

**2023 SENATE INDUSTRY AND BUSINESS**

**SB 2320**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee Fort Union Room, State Capitol

SB 2320  
1/25/2023

A bill relating to fees chargeable by abstractors.

**2:00 PM Chairman Larsen** called the meeting to order.

**Members Present:** Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Boehm, and Senator Klein.

### Discussion Topics:

- Abstractor fees cap
- Proposed amendment
- Land record keepers

**2:00 PM John Ward, North Dakota Association of Insurance**, testified in favor of SB 2320. (verbal)

**2:01 PM Nick Hacker, North Dakota Title Land Association**, testified in favor of SB 2320. #16742, #16743, #16744

**2:19 PM Jeff Lynn, owner of abstracting company, and member of Land Title Association**, testified in favor of SB 2320. (verbal)

**2:25 PM Brandon Pippinger, Abstractor**, testified in support of SB 2320. (verbal)

**2:31 PM Andy Freeman, Abstractor**, testified in support of SB 2320. (verbal)

**2:36 PM Brian Jangula from Logan County Abstract, Napoleon, ND**, testified in favor of SB 2320. (verbal)

**2:47 PM Chairman D. Larsen** closed the hearing.

**2:49 PM Senator Klein** moved to adopt the amendment to SB 2320. #23.0791.01001

**2:49 PM Senator Barta** seconded.

Roll call vote: Adopt the Amendment

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Motion passed: 5-0-0 to adopt the amendment.

**2:52 PM Senator Barta** moved to DO PASS AS AMENDED SB 2320.

**2:52 PM Senator Boehm** seconded DO PASS AS AMENDED SB 2320.

2:54 PM Roll call vote: DO PASS AS AMENDED SB 2320

<b>Senators</b>	<b>Vote</b>
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Motion Passed: 5-0-0 DO PASS AS AMENDED.

Senator Larsen will carry.

**2:56 PM Chairman D. Larsen** closed the meeting on SB 2320.

*Brenda Cook, Committee Clerk*

January 20, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2320

Page 1, line 9, overstrike "fifteen" and insert immediately thereafter "eighteen"

Page 1, line 12, overstrike "fifty" and insert immediately thereafter "eighty-five"

Page 1, line 16, overstrike "fifteen" and insert immediately thereafter "eighteen"

Page 1, line 19, overstrike "fifteen" and insert immediately thereafter "eighteen"

Page 1, line 21, overstrike "ten" and insert immediately thereafter "twelve"

Page 2, line 5, after the underscored period insert "The board shall round the fees to the nearest whole number."

Renumber accordingly

AGK  
1-25-23  
(1-1)

**REPORT OF STANDING COMMITTEE**

**SB 2320: Industry and Business Committee (Sen. Larsen, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2320 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 9, overstrike "fifteen" and insert immediately thereafter "eighteen"

Page 1, line 12, overstrike "fifty" and insert immediately thereafter "eighty-five"

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Renumber accordingly

**2023 HOUSE FINANCE AND TAXATION**

**SB 2320**

# 2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Room JW327E, State Capitol

SB 2320  
3/6/2023

A bill relating to fees chargeable by abstracters.
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**Chairman Headland** opened the hearing at 11:06AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Toman, Representative Finley-DeVille, and Representative Ista. **Members absent:** Representatives Bosch and Steiner.

**Discussion Topics:**

- Licensed Abstracter fees
- Abstracter definition
- Abstracter cap on fees

**Senator Larsen** verbally introduced the bill in support.

**John Ward, representing the Land Title Association,** verbally testified in support and introduced the next person to testify.

**Nick Hacker, North Dakota Land Title Association,** testified in support (#21934).

**Andy Freeman, Abstracter with Bottineau County Abstract Company,** verbally testified in support.

**Howard Malloy, President of Bismarck Title Company,** verbally testified in support.

**Chairman Headland** closed the hearing at 11:20AM.

*Mary Brucker, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Room JW327E, State Capitol

SB 2320  
3/6/2023

A bill relating to fees chargeable by abstracters.

**Chairman Headland** opened the meeting at 11:32 AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. Members absent: Representative Bosch.

**Discussion Topics:**

- Committee vote

**Representative Grueneich** moved a Do Pass.

**Representative Motschenbacher** seconded the motion.

**Roll call vote:**

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	AB
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

**Motion carried 13-0-1**

**Representative Hatlestad** is the bill carrier.

**Chairman Headland** adjourned at 11:32 AM.

*Mary Brucker, Committee Clerk*



**REPORT OF STANDING COMMITTEE**

**SB 2320, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)**  
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
Engrossed SB 2320 was placed on the Fourteenth order on the calendar.

**TESTIMONY**

**SB 2320**

North Dakota Senate Industry and Business Committee  
Hearing on HB SB 2320  
Testimony from the ND Land Title Association  
1/25/2023

Good morning, Mr. Chairman and Members of the Committee,

The bill before you today is to change the state set cap on the amount a North Dakota Licensed Abstracter may charge on an abstract. Legislative council missed the requested changes which we ask this committee to adopt by amending the bill. The amendments are attached.

**What is an abstract and who are we?**

Abstracting is a compilation of documents recorded against a specific piece of property written in a brief concise format through a complicated search of the real estate records by an Abstracter. Its primary use is for North Dakota attorneys to determine the status of title to the property. We are for profit companies and not government agencies. The 83 members of the North Dakota Land Title Association are licensed companies operating in each of the 53 counties.

The abstracting industry helps drive our state's economy through the safe and efficient transfer of real property. In the current housing market these services are increasingly important for the confidence of title attorneys to issue accurate title opinions for individuals to purchase real estate and lenders to provide loans to homebuyers and agriculture producers. Because we provide accurate information through abstracts, North Dakota attorneys are able to prove that people own their homes, farms and property so that they may sell or obtain a loan. Additionally, these services ensure the safe transfer of real estate which in turn keeps title claims down and results in North Dakota having some of the lowest closing and title costs in the country.

In the last 30 years the legislature has increased the abstracting cap three times, most recently being the 2015 session. At that time, we requested a smaller increase and the legislature responded suggesting we come back in 8 years for an additional increase as necessary at that time. Here we are.

As you know the landscape of North Dakota has changed significantly in the past decade. Every county in the state has seen increases in the cost of doing business and wages.

**How much is the increase?**

As amended, the increased fees in the bill represent an annual increase over the past 8 years of 2.89% per year. The bill increases the cap on the fee we can charge for each entry, name search and the certificate. The change is based on the change in the Consumer Price Index, which is a trailing adjustment compared to the actual cost of services in recent years.

Paragraph 2, as amended, of the bill would allow for annual adjustments based on the change in CPI in the future, up or down. It rounds the amount to the nearest whole dollar and grants authority to set the newly adjusted amount to our licensing authority which is the Board of Abstract Examiners.

### **Why is there a cap?**

Abstracting has occurred in the state since 1915 during which time most counties had just one abstractor. Because one individual could control a market the legislature decided to cap the fees to ensure all customers were served equally. The cap is still necessary today as 40 of our 53 counties continue to have just one abstract company. This results in a lack of competition and a need to avoid problems caused by monopolies.

An increase in the cap will allow abstract companies to hire qualified individuals to provide important services to the real estate industry.

Thank you for your time this morning. We ask the committee to adopt the amendments and provide a Do Pass recommendation of SB 2320.

Sincerely, Nick Hacker

*North Dakota Land Title Association, Legislative Committee Chair Nick Hacker*  
(701) 751-4984 – [nick@thetitleteam.com](mailto:nick@thetitleteam.com)

23.0791.01001  
Title.

Prepared by the Legislative Council staff for  
Senator Larsen  
January 20, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2320

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Re-number accordingly

23.0791.01001

Sixty-eighth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2320**

Introduced by

Senators Larsen, Larson

Representative Louser

1 A BILL for an Act to amend and reenact section 43-01-18 of the North Dakota Century Code,  
2 relating to fees chargeable by abstracters.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 43-01-18 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **43-01-18. Fees chargeable by abstracter - Adjustments.**

7 1. An abstracter may charge no more than the following fees for making and certifying to  
8 an abstract:

9 1. a. For each entry on an abstract or continuation of an entry on an abstract,  
10 ~~fifteen~~eighteen dollars.

11 2. b. For a complete certification covering the records of the several county offices,  
12 one hundred ~~fifty~~eighty-five dollars.

13 3. c. For a certification covering lands in excess of one quarter section [64.75  
14 hectares] in the same abstract of title and for each quarter section [64.75  
15 hectares] or portion of a quarter section in excess of one, an additional fee of  
16 ~~fifteen~~eighteen dollars.

17 4. d. For a certification covering premises in more than one block in any subdivision in  
18 the same abstract of title and for the premises in each additional block in excess  
19 of one, an additional fee of ~~fifteen~~eighteen dollars.

20 5. e. For each name searched for judgments, real estate taxes, bankruptcy  
21 proceedings, federal tax liens, and state tax liens, ~~ten~~twelve dollars and fees  
22 charged to the abstracter by a governmental agency or governmental entity.

23 6. f. The fees as may be fixed by special statute.

- 1        2. Beginning January 1, 2024, and annually thereafter, the board shall determine and  
2        publish adjustments to the fees allowed under this section and section 43-01-15.1 to  
3        account for inflation. Under this subsection, in calculating an adjustment the board  
4        shall use the consumer price index for all urban consumers in the midwest region as  
5        determined by the United States department of labor, bureau of labor statistics. **The**  
6        **board shall round the fees to the nearest whole number.**

North Dakota House Finance and Tax Committee  
Hearing on HB SB 2320  
Testimony from the ND Land Title Association  
3/6/2023

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An increase in the cap will allow abstract companies to continue operating and allow them to hire qualified individuals to provide these important services to the real estate industry.

Thank you for your time this morning. We ask the committee to adopt the amendments and provide a Do Pass recommendation of SB 2320.

Sincerely, Nick Hacker

*North Dakota Land Title Association, Legislative Committee Chair Nick Hacker*  
(701) 751-4984 – [nick@thetitleteam.com](mailto:nick@thetitleteam.com)