

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER
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DESCRIPTION

1066

2001 HOUSE JUDICIARY

HB 1066

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066

House Judiciary Committee

Conference Committee

Hearing Date 01-15-01

Tape Number	Side A	Side B	Meter #
Tape 1	x		1937 to
Committee Clerk Signature <i>John D. [unclear]</i>			

Minutes: Chr DeKrey opened the hearing on HB 1066. Is there someone here from the Board of School Lands who wishes to explain the bill?

Linda Fisher: Unclaimed Property Administrator (see attached testimony).

Chr DeKrey: Are there any questions for Ms Fisher.

Rep Delmore: When you are talking about not limiting it to the city you are going to meet in, are you really talking that you prefer to do it over the Internet?

Linda Fisher: Not necessarily. We are asking for the option to consider that.

Rep Delmore: Would there be an additional workforce? Would it take more time and effort out of your staff?

Linda Fisher: It could until we figured out we were doing. A lot of the other states have done this type of thing.

Rep Delmore: How actively have you tried to track this type of thing?

Linda Fisher: There are three major ways that we do it. 1) The biggest way is the Internet; 2) advertising in county newspapers at least two times a year, 3) we have a booth at the state fair.

Rep Kretschmar: Under section 1 of the bill, if you receive a stock certificate that isn't paying and dividend, would you still credit four per cent to that account.

Linda Fisher: If we have securities, they come with specific dividends, so when there is a specific dividend, that could be applied. The four per cent would be things like cash account.

Rep Kretschmar: If the dividend is zero.

Linda Fisher: Then the dividend would be nothing.

Rep Kretschmar: I read the bill, if the dividend isn't there you pay four per cent.

Linda Fisher: All the securities would be treated the same.

Rep Klemin: In section one, I have a question on the interest, currently, talking about cash, if someone did claim that, you wouldn't pay them interest. But this bill would require payment at four per cent interest.

Linda Fisher: Yes, that is a fact.

Rep Klemin: You have a fiscal note to show how much it is going to cost. How did you arrive at the four per cent figure? Do you invest this money and get interest on it? So that the state could break even, could you charge the interest less an administrative fee?

Linda Fisher: We talked to a few other states, but no method in picking the four per cent fee. Currently the money is being invested at 8.25 per cent long term yield. There has been some talk about administrative fees, but quite frankly people don't like administrative fees. Right now the interest is what is running our program.

Rep Klemin: What you are proposing is to give back the money plus some additional money?

Linda Fisher: Yes.

Rep Klemm: Don't people have some obligation to keep track of their accounts?

Linda Fisher: We are presenting this bill at the request of the board.

Rep Wrangham: In section 2, you refer to the spot as being sold in an appropriate city within the state, can you give us some history on this.

Linda Fisher: There is no history, this was the first auction held. We don't know where the next one will be held.

Rep Kingsbury: Do you ever go to the county newspaper?

Linda Fisher: Yes, it gets published in the county papers.

Rep Eckre: How big is your staff?

Linda Fisher: Small very small.

Rep Eckre: I called people who were listed in the phone book, and I thought that was amazing that you could not find people who are listed in the phone book.

Linda Fisher: We have a couple different answers as to the way the law is written. It requires that the holder prior to us getting, they are supposed to send a certified letter to you as the owner. Please respond by a certain date or it will go on to the state. We don't know if this happens. One of the things that we are going to do is send postcards to the addresses that have been given to us.

Rep Eckre: Thank you, if it happened in Richland County and we are one of the larger counties, it could happen anywhere. I would suggest the Red River Valley County Fair gets a fair number of people and it might be a good thing to set up a booth there.

Linda Fisher: We are looking at a few other things where the showcase in Fargo is another one.

Chr DeKrey: If there are no other questions, is there anyone else wishing to testify either in support or opposition to HB 1066? We will close the hearing on HB 1066.

Chr DeKrey: Reconvene the hearing on HB 1066, the property bill.

Rep Klemm: I have a problem with that bill having the state paying interest. I would make a motion to amend the bill.

Chr DeKrey: Why don't you go to Legislative Council and have those amendments drawn up.

Rep Klemm: My thought would be to remove section 1.

Chr DeKrey: Would that take care of it?

Rep Kretschmar: I have no objection to the state with paying the dividend for a stock.

Rep Eckre: I would agree, if they start tracking all that stuff, here staff is quite small.

Chr DeKrey: If we take section one out, would that allay everyone's fears?

Rep Mahoney: What is it under current law?

Chr DeKrey: I don't think that is addressed.

Rep Mahoney: I think dividend is paid to the owner.

Rep Grande: You get your dividend but you don't get the per centage. Is she not trying to get at what the investments are?

Rep Onstad: It makes the statement that owners are entitled to receive any dividends or interest realized accruing.

Rep Grande: The problem starts with if the property does not.

Rep Onstad: Right.

Rep Delmore: Just the one sentence, the one sentence is there for a reason.

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Chr DeKrey: The third sentence is that ok?

Rep Mahoney: I think so. This is coming just from the board. They never bring a bill that is going to bring them more work.

TAPE 1 SIDE B

Rep Grande: The administrator feels that this would cause a problem.

Rep Maragos: why don't we try it and put it a sun-set on it. I would amend a sunset on it.

Rep Klemin: I am not sure that I would do that. They will still have to invest money up front and staff to track.

Rep Maragos: I am looking at the fiscal note, this bill will cost the common school fund.  
Several in the committee agree that this would be true.

Rep Grande: Gives the figure to clarify the point.

Rep Maragos: Are monies being accrued to this, is money being invested in the bank?Chr

DeKrey: Yes

Rep Grande: Invested in the common school trust fund.

Rep Maragos: Which in turn, invested in some type of investment vehicle.

Rep Grande: Correct.

Rep Maragos: So they are making money for the common school trust fund. That sounds reasonable to me.

Rep Grande: As long as the trust fund maintains an 8.1.

Rep Maragos: It could go up to 12 percent.

Rep Grande: I think over the past 10 years the highest is 10 per cent.

Rep Maragos: That is pretty good.

Rep Grande: That is at the peak of everything.

Rep Maragos: As long as that money is in there, it making money for the common school trust fund, half of it.

Rep Onstad: It is, but the complaint is why are we paying a reward for us holding their money for them when it is claimed?

Rep Maragos: Because they are citizens of the state and we are looking after them.

Chr DeKrey: But should we charge the children of the state for them not knowing where their money is?

Rep Maragos: We are looking after that for them.

Rep Klemin: Could we consider just taking out the second sentence.

Chr DeKrey: Is that a motion?

Rep Klemin: Yes, that is a motion.

Rep Grande: Second

Chr DeKrey: It has been moved and seconded on page one of the bill we remove from line 1 starting with It and we end with the period on line 13 at receive. Further discussion on that amendment.

Rep Maragos: What I understand what the net effect of that would be, the property owner will pay the state for the privilege of them holding on to it, all the monies that it makes for the common school trust fund.

Chr DeKrey: Basically

Rep Klemin: If some outside party pay interest or stock, that goes to that person that claims it.

Rep Maragos: I don't disagree with that, the state is just not taking 100 per cent of the benefit but will benefit from it.

Chr DeKrey: If we put the per centage rate in statute and the market goes to pieces, the state will loose from that.

Rep Maragos: I have a counter proposal for that, return half of the income generated from the investment.

Rep Eckre: How long does the state keep something?

Rep Delmore: Five years

Rep Mahoney: Discussion on five or seven years. Seven years, I agree with Rep Maragos, people can lose track of anything, it can happen. Went on to ask questions on interest and dividend. More questions and discussion was held on the issue of the stock and monies that was being held.

Chr DeKrey: There is a motion on the floor.

Rep Grande: Will you (Rep Klemin) remove your motion? I will remove my second

Rep Klemin: Yes, I would like to have an amendment drawn up.

More discussion was held on the purposed amendments.

Chr DeKrey: I will appoint a sub committee of Rep Maragos, Klemin and Mahoney to draw up some amendments on HB 1066.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066A

House Judiciary Committee

Conference Committee

Hearing Date 01-23-01

Tape Number	Side A	Side B	Meter #
Tape 1		X	3659 to 3886
Committee Clerk Signature <i>Juan Diers</i>			

Minutes:Chr DeKrey: We will take a look at HB 1066,. A sub committee had been appointed to look at possible amendments for this bill. A discussion was held on amendments. The sub committee had met, but could not come up with one set of amendments. Char DeKrey asked Rep Klemm for his amendments and Rep Mahoney has some amendments to turn in.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066B

House Judiciary Committee

Conference Committee

Hearing Date 01-24-01

Tape Number	Side A	Side B	Meter #
TAPE II		x	1539 to 2814
Committee Clerk Signature <i>John Diers</i>			

Minutes: Chairman DeKrey reconvened the hearing on HB 1066. A sub committee was appointed (Rep Klemin, Rep Maragos, Rep Mahoney) to iron out the differences for this bill. The committee could not agree, so Rep Klemin and Rep Mahoney each had amendments drafted. Each representative explained their amendments. Chairman DeKrey called for a vote on the amendments, the committee took up Rep Klemin's amendments first (18083.0101) Rep Klemin moved the amendments and seconded by Rep Grande. A voice vote was called for, the vote was undecided, so a roll call vote was taken. The motion failed. Rep Mahoney's amendments (18083.0103) were taken up. Rep Mahoney moved those amendments, seconded by Rep Maragos. A voice vote was taken, these amendments passed.

Rep Delmore: I move a DO PASS as amended.

Rep Onstad: Seconded the motion.

Chairman DeKrey: The clerk will call the roll on a DO PASS as amended. This motion passed with 12 YES, 2 NO and 1 ABSENT. The floor assignment is Rep Maragos.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066c

House Judiciary Committee

Conference Committee

Hearing Date 02-12-01

Tape Number	Side A	Side B	Meter #
TAPE 1	X		3846 to 5670
Committee Clerk Signature <i>Juan DeLara</i>			

Minutes: Chairman DeKrey called the committee to order on HB 1066.

Linda Fisher: State Land Department, we have a bill on the senate side, but this is the better of the two bills. We would like to see this bill the one that you would work with.

Chairman DeKrey: we took this down to the floor, but we need some amendments so that we can get rid of the fiscal note.

DISCUSSION

COMMITTEE ACTION

Rep Mahoney moved to amend the bill so that all that remains is section 2 and 3 in tact. Rep Delmore seconded. Discussion on the amendment. Voice vote on the amendments, the amendments pass.

Chairman DeKrey what are the wishes of the committee. Rep Delmore moved a DO PASS as amend, seconded by Rep Maragos. The clerk will call the roll on a DO PASS as amend motion.

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The clerk will call the roll on a DO PASS as amend. The motion passes with 12 YES, 2 NO and

1 ABSENT. Carrier is Rep Maragos.

