June 30, 1995, to 26.0 FTE on July 1, 2001.

EXPLANATION OF PROGRAM COSTS

For the 2001-2003 biennium, the salary line represented approximately 49% of the agency's total spending authority.

The operating line represented approximately 48% of the agency's total spending authority. Of that amount, approximately 72% was budgeted for payments to the state's Information Technology Division (ITD). Another 7% of the operating line was used for expenses related to information technology, e.g., programming and software. The remaining 21% is spread among twelve other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example -

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1. the agency's budget supports the wide area network for the Central Indexing System that connects the agency and the state's fifty-three county Register of Deeds and for the expenses related to maintaining a database that is housed on the state's mainframe computer, which contains approximately 250,000 files.
2. the agency's budget supports a database of approximately 160,000 names on an IBM AS/400 computer for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming, which is only available from a private vendor.
3. the agency's budget supports an Internet web site and covers associated expenses.

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Chapter Six (D)

SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES - BIENNIAL HISTORY

	1989-1991	1991-1993	1993-1995	1995-1997	1997-1999	1999/2001
REVENUE -- General Fund						
Administration.....	\$ 68,177	\$ 10,019	\$ 10,163	\$ 18,170	\$ 2,203	\$ 2,287
Business Registration.....	1,005,590	1,552,416	1,904,359	2,240,551	2,770,809	3,213,566
Central Indexing UCC/CNS	540,694	1,513,881	1,534,580	1,331,659	1,298,898	1,518,001
Licensing.....	261,517	510,425	556,024	749,093	839,164	820,343
Elections.....	0	3,320	2,290	2,816	1,896	1,413
Subtotal	\$ 1,875,978	\$ 3,590,061	\$ 4,004,416	\$ 4,342,289	\$ 4,812,970	\$ 5,555,610
REVENUE -- General Services Operating Fund						
Business Registration/Info.....	0	0	0	0	0	\$ 89,596
Central Indexing	0	0	0	0	0	242,245
Licensing.....	0	0	0	0	0	1,173
Elections.....	0	0	0	0	0	22
Subtotal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 333,038
Central Indexing Surcharge	0	0	0	192,057	0	0
Public Printing (General Fund) ..	43,418	53,462	59,921	64,459	78,162	64,858
Total Revenue	\$ 1,919,396	\$ 3,643,523	\$ 4,067,337	\$ 4,598,805	\$ 4,891,132	\$ 5,953,504
APPROPRIATIONS						
Salaries	\$ 999,385	\$ 1,252,386	\$ 1,448,489	\$ 1,540,419	\$ 1,692,780	\$ 1,899,778
Operating Expenses	282,243	828,607	611,489	1,203,200	1,140,190	1,713,490
Information Services Division .	181,679	1,174,668	1,023,938	0	0	0
Equipment	6,000	47,213	167,000	65,000	39,000	84,000
Petition Review.....	17,340	17,000	17,000	14,000	2,000	12,000
Limited Liability Implementation	0	0	5,000	0	0	0
Grants	0	643,000	0	0	0	0
Contingency	0	53,713	0	0	0	0
Risk Management Premium	0	0	8,068	0	0	0
Subtotal	\$ 1,486,647	\$ 4,016,587	\$ 3,280,983	\$ 2,822,619	\$ 2,873,970	\$ 3,609,268
Presidential Preference	0	0	0	275,000	0	0
Public Printing	335,258	366,543	368,500	421,974	442,000	535,200
Total Appropriations	\$ 1,821,903	\$ 4,383,130	\$ 3,647,483	\$ 3,519,593	\$ 3,315,970	\$ 4,234,468
EXPENDITURES						
Salaries	\$ 999,385	\$ 1,232,023	\$ 1,344,150	\$ 1,535,163	\$ 1,675,050	\$ 1,822,738
Operating Expenses	282,193	680,468	455,016	1,117,823	1,124,831	1,642,030
Information Services.....	181,675	1,018,224	800,841	0	0	0
Equipment	5,987	41,266	156,811	63,426	38,514	80,297
Petition Review.....	17,334	6,461	11,505	4,973	949	0
Grants	0	591,282	0	0	0	0
Limited Liability Implementation	0	0	5,000	0	0	0
Contingency	0	53,513	0	0	0	0
Risk Management.....	0	0	8,068	0	0	0
Subtotal	\$ 1,486,574	\$ 3,623,237	\$ 2,781,394	\$ 2,721,365	\$ 2,839,345	\$ 3,545,066
Central Indexing Surcharge	0	0	0	191,927	0	0
Presidential Preference	0	0	0	197,850	0	0
Public Printing	335,205	339,897	351,160	363,972	441,954	346,722
Total Expenditures	\$ 1,821,779	\$ 3,963,134	\$ 3,132,554	\$ 3,474,934	\$ 3,281,299	\$ 3,891,788

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Handwritten signature: Y. Harwood
Operator's Signature

Handwritten date: 10-14-03
Date

OPTIONAL ADJUSTMENTS NARRATIVE
0108 OFFICE OF THE SECRETARY OF STATE
Version: 2003-0108-B-01

Page 1 of 1
Date: 8/26/2002
Time: 13:02:39

Opt Adj: Optional adjustment package

Priority: 1 Reporting Level: 00-108-100-00-00-00

Request 1

PROJECT

Creating Architecture for Delivery of E-Government Services (CADES)

ESTIMATED PROJECT DURATION

24 months

BUSINESS PARTNERS

State of North Dakota - Information Technology Department
Private Vendor - Enterprise Systems Incorporated

BACKGROUND and PROJECT OVERVIEW

During the 2001-03 biennium, the Secretary of State's office deployed several cost effective web-based tools aimed at making it easier and friendlier to do business with the agency and the State of North Dakota. As an example, in the spring of 2001, the agency deployed a live business records search that allows customers to search for the names of business entities registered with the Secretary of State's office. They can use the search to obtain basic information that is related to various business and legal functions, e.g. registered entity name, status, activity, contact information, registered agent, date of incorporation, etc. The search has proven to be of tremendous value to the public, business, and legal communities, and state agencies. It has also enhanced the internal operations within the Secretary of State's office and reduced workload stress on the staff.

The live business records search also permitted the agency to deploy another web-based tool in the spring of 2002, which allows business entities to access their annual reports on-line with pre-populated data from the agency's database. This tool gives agency customers an easier and more efficient way to file their annual reports in less time and with fewer errors.

Looking forward, the Secretary of State's office is on the threshold of being able to deliver more advanced e-government services aimed at allowing customers to electronically exchange data with the agency. Such e-government services may include:

- On-line filing of business entity annual reports
- On-line requests of business entity Certificates of Good Standing
- On-line filing of contractor and charitable licenses
- On-line filing of trade-names and trade-marks
- On-line registrations of business entities

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Time: 13:02:39

CHALLENGES

However, to fully realize the goal of providing these e-government services, the Secretary of State's office must overcome significant technological barriers, dating back to 1991/1992. These barriers will continue to hamper and/or prevent the agency from advancing towards e-government goals if they are not resolved in the near future and adequately addressed.

The present database architecture was designed, created, and effective January 1, 1992. It was a major undertaking as the office, prior to that time, only utilized minimal technology. However, because of the method in which the database was designed, it is not efficient or conducive to developing e-government solutions: utilizing today's advanced technology or for responding to the emerging demand for e-government services. While programming improvements to the database have been made during the past ten years, the underlying dysfunctional and outdated architecture remains.

Therefore, in order to overcome these barriers, it is imperative that the AS400 database be re-designed and re-organized. This is a course of action recommended by both ITD and ESI, our technology business partners, who have conducted extensive research and have made recommendations for what action the agency should proactively initiate in order for it to provide e-government services and to make its database more efficient and effective. In addition, to fully implement e-government services, it is important to upgrade and integrate, at the same time, an Electronic Document Management System (EDMS). The re-organizing and re-design of the architecture and the integrating of the EDMS will allow the agency to more readily deploy and respond to the demand for web-based services and e-government applications, as well as potentially share and warehouse data with other state agencies. Therefore, this project has significant and far-reaching future benefits for the Secretary of State's office as well as for the rest of state government.

Poddy #12

DESCRIPTION OF PROJECT

Database Re-Organization & Re-Design (18 months)

The re-organization and re-design of the programming architecture supporting the agency's AS400 applications would have a significant and positive impact on the ability of the agency to continue developing and deploying cost effective web tools, such as the Business Records Search and the Fillable Annual Reports. More important, the re-organization and re-design of the programming architecture supporting the agency's AS400 applications would better leverage the agency to deploy cost effective e-government solutions that will allow for the exchange of data and information with the public, agency customers, and with the 18 state agencies that currently have direct access to the Secretary of State's database.

The latter connection is important because it contributes to the overall efficiency of state agencies as they interact with current and potential businesses, in-state and out-of-state. By law, all business activity in North Dakota must begin with a registration in some form with the Secretary of State's office. Once accomplished, other agencies can access the Secretary of State's database. Therefore, in order to enhance the state's image as being a "good" state in which to do business and to provide e-government services, the Re-Organization and Re-Design of the database is essential.

The re-organization would take place in two primary phases. They include developing an adequate test environment for the database followed by the actual re-organization and re-design of the database architecture.

1. Test Environment Development (6 months)

Primary Activities

Clean up test and production files and programs, i.e., remove references to specific libraries

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Date: 8/26/2002
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- Remove data and programs no longer in use
- Create structured test and production environments, i.e., create a common source library
- Document environment
- Primary Benefits
 - Reduce disk space (reduced storage costs)
 - More efficient development, training, and testing (reduced application development time)
 - Easier to maintain (reduced support costs)
 - More efficient program execution (reduced processor utilization)
- 2. Database Re-Organization & Re-Design (12 months)
- Primary Activities
 - Re-design Name, Address, and associated databases
 - Modify existing applications to take advantage of new file structures
- Primary Benefits
 - More efficient data entry and information inquiry (reduced staff time)
 - More efficient web access (reduced application development time) and (improved customer satisfaction)
 - Improve ability to add application functionality, i.e., web access, image processing (reduced application development time)
 - Easier to maintain (reduced support costs)
 - More efficient program execution (reduced processor utilization)

part #13

Integration of Electronic Document Management Systems (EDMS) (24 months)

The Office of the Secretary of State was one of the earliest users of EDMS technologies among state agencies. However, the current application is limited in scope and does not serve the entire office. The usefulness of imaging within the office would be greatly enhanced by the addition of workflow and forms processing. As important, the resulting improvements include e-forms technology and expanded integration with business applications that advance the agency's e-government goals and objectives.

As summarized in the agency's program narrative for its 95% budget request, the agency is now processing over 30,000 more documents per year than it did 7 years ago. Even though this is an increase of 75%, the agency has worked hard, with current resources, to manage the additional workload. However, it also has been done at a sacrifice and a cost. As proposed, this project would significantly improve internal processing operations, enhance the development of e-government services, and again advance the reputation of the State of North Dakota as a "good" place to do business.

The integration of EDMS would be composed of 6 primary components or layers. They include: FileNET Content Services; integration of existing business applications to FileNET Content Services; deploying bar coding; automating the capturing of system generated documents; the migration of existing images; and deploying workflow tools.

1. FileNET Content Services

The FileNET Content Services library is a repository for storage of imaged and system generated documents. Images currently retained on the Image Writer Plus system, and text documents retained within the Office Vision application, can be migrated to the FileNET system for later retrieval by staff. Consolidation of existing collections will speed access, reduce costs, and provide a more comprehensive record. Additionally, the FileNET system can provide external access to information to authorized individuals who are outside of state government.

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2. Integration of Existing Business Applications to FileNET Content Services

To allow existing business applications to initiate a FileNET search from the application screen, an icon would be added to the application screen. When the icon is selected, user authentication and a value extracted from the current application screen will be passed to the FileNET system. The system would be configured to bring back either a specific document or to return a results list from which the user can select the needed document.

3. Bar Coding

Establish two types of bar coding capabilities within the agency. The first type would consist of redesigning existing forms to allow recognition by a forms processing solution. Adding the barcode will enable the forms processing software to match a forms template to the scanned image and automate some or all of the document indexing. Future enhancements would enable recognition and storage of form data in addition to form type.

The second type of bar coding required relates to forms that are originated within the agency and sent out to filers to be completed and returned. These forms require a unique barcode that is linked to a database containing information about the forms. When the form is returned, the scanner can use the barcode to access indexing and other information to automatically file and route the document for processing.

4. Automate Capture of System Generated Documents

Much of the filing within any office is related to documents that are created internally. To automate the process, the agency has purchased a license for KnowledgeLake Wappapello software. The solution watches the system and takes a copy of each document printed by the system. The copy is indexed and stored in the FileNET system automatically. Additionally, the solution can attach a template to the document, as it is stored, increasing the evidentiary value of the stored record.

5. Migration of Existing Images

Consolidation of all documents to a single system will speed retrieval, reduce maintenance expenses, and simplify record keeping. The Image Plus system presently used by the agency is not used by any other state agency and is in need of upgrade. The most cost effective option for the upgrade would be to migrate the existing images to the FileNET system where they can be combined with other collections of documents maintained by the agency. The migration will require that the format of the images be changed from MODCA to TIFF G4. Once this is completed, the documents and their images will be easily moved to the FileNET system.

It is uncertain at this point whether outside assistance will be required for the conversion process. If not, the largest expense will be for the software to convert the files from one format to another.

6. Workflow

Workflow allows that automation of standard business processes, allowing staff to concentrate on value added activities. The State has selected the Pinnacle Workflow framework from KnowledgeLake. The selection was made because of the products tight integration with FileNET, ease of deployment and the lower cost when compared to alternative products.

NOTE: Technology for indexing correspondence and for imaging future documents is scheduled for purchase during the current biennium for use with the current solution being utilized for the Central Indexing System. The required software is the Cardiff TELEform Scan Station License (\$1,500) and a Cardiff TELEform Verifier license (\$3,000). It is

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Cheresea W. Bee

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expected that these two licenses will provide enough processing power to image and index incoming documents for the entire office.

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PROGRAM NARRATIVE
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Version: 2003-0108-B-01

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Date: 1/8/2003
Time: 16:34:48

Program: PUBLIC PRINTING

Reporting Level: 00-108-200-00-00-00

PROGRAM OBJECTIVES

To provide effective and efficient services to state agencies and others as it relates to the distribution of publications funded by the public printing appropriation.

SERVICES PROVIDED

Under the provisions of Chapter 46-04 of the North Dakota Century Code, the agency is the designated distributor of the North Dakota Century Code, Session Laws, Administrative Code, and related publications.

PROGRAM STATISTICAL DATA

The agency distributes approximately 700 of the following publications to elected officials, legislators, legislative council, state agencies, county agencies, judicial system, and libraries as prescribed by law:

North Dakota Century Code - new sets, replacement volumes, supplements;
Session Laws

The agency distributes approximately 190 sets of the North Dakota Administrative Code.

EXPLANATION OF PROGRAM COSTS

Although the general fund appropriation to pay for these publications is included as part of the agency's overall budget, the agency has little input regarding the expenditures made from this appropriation. The Legislative Council executes all of the contracts with the various publishers and vendors as well as makes all of the decisions related to the publications distributed by the agency.

The major portion (approximately 83%) of the appropriation is directly related to the cost of publishing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code.

The remaining portion of the appropriation is used by the agency to cover costs related to programming database records, shipping and mailing, supplies, etc.

Office of Management and Budget

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Operator's Signature

Cheresea J. Bee

Date

10-14-03

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE <http://www.state.nd.us/seo>



SB 2002

PHONE (701) 328-2900
FAX (701) 328-2992

E-MAIL seo@state.nd.us

SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0600

March 14, 2003

TO: Rep. Carlisle and Members - House Government Operations Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: SB 2002 - Appropriation for Secretary of State

I have attached the information that I gave to Rep. Belter.

In addition, I have attached information listing of all of the business entities that have an annual report filing requirement (it is an updated version of what I included with my testimony at my hearing).

In particular, I want you to note the 223 registrations we have for Limited Liability Limited Partnerships. This new business entity was established in 1999 at the same time the annual report filing requirement was put into place for limited partnerships. Each one of these new filing knew at the time of their initial registration that they would have an annual report filing requirement and yet it did not stop them from registering.

When I prepared my note for Rep. Belter, I based my figure of \$95,000 per biennium in lost revenue to the state's general fund on just the repeal of the filing requirement for limited partnerships and limited liability limited partnerships.

However, the amendment proposed by Rep. Belter also proposes the repeal of the annual report filing requirement for limited liability partnerships. That would be a loss of an additional \$67,000 in lost revenue to the state's general fund.

Therefore, the adoption of this amendment, as proposed, would result in a loss to the state's general fund of \$162,000 per biennium.

Rep. Belter stated that the registration of a limited partnership is just a paper record and nothing more. I disagree. I encourage you to ask the many investors that use the limited partnership business entity to develop investment property and how the inadvertent dissolution would impact them.

Finally, I have to ask why these three types of partnerships should not be subjected to the same annual filing requirement that is required by law for all other business entities.

The State of North Dakota, through the approval of the legislature, has been very aggressive in providing our citizens with business entity options.

Since 1993, when I first became Secretary of State, the state has created limited liability companies, limited liability partnerships, and limited liability limited partnerships. Now, having started at zero, these new entities represent almost 4,700 business entities that did not exist in 1993.

This amendment would represent a step backward in the tools the state provides to those individuals wanting to create a new business or make an investment in the state.

America needs you. VOTE! - Luke Boyer - 2000-2002 Get Out the Vote Slogan Winner - Carrington Jr. High School

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Cherise A. Lee
Operator's Signature

10-14-03
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ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

February 10, 2003

HB 1362

June 30, 1995 June 30, 2002

ND for-profit corporations	10,734	12,114	+ 12.9%
ND Professional corporations	552	721	+ 30.6%
Foreign for-profit corporations	7,307	10,634	+ 45.5%
Limited Liability Companies (all)	441	3,092	+ 601.1%
Limited Liability partnerships (all)	13	1,331	+ 10,138.5%
Limited Partnerships (all)	864	1,566	+ 81.5%
Limited Liability Limited Partnerships	0	223	+ 223.0%
Partnership Fictitious Names	1,362	1,584	+ 16.3%
ND non-profit corporations *	0	6,993	+ %
Foreign non-profit corporations *	0	1,056	+ %

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Yherosa J. Bee
Operator's Signature

10-14-03
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ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

March 13, 2003

Rep. Belter,

As you have indicated to me, you want to repeal the law requiring annual reports of Limited Partnerships. If so, the law requiring annual reports of Limited Liability Limited Partnerships should also be repealed for consistency reasons.

However, I need to let you know what impact the repeal of these laws would have on revenue to the state's general fund.

At the present time, there are approximately 1,600 Limited Partnerships and 300 Limited Liability Limited Partnerships filed with the Secretary of State's office.

The repeal of the annual report filing requirement would result in a loss of \$95,000 in revenue to the general fund each biennium.

The reasons for the annual report filing were outlined in my letter (copy attached). These are based on viable and sound business reasons as to why an annual report is important and beneficial. It also treats LPs and LLLP the same as all of the other business entities that are on file with the SOS office.

I have also enclosed a copy of a portion of the testimony given by William L. Guy III to both the House and Senate Judiciary committees in 1999.

A handwritten signature in black ink, appearing to be "Alvin A. Jaeger".

America needs you. VOTE! - Luke Boyer - 2000-2002 Get Out the Vote Slogan Winner - Carrington Jr. High School

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Operator's Signature

10-14-03
Date

February 2003

Limited Partnership (LP) and Limited Liability Limited Partnership (LLLP) - Annual Report

Dear Registered Agent,

Enclosed is the 2003 annual report form for your LP or LLLP, which must be filed with the Secretary of State's office on or before April 1, 2003.

For those Limited Partnerships organized prior to July 1, 1999, the filing deadline is on or before April 1 in the year in which the LP's current registration lapses. The same annual report filing deadline will apply in each succeeding year. For those Limited Partnerships organized after July 1, 1999, the LP's first annual report is due on or before April 1 of each year, with the first report due in the year following the year of organization.

LLLP's organized prior to January 1, 2003, must file an annual report on or before April 1, 2003. For those LP's that may not know, the 1999 Legislative Assembly adopted the LLLP business structure. That law contained a conversion option for those LP's, which may wish to change their structure from a LP to a LLLP.

The LP annual report replaces a process whereby a LP's registration was renewed on its anniversary date once every five years. However, five years is a long time. Therefore, the annual report process was created to prevent a potentially serious gap in the LP's "status" if that LP failed to file a renewal at the end of the five-year registration period. Unfortunately, that was not an uncommon occurrence. Quite often, the name or address of a registered agent was changed or the LP changed its address and failed in either case to notify the Secretary of State. As a result, postal forwarding instructions expired and it was challenging to find addresses for sending renewal forms. Consequently, the annual report filing process is designed to prevent the inadvertent expiration of the LP's registration. It is similar to that process that is already required for the many other business entities that also derive their existence from the laws administered by the Secretary of State's office.

The annual report form only requires basic information (e.g., name of the LP or LLLP, name and address of its registered agent, names and addresses of managing partners, a brief statement of purpose, the federal ID number if a LP or LLLP has one, and the state of origin). The fee for filing the annual report is \$25 if filed on or before April 1, 2003. The filing fee increases to \$45 if the annual report is filed after the due date.

When a LP or LLLP registration is first filed with and approved by the Secretary of State, that is when its existence first begins. Under the present law, that existence will continue for as long as the LP or LLLP files its annual reports. Its existence will only terminate if the LP or LLLP files a voluntary cancellation of its registration, or fails to file its annual report within the time period prescribed in state law. Under the latter circumstance, an involuntary termination will occur six months after the Secretary of State notifies the LP or LLLP of its failure to file its annual report.

My staff is very willing to help and is available to answer all questions regarding the enclosed form. Please contact the Business Division at (701) 328-4145 or (800) 352-0867, ext. 8-4145. If you hear a recording, please leave a brief message after the tone. A member of my staff will return your call as quickly as possible.

Sincerely,

Al Jaeger
Secretary of State

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Cheresea J. Lee
Operator's Signature

10-14-03
Date

- Sections 149 through 152 (beginning on page 180) set forth technical clarifications pertaining to the certificate of limited partnership and the procedures for amending, cancelling and executing the certificate.

- Section 153 (beginning on page 183) is a substantive change whereas limited partnerships have previously filed a renewal certificate every five years, limited partnerships will now file an annual report in the same manner as do other entities. Under the previous arrangement, if a limited partnership failed to file a renewal certificate, its status as a limited partnership was terminated (possibly having significant consequences to the partnership and its partners).

-22-

Rev.
2/1/99

- Failure to file the renewal certificate was not an uncommon occurrence since many times the reminder sent by the Secretary of State was returned due to a change of address (without a current forwarding address).
- The annual report that will be filed by limited partnerships will be similar in content to the annual reports required of other business entities.

- Section 154 (beginning on page 186) consists of technical changes to the filing fee schedule for the filing of documents with the Secretary of State.

- Section 155 (beginning on page 188) consists of a substantive

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Yherosa W. Bee
Operator's Signature

10-14-03
Date

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.state.nd.us/seo



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SECRETARY OF STATE
STATE OF NORTH DAKOTA
800 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

March 5, 2003

TO: Rep. Carlisle and Members -- House Government Operations Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: SB 2002 -- Appropriation for Secretary of State

1. Agency's overview and program narrative (pages 2 to 9) submitted to Office of Management and Budget last August. It is a comprehensive overview of the services provided by the Secretary of State's office and a biennial history of the agency's gross revenues and expenditures beginning with the 1991-1993 biennium.
2. Agency's six-biennium financial history (page 10) from the Secretary of State's 1999/2001 biennial report.
3. The agency's budget, at the end of January, is tracking to generate revenue of approximately \$5,700,000 for the state's general fund, which is approximately \$1,800,000 greater than the agency's general fund appropriation (excluding public printing) for the current biennium.
4. The agency's General Services Operating Fund continues to be a valuable tool in managing the unpredictable demand for the agency's "retail" business, which is the sale of lists and information. The balance in the fund, in excess of \$75,000, is transferred at the end of the biennium to the state's general fund. That transferred balance is in addition to the net revenue projected in item # 3. At the end of 1999/2001 biennium, the agency returned approximately \$40,800.
5. Among the agency's major accomplishments during the current biennium is the launch of the "live" business records search service available on its web site, which is averaging 50,000 hits a month. More accomplishments are detailed on page 1 of the attachment.
6. Submitted a 95% general fund budget request, which the Governor recommended (less a \$22,981 adjustment).
7. Submitted one optional request of \$350,000 for general funds to create the required architecture for the delivery of e-government services (narrative -- pages 11 to 15). The Governor recommended \$200,000 and the Senate concurred.
8. The Governor's combined recommended general fund appropriation for the agency (without wage and benefit increases) is \$3,828,525. This amount represents 98% of the agency's original general fund appropriation for this biennium (\$3,868,935) and represents 99% of the amount after the August 2002 reduction (\$3,868,935).
9. Based on figures supplied by the Legislative Council, the general fund request for public printing (page 16) was reduced \$172,000 (34%) from this biennium's appropriation (\$508,000 to \$336,000).

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Yvonne A. Bee
Operator's Signature

10-14-03
Date

10. Learned in October that Congress included a minimum of \$5,000,000 for each state in the *Help America Vote Act of 2002* (HAVA) as funding to be used for the purchase of punch card voting equipment; improving administration of elections; educating voters about voting procedures, rights, and technology; training election officials and poll workers; developing a state plan; enhancement of voting systems; voter accessibility; etc.

In addition, we learned two days ago that the state is eligible to receive an additional \$4,150,000 before the end of this year. Congress appropriated both of these amounts a few weeks ago.

Therefore, it will be necessary to amend line 14 of SB 2002 to change the \$5,000,000 to \$9,150,000, which will then allow all of the funds available in 2003 to be received.

In order to receive these monies, however, the state must first establish a fund that is designated specifically for carrying out the Election Reform activities identified in HAVA. According to HAVA, this fund must be established before the end of April.

Although SB 2002 has a line designated as Election reform, SB 2002 will not become effective until July 1, 2003. Therefore, I respectfully request that SB 2002 be amended to include an emergency clause to make line 14 of the bill effective immediately upon the bill's filing in the Secretary of State's office. Otherwise, it will not be possible to receive the first installment of \$5,000,000, which is expected in early May by electronic transfer.

I am also requesting that a legislative statement of intent be placed in the bill, which makes it specific that the election reform line is the state's designated fund to receive and expend congressional appropriations related to the *Help America Vote Act of 2002*.

The additional \$4,150,000 will become available later in the year after North Dakota's state plan has been submitted to the Election Assistance Commission that was created by HAVA. Although it can be applied for and received, this money cannot be expended until the state deposits \$207,500 in the election reform fund.

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Cheresea A. Fee
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10-14-03
Date

SB 2002

ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE

STATE OF NORTH DAKOTA
800 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

March 14, 2003

TO: Rep. Carlisle and Members – House Government Operations Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: SB 2002 – Appropriation for Secretary of State

I have attached an excerpt from the Help American Vote Act of 2002 (HAVA). The section lists the "condition for receipt of funds."

On the top of the first page, it requires the "chief executive officer of the State, or designee, in consultation and coordination with the chief State election official" to file a statement certifying that the State is in compliance with the requirements of subsection b.

Subsection b pertains to the filing of a state plan with the newly established Election Assistance Commission.

As part of the plan, it requires the State to provide the following information (shaded portion at the top of the 3rd page):

(7) How the State, in using the requirements payment, will maintain the expenditures of the State for activities funded by the payment at a level that is not less than the level of such expenditures maintained by the State for the fiscal year ending prior to November 2000."

In other words, as the state's chief election officer, I will have to certify that we are expending the same amount of money for election activities, without using HAVA funds, as has been expended since November 2002 and which is being proposed in the 2003/2005 budget.

In order to that, I cannot use HAVA funds to offset what we have been doing and which we must continue to do just to maintain our current level of election related activities. That level of expenditures would be necessary even if Congress had never passed HAVA.

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SEC. 253. <<NOTE: 42 USC 15403.>> CONDITION FOR RECEIPT OF FUNDS.

(a) In General.--A State is eligible to receive a requirements payment for a fiscal year if the chief executive officer of the State, or designee, in consultation and coordination with the chief State election official, has filed with the Commission a statement certifying that the State is in compliance with the requirements referred to in subsection (b). A State may meet the requirement of the previous sentence by filing with the Commission a statement which reads as follows: "_____ hereby certifies that it is in compliance with the requirements referred to in section 253(b) of the Help America Vote Act of 2002." (with the blank to be filled in with the name of the State involved).

(b) State Plan Requirement; Certification of Compliance With Applicable Laws and Requirements.--The requirements referred to in this subsection are as follows:

(1) The State has filed with the Commission a State plan covering the fiscal year which the State certifies--

[[Page 116 STAT. 1694]]

(A) contains each of the elements described in section 254 with respect to the fiscal year;
(B) is developed in accordance with section 255; and
(C) meets the public notice and comment requirements of section 256.

(2) The State has filed with the Commission a plan for the implementation of the uniform, nondiscriminatory administrative complaint procedures required under section 402 (or has included such a plan in the State plan filed under paragraph (1)), and has such procedures in place for purposes of meeting the requirements of such section. <<NOTE: Applicability.>> If the State does not include such an implementation plan in the State plan filed under paragraph (1), the requirements of sections 255(b) and 256 shall apply to the implementation plan in the same manner as such requirements apply to the State plan.

(3) <<NOTE: Applicability.>> The State is in compliance with each of the laws described in section 906, as such laws apply with respect to this Act.

(4) To the extent that any portion of the requirements payment is used for activities other than meeting the requirements of title III--

(A) the State's proposed uses of the requirements payment are not inconsistent with the requirements of title III; and

(B) the use of the funds under this paragraph is consistent with the requirements of section 251(b).

(5) The State has appropriated funds for carrying out the activities for which the requirements payment is made in an amount equal to 5 percent of the total amount to be spent for such activities (taking into account the requirements payment and the amount spent by the State) and, in the case of a State that uses a requirements payment as a reimbursement under section 251(c)(2), an additional amount equal to the amount of such reimbursement.

(c) Methods of Compliance Left to Discretion of State.--The specific

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Yherosa J. Lee
Operator's Signature

10-14-03
Date

choices on the methods of complying with the elements of a State plan shall be left to the discretion of the State.

(d) Timing for Filing of Certification.--A State may not file a statement of certification under subsection (a) until the expiration of the 45-day period (or, in the case of a fiscal year other than the first fiscal year for which a requirements payment is made to the State under this subtitle, the 30-day period) which begins on the date the State plan under this subtitle is published in the Federal Register pursuant to section 255(b).

(e) Chief State Election Official Defined.--In this subtitle, the "chief State election official" of a State is the individual designated by the State under section 10 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-8) to be responsible for coordination of the State's responsibilities under such Act.

SEC. 254. <<NOTE: 42 USC 15404.>> STATE PLAN.

(a) In General.--The State plan shall contain a description of each of the following:

(1) How the State will use the requirements payment to meet the requirements of title III, and, if applicable under section 251(a)(2), to carry out other activities to improve the administration of elections.

[[Page 116 STAT. 1695]]

(2) How the State will distribute and monitor the distribution of the requirements payment to units of local government or other entities in the State for carrying out the activities described in paragraph (1), including a description of--

(A) the criteria to be used to determine the eligibility of such units or entities for receiving the payment; and

(B) the methods to be used by the State to monitor the performance of the units or entities to whom the payment is distributed, consistent with the performance goals and measures adopted under paragraph (8).

(3) How the State will provide for programs for voter education, election official education and training, and poll worker training which will assist the State in meeting the requirements of title III.

(4) How the State will adopt voting system guidelines and processes which are consistent with the requirements of section 301.

(5) How the State will establish a fund described in subsection (b) for purposes of administering the State's activities under this part, including information on fund management.

(6) The State's proposed budget for activities under this part, based on the State's best estimates of the costs of such activities and the amount of funds to be made available, including specific information on--

(A) the costs of the activities required to be carried out to meet the requirements of title III;

(B) the portion of the requirements payment which will be used to carry out activities to meet such

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10-14-83
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the requirements payment is made to the State under this part.

(B) The requirements payment made to the State under this part.

(C) Such other amounts as may be appropriated under law.

(D) Interest earned on deposits of the fund.

(2) Use of fund.--Amounts in the fund shall be used by the State exclusively to carry out the activities for which the requirements payment is made to the State under this part.

(3) Treatment of states that require changes to state law.-- In the case of a State that requires State legislation to establish the fund described in this subsection, the Commission shall defer disbursement of the requirements payment to such State until such time as legislation establishing the fund is enacted.

(c) Protection Against Actions Based on Information in Plan.--

(1) In general.--No action may be brought under this Act against a State or other jurisdiction on the basis of any information contained in the State plan filed under this part.

(2) Exception for criminal acts.--Paragraph (1) may not be construed to limit the liability of a State or other jurisdiction for criminal acts or omissions.

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10-14-03
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SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0600

Draft Emergency Clause for Line 15, election reform.

Statement of Intent

It is the Intent of the 58th Legislative Assembly that line 15 of the subject bill, which is identified as the election reform line item, is the designated fund in the state's treasury to exclusively carry out the activities for which payment is made to the State under the provisions of the Help America Vote Act of 2002, section 101, section 906 (as such laws relate to the provisions of the Act), and title III (Sec. 101(c)).

America needs you. VOTE! - Luke Boyer - 2000-2002 Get Out the Vote Slogan Winner - Carrington Jr. High School

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10-14-03
Date

Fifty-eighth
Legislative Assembly

1 SECTION 3. A new section to chapter 16.1-01 of the North Dakota Century Code is
2 created and enacted as follows:

3 Secretary of state to establish and maintain an election fund. The secretary of
4 state shall establish and maintain a fund, known as the election fund, in the state treasury for
5 the purpose of depositing payments and grants made to the state under the provisions of
6 sections 101, 101(c), and 906, and title III of the Help America Vote Act of 2002 [Pub. L.
7 107-252; 116 Stat. 1666; 42 U.S.C. 15301, 42 U.S.C. 15545, 42 U.S.C. 15481-15502], and
8 funds appropriated by the state. The moneys in the election fund must be used for the
9 exclusive purpose of carrying out activities of the Help America Vote Act of 2002 and are
10 subject to chapter 54-16.

11 SECTION 4. A new section to chapter 16.1-01 of the North Dakota Century Code is
12 created and enacted as follows:

13 Secretary of state to adopt rules for the purpose of establishing a uniform
14 state-based administrative complaint procedure. The secretary of state may adopt rules
15 according to subsection 3 of section 16.1-01-01 to establish a uniform state-based
16 administrative complaint procedure to remedy grievances according to section 402 of the Help
17 America Vote Act of 2002 [Pub. L. 107-252; 116 Stat. 1666; 42 U.S.C. 15512]. The complaint
18 procedure must be uniform and nondiscriminatory and address complaints of violations of any
19 provision of title III of the Help America Vote Act of 2002, including a violation that has
20 occurred, is occurring, or is about to occur. A complaint filed under the complaint procedure
21 must be in writing, notarized, and be signed and sworn by the person filing the complaint. The
22 secretary of state is authorized to consolidate complaints. At the request of a complainant, the
23 secretary of state shall establish a procedure for providing a review on the record. If the
24 secretary of state determines there is a violation of a provision of title III of the Help America
25 Vote Act of 2002 [Pub. L. 107-252; 116 Stat. 1666; 42 U.S.C. 15481-15502], the secretary of
26 state shall determine and provide an appropriate remedy. If the secretary of state determines
27 that a violation of title III of the Help American Vote Act of 2002 has not occurred, the secretary
28 of state shall dismiss the complaint and publish the results of the review. The secretary of state
29 shall make a final determination with respect to a complaint within ninety days of the date the
30 complaint is filed with the secretary of state, unless the complainant consents to a longer period
31 of time for the secretary of state to make a determination. If the secretary of state fails to meet

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Date

Bill Gray 3/14/03

Limited partnerships are legal entities established for many important reasons:

- The LP affords liability protection to all limited partners who are basically "silent investors" in the operation.
- The LP affords control and management to the general partner.
- The distributions from a limited partnership are considered to be un-earned income for social security purposes. In this regard, the LP is a valuable vehicle to owners of farmland.
- It affords estate tax benefits on the state level.

The five-year renewal process was previously determined to be inadequate to insure continued existence of limited partnerships:

- Many LP's neglected to maintain current registered agents and addresses for registered agents. If service of process could not be delivered, a default judgment could result on the LP.
- While farmers don't generally move around, farms are not the primary industry of the majority of registered LP's.
- Many LP's neglected to maintain the general partners in their certificates, which raised questions regarding liability issues. Was the "old general partner" of record liable for the actions of the party actually in control of the LP.
- LP's that neglected to maintain current registered agents and addresses made it impossible for the Secretary of State to deliver renewal notices. As a result, the LP's were cancelled and significant problems resulted when an LP attempted to transfer assets.
- The partners of an LP that fails to renew will incur significant changes regarding un-earned income for Social Security purposes.
- An LP that fails to renew may be considered to be a general partnership which would eliminate the liability protection to the limited partners.
- The records of the Secretary of State would become clogged with numerous LP's that disassociated and neglected to cancel their registrations. To allow this to re-occur would diminish the value of limited partnership records.
- Exempting limited partnerships from the annual report requirement without similar application to other types of partnerships such as the LLP and the LLLP is not equitable.
- The limited partnership annual report requirement is not unique to North Dakota. It is similarly required in several other states.

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SECRETARY OF STATE

STATE OF NORTH DAKOTA
800 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

March 17, 2003

TO: Rep. Carlisle and Members – House Government Operations Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: SB 2002 – FTE Position for Election Reform

As you requested, it would be our recommendation that the authorized FTE be an Office Assistant III budgeted at \$1,800 per month plus benefits. Of course, all of this would be paid from the HAVA funds since the person's duties would be directly related to the work associated with Election Reform activities.

The proposed budgeted figure is not necessarily, what we would hire at. However, it would give us the flexibility to adjust the salary after probation, etc. It is approximately the mid range for Grade 5 position.

America needs you. VOTE! - Luke Boyer - 2000-2002 Get Out the Vote Slogan Winner - Carrington Jr. High School

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Operator's Signature

10-14-03
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SB
2002

Secretary of State 2003/2005				
	Expenditures for 2001/2003 thru March 2003	Expenditures projected thru June 2003	General Fund Requested for 2001/2003	General Fund Requested for 2003/2005
Batch CPU	44,447	50,800	74,400	50,000
Interactive CPU	43,460	49,700	43,200	42,000
Disk Storage	41,554	47,500	66,000	64,000
Total IT AS/400	\$ 129,461	\$ 148,000	\$ 183,600	146,000
Desktop Support	11,940	14,000	101,920	22,000
System Analyst	177,284	205,000	127,200	65,200
Contract Programming	852	1,350	600	1,300
Programming	20,151	126,400	58,800	30,000
Records Mgt Fee	882	1,000	960	1,000
9672 Batch Print	18,966	21,700	38,070	22,000
9672 Batch CPU	28,813	32,900	37,740	34,000
9672 CICS CPU	35,165	40,200	42,840	46,000
9672 ADABAS CPU	46,181	52,900	37,800	51,000
9672 TSO CPU	92	120	408	100
Disk Storage	1,779	2,100	3,000	2,100
Tape Library Store	181	190	216	250
LAN Backup Store	18	40	600	50
Dial-up User ID	420	480	480	500
Dial Up Long Dist	508	600	240	600
WAN Access T-1	408,890	465,500	495,600	450,000
WAN Access Fiber	5,000	8,000	-	24,000
Device Conn Fiber	31,132	35,500	30,456	35,000
App Server Housing	5,250	6,000	24,000	9,000
Virtual NT Server	2,860	3,300	-	6,000
Miscellaneous Fee	1,660	2,000	5,000	-
Projects	-	-	123,270	200,000
Credits	(21,359)	-	-	-
Total IT Data Processing	\$ 798,004	\$ 1,019,280	\$ 1,129,200	\$ 1,000,100
IT Telephone	41,643	47,600	51,800	51,000
IT Software	3,937	4,500	17,000	12,000
IT Equip under \$5,000	5,100	5,800	27,000	25,000
IT Contractual Services AS/400	97,828	112,000	135,690	113,050
IT Total	1,075,971	1,337,180	1,544,290	1,347,150
			SOS General Fund request for 03/05 already reduced \$197,140 from 01/03 biennium.	
			House amendments reduce general fund an additional \$269,430 for 03/05.	

less
12.8%
less
5%
\$67,357
\$1,279,793
Total reduction
from 2001/2003
17.1%

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