

2011 SENATE INDUSTRY, BUSINESS AND LABOR


SB 2168

2011 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2168
January 18, 2011
Job Number

Conference Committee

Committee Clerk Signature	
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Explanation or reason for introduction of bill/resolution:

Relating to fees for electronic data extracted from recorded instruments.

Minutes:

6 testimonies attached

Chairman Senator Klein: Opened the hearing on SB 2168. Senator Klein is one of the sponsors.

Aaron Birst, North Dakota Association of Counties: In support. He introduced the bill and is seeking to clarify. The recorder system in the state establishes clear property rights.

Chairman Senator Klein: Are we raising a new income situation and is this an issue?

Aaron: It will not be a money maker. It will offset the extra work they are doing. Industry in favor of process recorders are using.

Sheila Dalen: President of the North Dakota County Recorders Association: Testimony Attached (1). Sheila brought 5 other written testimonies, (2-6).

Chairman Senator Klein: Asked Sheila to explain exactly what they are extracting and providing.

Sheila: Every day they record documents. In the current law we can charge for the exact image of that document. What people want now is in paper form, electronic form and on flash drives, sent up to FTP sites daily, monthly reports. We input the data in are office, all the legal descriptions the related documents associated with that. (Sheila continues with explanation.)

Chairman Senator Klein: They charge up to fifty cents for the document?

Sheila: Shows reports and types of documents that have been done. They are sometimes in electronic form, flash drive or FTP sites, four different document forms.

Senator Andrist: Is there a typical call for a lot of information?

Sheila: Several companies want it daily and some monthly. Some want all the records back as far as they go. Some want all the images and all the data. They are required to pay upfront, some are billed on a monthly bases.

Senator Andrist: What is required of your staff in your office?

Sheila: She goes through the different types of documents they provide. On a daily bases we sit and index all the information off of everyone of the documents. It is saving those entities from having to come down and get the information. They are now able to pull it and pop it into their systems.

Senator Nodland: Do you have the certified and non- certified on paper now?

Sheila: Certified copies can only be in paper form.

Senator Nodland: Can you give an idea how the work load has changed in the cast couple of years?

Sheila: We went from hand writing to the computer system. With technology you still need your people to input the data into the computer. It makes it more assessable and searchable.

Senator Laffen: You will be allowed to charge for electronic data regardless of the fashion you can charge up to fifty cents?

Sheila: Yes, no matter what form.

Senator Laffen: Will it someday be available on the web site?

Sheila: There is an access fee for downloading it from the web. So this makes it assessable in the County Recorder's office.

Ron Ness, North Dakota Petroleum Council: Representing a large portion of the customer base of the recorders. In support of the bill. Stated that we are in the electronic technology age and industry has no problem in paying the fee

Tim Pearson, Senior Vice President of the North Dakota Quarantine and Title Company: As a user of this information, they have eight different offices around North Dakota and they use it in different facets. It use to be difficult to get this information. They now can get it in digital form. It is time and cost saving for them. They now can get the information more quickly from the Registrar of Deeds office.

Chairman Senator Klein: Closed the meeting.

Senator Laffen: Motioned for a do pass.

Senator Murphy: Seconded the motion.

Senate Industry, Business and Labor Committee

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Roll Call Vote: Yes – 7 No – 0

Senator Laffen to carry the bill.

REPORT OF STANDING COMMITTEE

SB 2168: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2168 was placed on the Eleventh order on the calendar.

2011 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2168

2011 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2168
March 9, 2011
15143

Conference Committee

Committee Clerk Signature

Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Fees for electronic data extracted from recorded instruments

Minutes:

Chairman Keiser: Opens the hearing on SB 2168.

Aaron Birst~North Dakota Association of Counties: Introduces the bill. On the senate side there was full support.

Representative Ruby: What's an instrument?

Aaron Birst: Under the current understanding, the recorded instrument would be the pages in that recorded title.

Representative Ruby: If you are charging a dollar for that instrument, now you have to extract information, why is it less?

Aaron Birst: Less is more. We went to the counties and nobody was charging more than 50 cents.

Representative Frantsvog: Is there a limit on what subdivisions can charge?

Aaron Birst: Yes there is.

Sheila Dalen~Ward County Recorder: (See attached testimony 1).

Chairman Keiser: What are you charging for the data?

Sheila Dalen: Up to 50 cents for the data of this document.

Representative Ruby: The one with 15 pages could be up to \$15 and the other one would be 50 cents?

Sheila Dalen: If you are purchasing a copy of the document that walked into the office, a recorder can charge up to a dollar for each page. If they want the data rather than an

image, they can purchase the data and slip it into the system and put it in the appropriate fields. That is what we are asking for in the "up to 50 cents"?

Chairman Keiser: What's a document? Is it 15 pages?

Sheila Dalen: Yes, it's 15 pages.

Chairman Keiser: I want data, so where you have compiled all the data, will that be 50 cents?

Sheila Dalen: Yes.

Representative M Nelson: I assume these electronic instruments cover many more than one document?

Sheila Dalen: Yes.

Chairman Keiser: A paper copy could be up to \$20. It's 50 cents for each of those items in there whether it's paper or electronic?

Sheila Dalen: Correct.

Representative Clark: Once somebody buys the data, can they recreate the document from that?

Sheila Dalen: If they purchase the data, no, they don't have the document or image and all they are taking is information data. They can place that information in their systems. but they cannot recreate the image without getting an actual copy.

Representative Amerman: Will you come back a session or two and ask for more?

Sheila Dalen: Since there was no fee in place, we wanted to stay reasonable.

Representative Ruby: You are not even close to the dollar, what is the standard charge for purchasing of the image?

Sheila Dalen: Across the state, there are reasons for different fees.

Representative Ruby: Do you always input the data electronically.

Sheila Dalen: Yes, everybody that has a computerized system now, it's all manually indexed individually.

Chairman Keiser: Language says "up to" which is reasonable.

Representative N Johnson: The 40 page document, how much would that cost if you charged the 50 cents?

Sheila Dalen: \$100.

Representative M Nelson: Do you end up liable for the correctness of the information that you are data entering?

Sheila Dalen: We have disclaimers everywhere.

Ron Ness~North Dakota Petroleum Counsel: We are large users of this and I would encourage you not to over analyze this; we think it's reasonable to charge 50 cents.

Representative Ruby: Can the data be charged separately?

Ron Ness: Currently no charge under law. This is an increase and you would be doubling the increase.

Chairman Keiser: Anyone else here to testify in support, in opposition, in the neutral position of SB 2168? Closes the hearing, what are the wishes of the committee?

Representative Ruby: Moves a Do Pass.

Representative Kreun: Second.

Chairman Keiser: Further discussion?

Roll call was taken for a Do Pass on SB 2168 with 12 yeas, 0 nays, 2 absent and Representative Amerman is the carrier.

Date: March 9, 2011

Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2168

House House Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Motion Made By Rep Ruby Seconded By Rep Kreun

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Representative Amerman	✓	
Vice Chairman Kasper	Ab		Representative Boe	Ab	
Representative Clark	✓		Representative Gruchalla	✓	
Representative Frantsvog	✓		Representative M Nelson	✓	
Representative N Johnson	✓				
Representative Kreun	✓				
Representative Nathe	✓				
Representative Ruby	✓				
Representative Sukut	✓				
Representative Vigesaa	✓				

Total Yes 12 No 0

Absent 2

Floor Assignment Rep. Amerman

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

REPORT OF STANDING COMMITTEE

SB 2168: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).
SB 2168 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

SB 2168

SB 2168
Testimony (1)

TO: Chairman Klein and Committee Members

FROM: Sheila K. Dalen, Ward County Recorder
President of the North Dakota County Recorders Association

RE: Support SB 2168

Chairman Klein and Committee Members,

North Dakota Recorders requested this bill's introduction to address and add to Subsection 3 of section 11-18-05 of the North Dakota Century Code, a fee for providing electronic data extracted from the recorded instruments or filed non-central indexing instruments. As time has progressed and new technologies have arrived, there is now a need to clarify the parameters by which Recorders may charge for this data.

It is very clear in this statute what Recorders are to charge for the electronically stored image of the documents they maintain, but it is not clear as to the electronic data associated with each imaged document. Basically, the electronic record of the pertinent data elements that describe the document.

Many customers and entities are requesting this information on a daily basis and at times are requesting many years or all electronic data from County Recorders.

County dollars have paid for the staff, equipment and time used to enter this valuable information into computer systems and for the maintenance of this information.

Many entities are now able to receive this information in electronic format. This saves these entities staff and many hours of labor to collect

the information manually and enter it into their own computers systems.

Many of these in turn, sell the electronic data that Recorders provide to them.

As those requesting information pay for the electronic copies of the images associated with the data according to our current fee schedule, I ask for your support as Recorders move forward in keeping up with technology and the requests for the electronic data.

The Recorders Association, of which I am a member, supports this bill.

I am also providing written testimony on behalf of the following counties, Stark County, Divide County, Grand Forks County, Traill County and Wells County.

I ask that you give a do pass to SB 2168

TO: Chairman Klein and Committee Members

RE: Support SB 2168

Chairman Klien and Committee Members:

I am Carrie K. Krause, Wells County Recorder and I strongly urge you to support SB 2168. Our electronic data had become a very important part of our office. I provide a copy of our data everyday to Wells County Abstract Company that she uses as an integral part of her services she provides to the general public. I send Mortgage and Deed reports every month to Lake Region Collections, along with Deed reports to several realty companies, banking institutions and do a real property transfers report every three months for the US Fish and Wildlife Service. This data is very vital to their industries and the production of their offices. I truly believe that the requests for electronic data will increase tremendously in the coming years.

I ask that you give a do pass to SB 2168.

Thank you for your support.

Carrie K. Krause

**TRAILL COUNTY RECORDER
JULIE R. FOSS
PO BOX 399
HILLSBORO, NORTH DAKOTA 58045**


Dear Chairman Klein and Committee Members of Industry, Business and Labor

My name is Julie Foss and I am the Traill County Recorder in Hillsboro, North Dakota and I am providing written testimony in reference to SB2168.

I provide data to the Traill County Abstract and Title Office here in Hillsboro. Olson and Olson Consultation from Mayville, North Dakota receives a report of all land sales in Traill County. The information they receive from me is vital to the running of their businesses. As time goes by I am confident that electronic data will be asked for more and more.

Thank you and your committee members for your support of SB2168

Sincerely,



Julie R. Foss
Traill County Recorder

**GRAND FORKS COUNTY
DEPARTMENT OF
PROPERTY & RECORDS**

**County Recorder
Garlynn Helmoski**

Telephone (701) 780-8261 – PO Box 5066, Grand Forks, ND 58206-5066
FAX (701) 780-8212
Email: Garlynn.Helmoski@afcounty.com

January 12, 2011

Industry, Business and Labor Committee

Dear Chairman Klein and Committee Members,

Greetings to you all. My name is Garlynn Helmoski and I am the County Recorder for Grand Forks County. I am writing to you in regards to our data bill, SB2168.

Grand Forks County has been doing a monthly report which shows information on each document recorded within our office during the past month to Lake Region Collections for several years now. Lake Region Collections uses this information for Public Records Bulletin and resells the information to anyone that is extending credit to the general public. There are several industries that rely on the information that Lake Region Collections supply that comes directly from our reports.

I would like to take a moment to thank Chairman Klein and the entire committee for all your support.

Thanks again,
Garlynn Helmoski
County Recorder, Grand Forks County

January 12, 2011

Chairman Klein and Committee Members:

I am the Stark County Recorder. I strongly urge passage of SB2168 for the betterment of our service to the public. At present we are supplying data to the abstractors and some oil companies.

We provide a report to a local bank, this report includes all mortgage information.

All of the above are very convenient ways for our clients to access our information and therefore, help preserve our permanent records by them not having to manually use our books.

I thank you all for your support of this bill.

RaeDeen Weinberger
Stark County Recorder

Penny J. Hagen
Divide County Recorder/Clerk of District Court
300 North Main Street - P.O. Box 68
Crosby, N.D. 58730
Phone: (701) 965-6831 - Fax: (701) 965-6943

13 January 2011

RE: SB2168

Chairman Klein and Committee Members:

My name is Penny Hagen and I am the Divide County Recorder. I am providing written testimony to request your support of SB 2168. Electronic data extracted from recorded instruments will be asked for more and more in the future. This bill is very important to Recorders across the State of North Dakota.

Thank you for your consideration.

Penny Hagen
Divide County Recorder

Testimony 1

TO: Chairman Keiser and Committee Members
FROM: Sheila K. Dalen, Ward County Recorder
President of the North Dakota County Recorders Association
RE: Support SB 2168

Chairman Keiser and Committee Members,

The ND Recorders requested this bill's introduction to address and add to Subsection 3 of section 11-18-05 of the North Dakota Century Code, a fee for providing electronic data extracted from the recorded instruments or filed non-central indexing instruments. As time has progressed and new technologies have arrived, there is now a need to clarify the parameters by which Recorders may charge for this data.

It is very clear in this statute what Recorders are to charge for the electronically stored image of the documents they maintain, but it is not clear as to the electronic data associated with each imaged document, basically the electronic record of the pertinent data elements that describe the document.

Many customers and entities are requesting this information on a daily basis and at times are requesting many years or all electronic data from County Recorders.

County dollars have paid for the staff, equipment and time used to enter this valuable information into computer systems and for the maintenance of this information.

Many entities are now able to receive this information in electronic format. This saves these entities staff and many hours of labor to collect the information manually and enter it into their own computer systems. Many of these in turn, sell the electronic data that Recorders provide to them.

As those requesting information pay for the electronic copies of the images associated with the data according to our current fee schedule, I ask for your support as Recorders move forward in keeping up with technology and the requests for electronic data.

The Recorders Association, of which I am a member, supports this bill.

I have also provided you with written testimony from the Recorders in the counties in which you as committee members represent.

I ask that you give a do pass to SB 2168 and thank you for your time today.

I have also brought a couple of visuals for you today showing the difference between an electronic image and the electronic data and would be happy to answer any questions you may have.

BURLEIGH COUNTY RECORDER

DEBBIE KROSHUS
RECORDER

MELISSA HANSON
DANIELLE OLSON
SHEILA RENNER

March 2, 2011

Chairman George Keiser & Members of the Committee

Industry, Business and Labor Committee

My name is Debbie Kroshus, Burleigh County Recorder, and I am asking you to please support SB2168. This bill will allow the County Recorders to provide electronic data extracted from recorded instruments at a fee of not more than fifty cents per instrument.

In Burleigh County we currently do not receive a lot of requests for electronic data. We do expect with technology improving rapidly and the ever expanding oil exploration in North Dakota, it will just be a matter of time before we will be asked to provide such electronic data information to oil companies, surveyors and abstract and title companies on a continuous basis.

Thus the need to support this bill

Thank you.

Sincerely,

Debbie Kroshus

Debbie Kroshus
Burleigh County Recorder

March 4, 2011

Chairman Keiser and Committee Members

Industry, Business and Labor Committee

RE: SB 2168

My name is Jewel Spies and I am the Cass County Recorder. I am writing to you in regard to SB 2168, a bill that will allow the County Recorders to provide electronic data extracted from recorded instruments at a fee of not more than fifty cents per instrument.

This information is provided to banks, abstractors and other such companies. Technology is moving forward at such a pace that more and more companies and individuals are asking for this information and are asking for it in an electronic format. Fifty cents is a minimal amount for these companies to pay for all of the vital information that they receive.

I ask for your support and passage of SB 2168.

Thank you for your time.

Jewel Spies

Cass County Recorder.

Thanks again,

Garlynn Helmoski

County Recorder

Grand Forks County

Chairman George Keiser and Committee Members:

Industry, Business and Labor Committee

Re: SB 2168

Chairman Keiser:

As the Rolette County Recorder, Colleen J Bertsch, I am requesting your support of SB 2168. We receive requests for data from numerous out-of town banks, real estate appraisers, attorneys, surveyors, collection agencies, Farm Credit Services, Farm Service Agencies, real estate agents, our local abstract company, as well as individuals.

The banks are requesting information on their own previously recorded mortgages that they may want to release, or mortgages from other lending institutions that may have a first lien. They need the information as quickly as they can receive it to better serve their clients, and we are now able to provide that information in seconds, rather than days.

Appraisers and real estate agents are usually looking for comparable sales, and need the most up to date information we have available, because values change rapidly.

Attorneys always need the last deed of record when preparing new documents, so they are able to determine present ownership. They also may need information on any mortgages on the property. Rolette County has only one local attorney, so the surrounding area of Cando, Rugby, and Bottineau attorneys are our regular customers. They very much appreciate that they don't have to travel for an hour to receive information.

We have no local surveyors, so our corner monument records are very important information we have made available on our NDRIN website, as well as by email.

Rolette County is very much a farming community, so the information we can now instantly provide to the farm lending institutions and government service providers is an invaluable tool for them to complete their work. When farm property is sold or exchanged that changes farm program payments, and Farm Service Agencies appreciate our quick response time.

Thank you so much for your consideration of this bill. The Recorder's Association is striving to charge uniform fees throughout the State and this bill will enable us to do that efficiently. Your consideration is greatly appreciated.

Sincerely,

Colleen J Bertsch

Rolette County Recorder

Chairman Keiser and Committee Members:

I am the Stark County Recorder. I strongly urge passage of SB2168 for the betterment of our service to the public. At present we are supplying data to the abstractors and some oil companies.

We provide a report to a local bank, this report includes all mortgage information.

All of the above are very convenient ways for our clients to access our information and therefore, help preserve our permanent records by them not having to manually use our books.

I thank you all for your support of this bill.

RaeDeen Weinberger
Stark County Recorder



February 28, 2011

Chairman George Keiser & Members of the Committee
Industry, Business and Labor Committee

My name is Kari Evenson, Williams County Treasurer/Recorder. Please support SB2168. This bill allows for the County Recorders to provide electronic data extracted from recorded instruments at a fee of not more than fifty cents per instrument.

In Williams County, virtually all of the requests we receive are for electronic information. We currently provide electronic data to oil companies, surveyors and abstract & title companies. By purchasing the electronic data these businesses do not have to index the information themselves. Fifty cents is a bargain for the amount of information they receive. Some documents may have minimal data but many documents have multiple pages of data.

Please support SB2168.

Thank you for your time,

Kari Evenson
Williams County Treasurer/Recorder

Treasurer/Recorder - Kari Evenson

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