

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

2173

2001 SENATE POLITICAL SUBDIVISIONS

SB 2173

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2173

Senate Political Subdivisions Committee

Conference Committee

Hearing /Date January 18, 2001

Tape Number	Side A	Side B	Meter #
1	x		24.2-36.4
2	x		0.0-0.8
1-25-01		x	30.1-56.0
2	x		0.0 - 0.8
Committee Clerk Signature <i>Mary Jo Wocken</i>			

Minutes:

The hearing was held on SB2173 was opened regarding a creation of document preservation fund; fees charged by the Register of Deeds.

SENATOR LEE was requested by the Register of Deeds, Association of Counties, in Grand Forks County to present this bill to the committee.

VICKI CUBIT: Register of Deeds, spoke in favor of this bill. See attached testimony.

SENATOR MATHERN:...concerning margin requested fee. Can you fill me in on it? VICKI

KOUBAT: In the county computer system, with a label on it. Death certificates don't have room on it for labels. The one-inch margin to be able to have labels on the documents. SENATOR

COOK: If the document does not have a one-inch margin, does the fee apply? VICKI

KOUBAT: Yes, the fee applies.

RUTH STEVENS: From Lakota, spoke in favor of this bill. See attached testimony.

SENATOR COOK : What is the main reason for raising the prices, is it to make it more uniform, the same? RUTH STEVENS: The Clerk of Court has been charging \$10 for duties for certified copies fees. SENATOR COOK: Uniformity, You could lower the higher one. RUTH STEVENS: It would be harder to do, we could, not usual to decrease fees in this age.

TERRY TRAYNOR: Assistant Director of the Association of Counties, spoke in support of this bill. See attached testimony.

SENATOR WATNE: Will allow pilot counties to meet their commitment to FEMA, how their funds are used or anything, no payback or anything or no loan or anything? TERRY TRAYNOR: No, Cass County committed maintaining this and keeping the records on there as a grant recipient. SENATOR COOK: How much revenue would this raise? TERRY TRAYNOR:

We've looked at past filings in different counties, some small as \$800-\$ 4500 to the \$5000 range, looking at the whole state. SENATOR COOK: The \$1.2 million dollar grant would allow all

Register of Deeds to microfilm all the records they have had collected over the years. TERRY

TRAYNOR: We've had a number of counties had already microfilmed a fair amount of their

records but there were some that had none microfilmed. SENATOR COOK: So the purpose of

the increase is to microfilm current records as they come up? TERRY TRAYNOR: In addition

to microfilming what the seven pilot counties are doing, are putting that information on a

computer digital image, and so that not only will it be available in that form in the future and

preserved, but it will also be available, perhaps over the Internet so it will be able to retrieve it as

well. SENATOR MATHERN: In the testimony, it talked about the grant to allow for the

electronic records. This system will make sure that it safeguards those records, and will deliver

these records to bankers, etc. This was promised to the banker when the termination fees were

paid up front for registrar of deeds, so this all could be computerized, and that never transpired,

and if that money was to be used at that time for computerizing and it came down for a grant allowing it to happen how we can be assured this money will be used for in the future?

TERRY TRAYNOR: I believe what your talking about is the uniform commercial code filings which are separate from the land records and the issue may be there, and come and that is really handled through the Secretary of State although the counties participate by putting that information in there. SENATOR WATNE: This is going into a fund, it won't be used for a specific purpose, who will administer it? When is the money sent to this fund? Is that money sent to that fund, do they go to that fund to get it? How are the mechanics envisioned here. TERRY

TRAYNOR: This is a local fund, it goes into fund at the county court house and the county commissioners have control over that fund through their appropriations process. Annually in there budget setting they would have to decide, yes they are going to participate in the computerized project and were going to send dollar per record to that to pay for our participation and two dollars into buying equipment or two dollars into training, basically it is a local decision.

CLAUS LEMBKE: ND Association of Realtors, spoke in support of this bill. Show our appreciation to the county Register of Deeds for their cooperation, when we see a \$7-\$10 increase, 30% increase, that raises a red flag with us. But because of their cooperative effort and because of their show us the need and what they are doing with it, I think it made a difference to our association. So were supporting this bill. (Meter #32.1 side note of Mr. Kavalic, spokesperson from Dickinson) Concern, centralized record system, called the NDRIN, thats where those counties of McLean, Stark, Ward and Williams are the pilot ones and eventually all counties. Thats a welcome news. Availability is great, but the concern we have is this is not being regulated by you or anybody else. We've heard of fees of \$100-\$500 a month, and again,

it is not to water this bill down, but the legislatures should be concerned because there is not a safeguard in there. Needs to be regulated. (34.1-34.3) SENATOR COOK : Who is in control of this? CLAUS LEMBKE : Done by INET Technology, Inc. Consortium of Cass County, the owner of this, and they contact with a vendor. NET is owned by the state. SENATOR MATHERN: INET- local Bismarck. SENATOR COOK: Is this for profit or a private company? CLAUS LEMBKE : Response (Tape #35.7) to do this technology is fabulous, it cannot be overlooked.

SENATOR LEE : Comment (36.4) We now have a free service in Cass County , we can log on to the computer at home through the Internet to find out our taxes and special assessments are, and there is no fee for any of this stuff in Cass County.

WADE MOSZER, spoke in opposition to SB2173. ND Stockmen's Association. When there is a fee increase it raises a red flag. Fee that individuals pay, concern that it is an increase, and we realize that the documents need to be preserved, and I'm not so sure the fee is justified or if it is enough or too much. We have very little information on this from our point of view.

SENATOR COOK closed the Hearing on SB2173.

January 19, 2001

Short discussion was held.

SENATOR COOK : Concerned, about raising the fee from \$7 to \$10; the three dollars designated for microfilming. Why did we go from \$ 7 to \$ 10? Claus Lembke handed Senator Cook a handout with dollar amounts for the counties of Burleigh, Cass, and Ward county. Why didn't it go from \$7 to \$8 or \$ 9 instead to \$10? SENATOR WATNE : Most of these documents filed before in the District Court office had been \$10, it has been \$10. SENATOR COOK: At some point it did get lowered. SENATOR WATNE: No, by law, what the Register of Deeds can

charge for documents are \$5, cause there changing the law. Most of them have been paying that \$10, on certain documents that have been filed. SENATOR LYSON : A lot of these things were filed in the Clerk of Courts office and when we changed that to go into the uniform clerk system the counties and the legislature put this specifically in the Register of Deeds in that is where they can only charge \$5, by law. SENATOR WATNE: Now, provided documents cost more, now they've seen the opportunity that for documents they would have filed at \$5 before only these documents haven't been filed there unless they dedicate some of that fee, to the preservation fund

SENATOR LYSON: Landmen, now are opposed to this bill mainly, because not that the fee is being hurt in that land, and we could have had this information we're saying there are counties that are not participating in this center, not up to par on this and they don't think they should have to pay that fee if they are not providing for the preservation of these documents. SENATOR COOK: Not all counties have, SENATOR LYSON, that's what I was told this morning and I haven't got any other information, just word of mouth from On Ness. SENATOR WATNE: I think an answer to that in the very first part says the county treasurer shall establish document for the preservation fund. SENATOR LYSON: It says they have to establish a fund, but have these county commissioners put up the money so far to get them going on this project? If there not already into this program, why should they have to pay for it, the land men especially.

SENATOR LEE: Vicki Koubat, President of the Register of Deeds Association, in her testimony indicates... many county register of deeds offices do not have the necessary funds in order to upgrade their operations to include a computer, or to even maintain the ongoing microfilming process for security and this establishes a fair payment plan to raise these funds, so, if there are counties that don't already have it, if they don't pay into the fund, why should the rest of the counties that do have it pay for those counties that don't. The people who are using the facilities

in those counties should be anxious to have this service available and I think those people filing documents there would want to have this. I think, and I agree that its appropriate that we wait for the land men are comfortable what's going on, but I see that there is a particular advantage to the land men. I can't imagine that the filing fees would not be worth what the services would be. If they aren't going to have a computer, that is what the money if for, to get their technology up to date. SENATOR COOK: I understand that her testimony also said that a \$1.2 million dollar grant allowed all Register of Deeds to participate in the project of the microfilming all there records, all there previous records. I believe that I come to the understanding that all records in all Register of Deeds, all old records have been microfilmed. It allowed them to participate, but did they all participate? SENATOR WATNE: I don't think so. SENATOR COOK: It would be nice to understand that. SENATOR MATHERN: I spoke with the three ladies from the Register of Deeds office and just for her clarification, after the meeting on Thursday, and because Senator Mathern was confusing Secretary of State and Register of Deeds and so they helped clarify that. Centrally, your referring to, with that computerization there are only two counties right now, Burleigh and Cass County where she mentioned we can get on line and look at property taxes, etc. That will be additional costs in the future, that this did not cover that. This was used for microfilming and preservation, but not for that new pilot program. SENATOR LYSON : Seven counties are in the project, (SENATOR MATHERN, 2 counties for that one) and Williams County has been in the computer thing for several years, but they were the leading/cutting edge of this thing. So right now you cannot set at home, you have to go into there computers in the Register of Deeds office to be able to pull these things up. The reason for this was because the damages to the books, to the microfilm and the damage to the microfilm. They have not updated the microfilm and they still have to go look at the books, the land men feel they are still being

punished because of this. You guys are the users and it should not be up to the taxpayers, the real estate taxes to get this thing going. Take that message back to the land men. SENATOR COOK: Does anybody know where the central repository is at? SENATOR LEE: Terry Traynor, said the Internet is the central repository, the keyboard is in Cass County. It is stored on the Internet, and yet there is some safe secure copy that is stored in a safe place. \$ altogether, and the third question, covered it. SENATOR COOK: The Register of Deeds from Mandan e-mailed this to Senator Cook, 'as to the fee increase asked for in this bill, after equipment is paid for "the profits From this fee increase will stay in the county register of deed offices to update and provide services to our county customers. Raising the fee...then hearing the word the profits from the fee increase, sort of makes your hair stand up. I think that when we kick this bill out of here, I hope that we as a committee have a good reason why \$10 was the number, why its not \$8 or \$9. We've already heard it used to be \$10, and that might be the answer. SENATOR LEE: Need to keep up with the scanners. For some of the documents its more than something that you can just key in, that there is additional equipment, that is required for some of the documents. This technology is a little more expensive. But in order to fully implement this system, the counties are going to have to have available to them some special pieces of equipment.

SENATOR COOK : Adjourned until AM January 25, 2001

January 25, 2001

Senator Cook reopened the discussion on SBA 2173 (Tape 1, Side B, Meter #30.1- Handout in your bill book gives an estimate of the number of recordings by county, we had some question about how much revenue this would raise. We're talking about the fee increase on the first part of the bill from \$7 to \$10. You also have written testimony submitted from Ron Ness from the ND Petroleum Council. Raising 3 fees is that correct? Committee? SENATOR LEE: I

believe that it is two, but I think the main point they were attempting to make was that they would be consistent, this was a fee that already was being charged for this responsibility with the Clerk of Court, but it dropped when it was transferred to the Register of Deeds Office and they are not asking for an increase beyond where it had been before, but rather to return it to the fee that it had been permissible when it had been in the Clerk of Court Office. SENATOR COOK: I'm glad you brought that up. Lets make sure were clear on that. My understanding that that explanation explains the fee increase of \$5-10 on Line 3 of Pg. 3. Is that correct? Terry is shaking his head yes. SENATOR MATHERN: This actually looks though there are four areas, Page 1 Line 20 goes from \$7-\$10 for the 1st page that's for a filing; SENATOR COOK: yes. Are those \$3 being used for the preservation. SENATOR MATHERN: The next one is Page 2, Line 18, is for satisfaction and release of an instrument, it went from \$7-10 as well as the filing on the previous page, and there is also Page 3 where we went from an additional fee of \$ 2-10 on Line 2 and then Line 3, \$ 5-10. SENATOR POLOVITZ: What are they going to do with this money? Its going to lead to try and get the records in shape or hiring more people? SENATOR COOK: After the flood, FEMA Grant of \$1.2 microfilmed all of the records in the state, the intent of the first fee of raising the 1st page from \$ 7-10 is to continue to fund the microfilming preservation of new documents and a central system where they will be able to access them. SENATOR LEE: Received a E-mail from Sheila Dahlin, which clarified a couple things for us. SENATOR WATNE: She is from right over here, from Minot. SENATOR LEE: The FEMA grant initially provided for all of the microfilming to be done by the counties that choose to participate. In the counties who do not have the funding to do, to continue this microfilming and keeping this electronic repository up and running, which costs approximately \$120,000 per year. It also would allow counties to purchase equipment. The \$ 2-10 fee is about the margins, which if we are going

