

1999 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2119

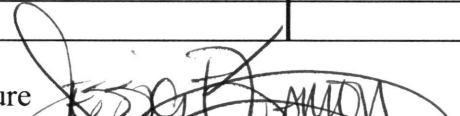
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2119

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 13, 1999

Tape Number	Side A	Side B	Meter #
1	x	x	0-end, 0-1300
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on SB2119. All senators were present.

Al Jager, Secretary of the State, testified in support of SB2119. His testimony is included. Senator Mutch asked him if he would be charged if he called and wanted some information on another persons land. Mr. Jager told him that he would be charged if he wanted documentation or certification of the information. Senator Krebsbach said that according to this he could be short by 130,000. She asked Mr. Jager if that was correct. Mr. Jager said that if nothing happens she was correct. Senator Mutch asked Mr. Jager if he was billed on a monthly basis. Mr. Jager said that they are.

Duey Oster, McClean County Register of Deeds, testified in support of SB2119. He said that if it takes a fee to keep the system going then that's what they have to do. He felt that \$5 was a reasonable amount to charge. Senator Mutch asked if all the information goes to central filing.

Mr. Oster told her that it does. Senator Mutch asked if the county office would collect the money or if the money would go directly to the Secretary of States office. He said that would be an individuals decision. Senator Mathern asked him if other states that used this filing system. Mr. Oster told her that he believed that most states have this type of a system.

Terry Traynor testified in support of SB2119.

Senator Mutch concluded the hearing on SB2119.

Committee discussion took place on January 14, 1999.

Senator Krebsbach motioned to pass the amendments on SB2119. Senator Thompson seconded her motion. The motion carried with a 7-0-0 vote.

Senator Krebsbach motioned for a do pass with amendments committee recommendation.

Senator Klein seconded her motion. The motion carried with a 5-2-0 vote.

Senator Mathern will carry the bill.

SB2119 was called back into committee on January 25, 1999.

Discussion took place.

motioned a do pass with amendments committee recommendation on SB2119. seconded the motion. The motion carried with a 7-0-0 vote.

Senator Mathern will carry the bill.

FISCAL NOTE

Bill/Resolution No.: _____ Amendment to: SB 2119

Requested by Legislative Council _____ Date of Request: January 27, 1999

Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: Philosophically, the Secretary of State (SOS) believes the revenue the state receives from the Central Indexing System (CIS) should cover the general fund appropriation for the operation of the CIS.

For the 1999-2001 biennium, the line charges for the connection between the SOS office and the County Register of Deeds will be increased by \$300,000 to approximately \$375,000. This is an increase of 500% over the current biennium. This increased expense is reflected in the Governor's general fund budget recommendation to the legislature for the SOS office.

However, with these increased line charges, the appropriated general funds to cover the expense of operating the CIS will substantially exceed the revenue that is received into the state's general fund. As it is now, the expense of operating the CIS exceeds revenue by approximately \$130,000 and this will continue into the next biennium. Therefore, the increase in filing fees from \$5 to \$10 (as proposed in this bill) is intended to offset both the deficit and the increased line charges for the next biennium. Also, the SOS office would increase by \$1 the share of each filing fee returned to the counties (the counties now receive \$2 of each \$5 filing fee).

Based on average monthly filings of 4,400 since July of 1993, the increase of \$5 is projected to generate \$528,000 (\$422,400 for the state and \$105,600 for the counties) during the next biennium.

2. State fiscal effect in dollar amounts:

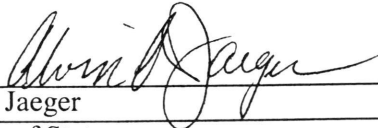
	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	None	None	422,400	None	422,400	None
Expenditures	None	None	430,000	None	430,000	None

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: \$430,000
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: \$430,000

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
None	None	None	\$ 105,600	None	None	\$ 105,600	None	None

Signed: 
 Typed Name: Alvin A. Jaeger
 Department: Secretary of State
 Phone Number: 328-2900
 Date Prepared: January 27, 1999

FISCAL NOTE

Bill/Resolution No.: SB 2119 Amendment to: _____
 Requested by Legislative Council Date of Request: December 30, 1998

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: Philosophically, the Secretary of State (SOS) believes the revenue the state receives from the Central Indexing System (CIS) should cover the general fund appropriation for the operation of the CIS.

For the 1999-2001 biennium, the line charges for the connection between the SOS office and the County Register of Deeds will be increased by \$300,000 to approximately \$375,000. This is an increase of 500% over the current biennium. This increased expense is reflected in the Governor's general fund budget recommendation to the legislature for the SOS office.

However, with these increased line charges, the appropriated general funds to cover the expense of operating the CIS will substantially exceed the revenue that is received into the state's general fund. As it is now, the expense of operating the CIS exceeds revenue by approximately \$130,000 and this will continue into the next biennium. Therefore, the increase in filing fees from \$5 to \$10 (as proposed in this bill) is intended to offset both the deficit and the increased line charges for the next biennium. Also, the SOS office would increase by \$1 the share of each filing fee returned to the counties (the counties now receive \$2 of each \$5 filing fee).

Based on average monthly filings of 4,400 since July of 1993, the increase of \$5 is projected to generate \$528,000 (\$422,400 for the state and \$105,600 for the counties) during the next biennium.

2. State fiscal effect in dollar amounts:


	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	None	None	422,400	None	422,400	None
Expenditures	None	None	430,000	None	430,000	None

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: \$430,000
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: \$430,000

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
None	None	None	\$ 105,600	None	None	\$ 105,600	None	None

Signed: 
 Typed Name: Alvin A. Jaeger
 Department: Secretary of State
 Phone Number: 328-2900
 Date Prepared: January 11, 1999

Date: 1/14
Roll Call Vote #: 2119

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken TO AMEND

Motion Made By SENATOR KREBSBACH Seconded By SENATOR THOMPSON

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X				
Senator Mathern	X				
Senator Thompson	X				

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 1/14
Roll Call Vote #: 219

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By SENATOR KREBSBACH Seconded By SENATOR KUEN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X	X			
Senator Mathern	X				
Senator Thompson	X	X			

Total (Yes) 5 No 2

Absent 0

Floor Assignment MATHERN

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

Date: 1/25
Roll Call Vote #: 2119

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By _____ Seconded
By _____

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X				
Senator Mathern	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment MATHERN

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

REPORT OF STANDING COMMITTEE

SB 2119: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2119 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "sections 35-17-08, 35-29-05, 35-30-06, 35-31-06, and"

Page 1, line 2, remove "central index" and after "state" insert "and county register of deeds"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 35-17-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-17-08. Fees - Penalty. The fee for filing an agister's lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agister's lien is ~~five~~ ten dollars. If a lienholder fails to file a termination statement within sixty days after the lien is satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 2. AMENDMENT. Section 35-29-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-29-05. Fees.

1. The fee for filing and indexing each notice of lien is:
 - a. For a lien on real estate, five dollars, plus two dollars for the second and each succeeding page.
 - b. For a lien on tangible and intangible personal property, ~~five~~ ten dollars.
 - c. For a certificate of discharge or subordination, ~~five~~ ten dollars.
 - d. For a nonstandard statement when presented for filing, an additional fee of five dollars plus one dollar per page.
 - e. For all other notices, including a certificate of release or nonattachment, five dollars.
2. The officer may not file or record an instrument under this chapter unless the person offering the instrument for filing or recording has first paid the requisite filing or recording fee.

SECTION 3. AMENDMENT. Section 35-30-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-30-06. Fees - Penalty. The fee for filing an agricultural processor's lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural processor's lien is ~~five~~ ten dollars. If a lienholder fails to file a

termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 4. AMENDMENT. Section 35-31-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-31-06. Fees - Penalty. The fee for filing an agricultural supplier's lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural supplier's lien is ~~five~~ ten dollars. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars."

Renumber accordingly

1999 HOUSE FINANCE AND TAXATION

SB 2119

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2119

House Finance and Taxation Committee

Conference Committee

Hearing Date March 1, 1999

Tape Number	Side A	Side B	Meter #
1		x	17
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

AL JAEGER, SECRETARY OF STATE, Introduced the bill. See written testimony.

REP. GROSZ Referred to page 3, asked what kind of lists they are talking about and will the costs go up.

AL JAEGER We get a number of requests for special lists and, right now, because of the way it is in the law, we are limited, we can't recover the costs for specific lists. Introduced Llona Sailing, Director of the Central Index Division, to give an example of lists.

LLONA SAILING Gave examples of types of data they get requests. She stated they have one format, and if a list doesn't fit the format, they can't provide the list. People that request this information are willing to provide the costs, but we don't have the money to cover the program to provide the lists and the way they want them.

DWAYNE OSTER, MCLEAN COUNTY REGISTER OF DEEDS OFFICE, Testified in support of the bill. See written testimony.

WADE MOSER, NORTH DAKOTA STOCKMEN'S ASSOCIATION, Testified in opposition of the bill. Stated their concern with the change is that it is a one hundred percent increase in the fee. Most of these where you have the user pay the fee and get the service, however, the user of this service is not the one who pays. We as producers out there, pay the fee, those that are using the service, being the lenders and, on the other hand, the people who are forced to get the list and comply with the law, such as the auction marts and grain dealers, would have to pay the fee. I have a question as to what the cost would be of some auction market needing to have a list of all of the cattle liens in the state, at their auction market. It is my understanding that that list is available for twenty five dollars, however, this may go up, and if it does, it is a cost of doing business. I am concerned that one department government raises the fees to another department and forces them to go outside and raise it on this user fee. We have fifty four filing locations, in our mind, it is not really a central system. We have work stations out there in fifty three different counties at a cost. You have fifty four different computer systems, continuing education for people to be trained, at a cost. That cost is for the people who are out there needing to borrow the money and the lenders collect that fee and send it in for the producer who needs to borrow that money. We would like some other way so that the program is not borne entirely by the producers.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-1-99, Tape #2, Side A, Meter #7.5

Committee members discussed the CIS fees part of the bill, and decided to hold the bill for a later date.

COMMITTEE ACTION 3-8-99, Tape #2, Side A, Meter #5.9

REP. WARNER Made a motion for a DO NOT PASS.

REP. SCHMIDT Second the motion. MOTION CARRIED

7 Yes 6 No 2 Absent

REP. WARNER Was given the floor assignment.

COMMITTEE ACTION 3-10-99, Tape #1, Side A, Meter # 0.4

REP. RENNER Made a motion to reconsider by which this bill was passed out of committee.

REP. MICKELSON Second the motion. MOTION CARRIED BY VOICE VOTE.

REP. CLARK Made a motion for a DO PASS.

REP. MICKELSON Second the motion. MOTION CARRIED.

- 9 Yes 3 No 3 Absent

REP. CLARK Was given the floor assignment.

Please type or use black pen to complete

Date 3-8-99
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2119

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
 - Conference Committee
- } Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Warner Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
BELTER		✓	WINRICH	✓	
RENNERFELDT		✓			
CLARK		✓			
FROELICH	A		<i>Reconsidered</i>		
GRANDE	A				
GROSZ	✓				
HERBEL		✓			
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	✓				
RENNER		✓			
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER		✓			

Total 7 6
(Yes) (No)

Absent 2

Floor Assignment Rep. Warner

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

Please type or use black pen to complete

Date 3-10-99
Roll call vote # 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2119

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
 - Conference Committee
- } Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Clark Seconded By Rep. Mickelson

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH		✓
RENNERFELDT	✓				
CLARK	✓				
FROELICH	A				
GRANDE	✓				
GROSZ		✓			
HERBEL	✓				
KROEBER	A				
MICKELSON	✓				
NICHOLAS	A				
RENNER	✓				
SCHMIDT	✓				
WARNER		✓			
WIKENHEISER	✓				

Total 9 3
(Yes) (No)

Absent 3

Floor Assignment Rep. Clark

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
March 10, 1999 10:29 a.m.

Module No: HR-43-4423
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2119, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)
recommends **DO PASS** (9 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING).
Engrossed SB 2119 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2119



SECRETARY OF STATE

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

January 13, 1999

TO: Senator Mutch and Members - Senate Industry, Business and Labor Committee
FR: Al Jaeger, Secretary of State
RE: SB 2119 – Central Indexing System Filing fees

The Central Indexing System (CIS) is a network between the Secretary of State's office and the offices of the state's fifty-three county Register of Deeds. It allows for the filing of lien documents from fifty-four locations into a central database located on the state's mainframe computer.

During the next biennium, the state's share of operating the CIS is estimated at \$895,000. This is somewhat more than the operational cost for the current biennium. The major share of the higher cost for the next biennium is due to an increase in the line charges for the network because the Information Services Division (ISD) has redistributed its network costs to state agencies. For the Secretary of State's office, the line charges will increase from approximately \$75,000 to \$375,000. The Governor's recommended budget for the Secretary of State's office includes general funds to cover the cost of these increased line charges.

However, under the present fee structure provided in state law, the projected general fund revenue of \$465,000 from filing fees will not cover the general funds appropriated for operating the CIS. The Secretary of State's office believes the CIS should be a break-even operation. As it is now, under the current fee structure, the cost of operating the CIS is approximately \$130,000 more than the revenue that is received.

Therefore, in order to cover the current deficit and the increased line charges, this bill increases the filing fee for lien documents from \$5 to \$10. The termination fee (paid at the time of filing) would remain at \$5. The increase of \$5 is projected to produce an additional \$528,000 in revenue. Of this amount, \$422,400 (\$4 of the increase per filing) would go to the state's general fund. Combined with the current revenue, the total projected revenue for next biennium would be \$887,400. This would result in less than a one percent difference between the gross revenue to the state and the estimated operating costs for the next biennium.

The balance of \$105,600 (\$1 of the increase per filing) would be disbursed to the counties. The counties currently receive the entire \$5 termination fee and \$2 of each filing fee for all filings made at the county for a total of \$7. As proposed under this bill, the counties would receive a total of \$8.

The \$15 gross fee (filing and termination) proposed in this bill is below the national filing fee average of \$18.56.

The deadline for the filing of agency bills was December 10. Unfortunately, when it was filed, the bill did not include references for all of the various liens that are filed into the CIS. I apologize for that. Nevertheless, it is important for the fees to be the same for all filings. Therefore, attached to this testimony are amendments to the SB 2119 that will establish the same filing fee for liens that were inadvertently not included in the initial draft of the bill.

Al Jaeger
 secy. of state
 SB 2119

FEES FOR	ORIGINAL FILINGS			NON-STANDARD	ASSOCIATED FILING FEES		SEARCHES
	STANDARD	TERM FEES	TOTAL		STANDARD	NON-STANDARD	
ALABAMA	10.00	2.00	12.00	12.00	5.00	7.00	5.00
ALASKA	8.00	6.00	14.00		8.00		5.00
ARIZONA	5.00	2.00	7.00		5.00		3.00
ARKANSAS	12.00	N/C	12.00		6.00		6.00
CALIFORNIA	20.00	20.00	40.00		20.00		10.00
COLORADO	16.00	16.00	32.00		16.00		16.00
CONNECTICUT	25.00	25.00	50.00		25.00		25.00
DELAWARE	25.00	25.00	50.00	50.00	25.00	50.00	25.00
DIST. OF COLUMBIA	20.00	20.00	40.00		20.00		30.00
FLORIDA	25.00	N/C	25.00	30.00	12.00	17.00	20.00
GEORGIA	10.00	10.00	20.00		10.00		10.00
HAWAII	25.00	25.00	50.00		25.00		25.00
IDAHO	6.00	N/C	6.00	10.00	6.00	10.00	6.00
ILLINOIS	20.00	N/C	20.00		20.00		10.00
INDIANA	4.00	N/C	4.00	8.00	4.00	8.00	1.00
IOWA	10.00	N/C	10.00	12.00	10.00	12.00	5.00
KANSAS	6.00	N/C	6.00		6.00		8.00
KENTUCKY	11.00	N/C	11.00		8.00		3.50
LOUISIANA	20.00	5.00	25.00	35.00	15.00	30.00	15.00
MAINE	20.00	N/C	20.00		10.00		5.00
MARYLAND	20.00	20.00	40.00		20.00		N/A
MASSACHUSETTS	10.00	5.00	15.00		10.00		5.00
MICHIGAN	3.00	N/C	3.00	6.00	3.00	6.00	3.00
MINNESOTA	15.00	N/C	15.00		15.00		15.00
MISSISSIPPI	5.00	5.00	10.00	10.00	5.00	10.00	5.00
MISSOURI	11.00	5.00	16.00	13.00	9.00	11.00	13.00
MONTANA	7.00	N/C	7.00		5.00		7.00
NEBRASKA	6.00	N/C	6.00	9.00	6.00	9.00	3.50
NEVADA	15.00	15.00	30.00	20.00	15.00	20.00	15.00
NEW HAMPSHIRE	15.00	15.00	30.00		15.00		5.00
NEW JERSEY	25.00	25.00	50.00		25.00		25.00
NEW MEXICO	11.50	11.50	23.00		11.50		N/A
NEW YORK	7.00	7.00	14.00		7.00		7.00
NORTH CAROLINA	8.00	N/C	8.00		8.00		8.00
NORTH DAKOTA	5.00	5.00	10.00	15.00	5.00	10.00	7.00
OHIO	9.00	N/C	9.00		9.00		9.00
OKLAHOMA	10.00	N/C	10.00		10.00		5.00
OREGON	10.00	N/C	10.00		10.00		10.00
PENNSYLVANIA	12.00	12.00	24.00	40.00	12.00	40.00	12.00
RHODE ISLAND	16.00	N/C	16.00		16.00		5.00
SOUTH CAROLINA	8.00	8.00	16.00	10.00	8.00	10.00	5.00
SOUTH DAKOTA	10.00	N/C	10.00	14.00	10.00	14.00	10.00
TENNESSEE	10.00	10.00	20.00		10.00		10.00
TEXAS	10.00	10.00	20.00	25.00	10.00	25.00	10.00
UTAH	5.00	N/C	5.00		5.00		10.00
VERMONT	10.00	N/C	10.00	15.00	10.00	15.00	10.00
VIRGIN ISLANDS	2.00	2.00	4.00		2.00		3.00
VIRGINIA	10.00	10.00	20.00		10.00		6.00
WASHINGTON	12.00	N/C	12.00		12.00		17.00
WEST VIRGINA	10.00	10.00	20.00	15.00	10.00	15.00	5.00
WISCONSIN	8.00	N/C	8.00	16.00	5.00	10.00	10.00
WYOMING	15.00	5.00	20.00		15.00		5.00

PROPOSED AMENDMENTS TO SENATE BILL 2119

Page 1, line 1, after “reenact” insert “sections 35-17-08, 35-29-05, 35-30-06, 35-31-06 and”

Page 1, line 4 after “AMENDMENT.” insert “Section 35-17-08 of the 1997 supplement to the North Dakota Century Code is amended and reenacted as follows:

35-17-08. FEES - PENALTY. The fee for filing an agister’s lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agister’s lien is ~~five~~ ten dollars. If a lien holder fails to file a termination statement within sixty days after the lien is satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 2. AMENDMENT. Section 35-29-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-29-05. FEES.

1. The fee for filing and indexing each notice of lien is:
 - a. For a lien on real estate, five dollars, plus two dollars for the second and each succeeding page.
 - b. For a lien on tangible and intangible personal property, ~~five~~ ten dollars.
 - c. For a certificate of discharge or subordination, ~~five~~ ten dollars.
 - d. For a nonstandard statement when presented for filing, an additional fee of five dollars plus one dollar per page.
 - e. For all other notices, including a certificate of release or nonattachment, five dollars.
2. The filing officer may not file or record an instrument under this chapter unless the person offering the instrument for filing or recording has first paid the requisite filing or recording fee.

SECTION 3. AMENDMENT. Section 35-30-06 of the 1997 supplement to the North Dakota Century Code is amended and reenacted as follows:

35-30-06. FEES - PENALTY. The fee for filing an agricultural processor’s lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural processor’s lien is ~~five~~ ten dollars. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 4. AMENDMENT. Section 35-31-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-31-06. FEES - PENALTY. The fee for filing an agricultural supplier's lien with the secretary of state or the county register of deeds is ~~five~~ ten dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural supplier's lien is ~~five~~ ten dollars. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 5. AMENDMENT.”

Renumber accordingly

TESTIMONY ON SB 2119

Good morning. Chairman Mutch and Committee Members, I'm Dewey Oster, Register of Deeds from McLean County and President of the North Dakota Register of Deeds Association. I'm here to testify this morning in support of SB 2119. Since 1992 the state RODs and the SOS office have pioneered and implemented an excellent system for the filing of UCC and Ag-Lien related instruments. Like everything else in this world of ours, costs go up...this moderate fees' hike is needed to keep the system in tact and operating on all cylinders. Your support for SB 2119 is appreciated. Thank you.

Dewey Oster

Register of Deeds-McLean County

President-ND ROD Association



SECRETARY OF STATE

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

March 1, 1999

TO: Rep. Belter and Members – House Finance and Taxation Committee
FR: Al Jaeger, Secretary of State
RE: SB 2119 – Central Indexing System Filing fees

The Central Indexing System (CIS) is a network between the Secretary of State's office and the offices of the state's fifty-three county Register of Deeds. It allows for the filing of lien documents from fifty-four locations into a central database located on the state's mainframe computer.

During the next biennium, the state's share of operating the CIS is estimated at \$895,000. This is somewhat more than the operational cost for the current biennium. The major share of the increased cost is due to an increase in the line charges to operate the network as the result of a redistribution of costs to state agencies by the Information Services Division (ISD). For the Secretary of State's office, the 1999/2001 distribution formula will increase the line charges for the CIS from approximately \$75,000 to \$375,000. The Governor's recommended budget, and the budget passed by the Senate, for the Secretary of State's office includes a general fund appropriation to cover the cost of these increased line charges.

However, under the CIS fee structure currently in state law, the projected filing fee revenue to the general fund of \$465,000 will not cover the general funds of \$895,000 appropriated for operating the CIS. Even without the increase in line charges, the present cost to the state of operating the CIS is approximately \$130,000 more than the revenue that is received.

Therefore, in order to cover that deficiency and the increased line charges, SB 2119 would increase the filing fee for filing lien documents in the CIS from \$5 to \$10. The termination fee (paid at the time of filing) would remain at \$5. The increase of \$5 is projected to produce an additional \$528,000 in revenue. Of this amount, \$422,400 (\$4 of the increase per filing) would go to the state's general fund. When added to the current revenue received by the state from the filing fees, the total projected revenue to the state for next biennium would be \$887,400. That would result in less than a 1 % difference between the gross revenue received by the state and the estimated cost to the state of operating the CIS during the next biennium.

The balance of \$105,600 (\$1 of the increase per filing) would be disbursed to the counties. Counties currently receive the entire \$5 termination fee and \$2 of each filing fee for all filings made in the county for a total of \$7. As proposed under this bill, the counties would receive a total of \$8. The \$15 gross fee (filing and termination) as proposed in this bill is below the national filing fee average of \$18.56.

Without a doubt, this bill raises a philosophical question. Should the CIS operate as a break-even operation because it is a user-specific service? Or, should those who do not use the CIS subsidize the cost of its operation?

North Dakota



Register of Deeds Association

Dwayne J. Oster
McLean County
President

Vicki Kubat
Cavalier County
1st Vice President

Karen Samek
Stutsman County
2nd Vice President

Ann Johnsrud
McKenzie County
Secretary-Treasurer

TO: Chairman Belter and Members - Finance and Taxation Committee

FR: Dwayne "Dewey" Oster, McLean County ROD and Current ROD Assn. President

RE: SB 2119 - Relating to central index filing fees

I am present this morning to testify in support of SB 2119.

Since 1992 the state's 53 RODs and the SOS office have pioneered, implemented, maintained an excellent system for the filing of UCC, Ag-Lien and other types of personal property lien instruments. The SOS and the RODs are a state-county partnership that has worked well together.

I believe the fees' hike is needed if the system is to "pay for itself". Like everything else in this world of ours, costs go up. One always tries to hold costs down...but sometimes increases are inevitable. This situation is no different. Even with the proposed increase, the North Dakota UCC system fees' schedule would be comparable to other states and below that of many.

Our system is unique to the country and we think it is the best. The moderate fees' increase would keep the system "alive and well" in North Dakota, continuing to provide valuable service to its users.

Your support of SB 2119 would be appreciated. I'd be happy to try and answer any questions. Thank you.