

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2255

2001 SENATE POLITICAL SUBDIVISIONS

SB 2255

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2255

Senate Political Subdivisions Committee

Conference Committee

Hearing Date February 1, 2001

Tape Number	Side A	Side B	Meter #
1	x		0.0-13.7

Committee Clerk Signature

Mary Jo Wooten

Minutes:

The hearing was opened on SB 2255; relating to notary public address and name change.

Attendance was taken, all present.

SENATOR TRAYNOR is the prime sponsor of this bill. However, due to another conflict, Mr. Al Jaeger, Secretary of State spoke on this bill. See attached testimony. Each time we do mailings we have special handling that is required and you can see by the percentages it gets to be a considerable amount of items that get returned. We have a very large percentage of people who don't let us know when they move for a current change of address, or the post office lets us know there is a new address and we get charged \$.50. The percentage is very high of people who do not let us know that they have moved. We are trying to educate the notaries that they are a commissioned officer of the state. Some of our notaries take their duties, its something that the boss needs for me to do. Some of them take it a little bit to lightly. But the whole idea of being a notary public is both, the Oath of Office and the specific duties and one of them is that they

witness signatures and notarize them. Considering the history we've had, the intent of this bill is to provide a fair timetable for current Notary Publics to renew their licenses, and also a modest incentive for notaries to comply with the law. If they don't at least have some modest consequences. Section one of the bill changes the time line from 30 to 60 days, and provides a late fee of \$10 if the notary fails to notify the Secretary of State of an address change. We can see in the process of moving that a lot of things happening that thirty days is a short period of time and that sixty days would be more reasonable, particularly if we are going to assess somebody a fee if they don't do it in time. Section two also changes the timeline from 30 to 60 days and actually provides a bridge when you have a name change that there is a way to still do your notary while you wait for the processing and your stamp to be changed. So it actually gives them some flexibility. Section three really takes care the '19' to pass a law. Section four makes the bridge in section two possible. What about who have moved out of state? No, we do note in our files that they have moved and in a sense we kind of remove them from our active list.. They are still listed there until their commission expires, but we have noted our file. The same thing with a no forwarding address and they are never found. We do try to find them and some of them ultimately, do come back to us at the end of the six years when their license needs to be renewed the person returns and updates the Attorney Generals office of the address change. What are you going to do about the \$10.00 fee? You assess it and its not like were going to go out after them. If they moved, and they haven't or we can't find or they moved out of state, obviously we're not going to chase. Sooner or later most of these people show up to renew their license. Most of these people pay this cost to help pay for the time and postage in finding them at a current address. Our goal is to go to an annual mailing for some type to do a better job and keep reminding them of these things. We also have notary violations, that we pursue. The 8-10 we

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Senate Political Subdivisions Committee

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pursue, commit violations on the paperwork submitted to the Secretary of States' Office. The quickest way to lose your license is to look at the errors on the paperwork. Some get fines, some get suspensions, it gets kind of interesting. SENATOR COOK: Are we assuming the term is for 6 years? MR. JAEGER: Yes. SENATOR COOK: Do we have notaries who are out of state?

MR JAEGER: Actually there are two things to answer there. Back in the 1993 session where we put the Board of Counties in, if you are are a resident of Clay County and work in Cass County, we will commission you as a notary. The law reads that we will commission notaries in a bordering county if that state has a reciprocal same thing with us. Minnesota is the only state that has it. South Dakota and Montana don't. The bill that Senator Traynor was working through which already passed the Senate is a bill that would allow ND notaries to notarize in another state if that state allows it. The history on that is that sometime ago in the late 1980's, a law was changed that allowed out of state notaries to come into North Dakota and notarize and we would recognize that act. I think there was an assumption made at that time that it was a two way street.

Well, we found out earlier last year, that unbeknownst to us, the North Dakota notaries particularly,in the Williston area were running over to Montana notarizing and when we became aware of it we asked for an Attorney Generals opinion and really found out there was nothing in North Dakota law that really authorized or allowed ND notaries to do that. That is what the last mailings were to know that. Ultimately, when this session is over, a North Dakota notary would be legally to go to Montana, if Montana law would allow it. We know it would. SENATOR

MATHERN: An employee lives in Minnesota and was notarizing in ND, and I think we realized from something you sent out, that it was not right. Am I correct in that? MR. JAEGER: If she

was a Minnesota notary, notarizing in North Dakota, she should be able to do that under current law right. SENATOR CHRISTENSON: If she was a Minnesota notary, she needs to, and lives

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on a bordering town, she needs to apply to the North Dakota Attorney Generals because of the North Dakota-Minnesota law. AL JAEGER: Minnesota doesn't really quite have the same provision in there law that Montana does, so our neighboring states are a little bit different.

SENATOR MATHERN: If she does live in Minnesota, and maybe have a North Dakota notary she could not notarize in Minnesota. AL JAEGER: If you live in Clay County and we commission you as a North Dakota notary, it doesn't necessarily mean that you can go back into Minnesota and notarize. Current law you can't. And even on Senator Traynors' other bill, doesn't necessarily mean you can if the Minnesota law is not written to allow . We know that Montana law will recognize if the other bill goes through the House. We know that Montana law will recognize the North Dakota going over there. But we're not so sure it would apply to Minnesota or South Dakota.

SENATOR LEE: I was a co-sponsor of this bill with Senator Trayor because of an incident in Fargo.(Example given, meter # 9.8) The goofy stuff on the borders, both Montana and Minnesota will be nice if we could have a little reciprocity there. MR.

JAEGER: The purpose of this bill, is really, we have a challenge in terms of doing what we need to do and even educating notaries we don't get them to at least let us know where they are because they have to realize that they are an officer of the state and with that its more than just doing it because the boss wants you, they've assumed an obligation and in fact their first obligation when notarizing is to their oath of office and not to their boss. For the education, we really need these people to move from thirty to sixty days allows time for any eventuality.

The hearing was closed on SB2255.

Senator Lee moved for a Do Pass for SB2255.

Senator Christenson 2nd.

Roll Call Vote: 7 Yes, 1 No, 0 Ab Carrier: Senator Watne

FISCAL NOTE

Requested by Legislative Council

03/01/2001

Bill/Resolution No.: SB 2255

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$4,000	\$0	\$4,000	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The purpose of this bill is to implement a late fee of \$10, when a notary fails to notify the Secretary of State of an address or a name change within a 60-day period of time. Under current law, notaries are to notify the Secretary of State within 30 days of an address or name change. Approximately 10% of the state's 11,500 notaries fail to do that on an annual basis. As a result, the Secretary of State's office has extra expense and uses a lot of staff time to track down the notaries who have not notified the agency about an address or name change. The late fee is intended to provide incentive and cover the expense when a search has to be done after the 60-day period of time. The change from 30 to 60 days is to provide the notaries more time before the late fee is assessed.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

It is not expected that the revenues will exceed \$5,000 for the biennium.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

No expenditures will be required to implement the program.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect*

on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

No extra appropriation will be needed.

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-2900	Date Prepared:	03/02/2001

Date: February 1, 2001
Roll Call Vote #: 1

**2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. S.B.2255**

Senate Political Subdivisions Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Senator Lee Seconded By Sen. Christensen

Total (Yes) 7 No 1

Absent 0

Floor Assignment Senator Watne

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

REPORT OF STANDING COMMITTEE (410)
February 1, 2001 1:03 p.m.

Module No: SR-19-2104
Carrier: Watne
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2255: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (7 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2255 was placed on the Eleventh order on the calendar.

2001 HOUSE POLITICAL SUBDIVISIONS

SB 2255

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2255

House Political Subdivisions Committee

Conference Committee

Hearing Date 3-09-01

Tape Number	Side A	Side B	Meter #
1	xx		1--1750
1		xx	2400--2750

Committee Clerk Signature *R. J. Jaeger*

Minutes: Chair Froseth opened the hearing on SB2255 relating to notary public address and name changes.

Al Jaeger, Sec. of State : testified in favor of ~~SB2244~~. (SEE ATTACHED) The intent of this bill is to have a fair time line and provide a modest incentive for notaries to comply with the law. We try to send mailings to notaries a few times per biennium. The percentage we get back is quite high. We feel it is important to know where the notaries are, since the duties of the notary are important and they took an oath. My staff spends lots of time tracking down names and addresses.

Rep. Delmore : What is the % of compliance right now?

Al : The chart shows the range from Aug. 1997 and July 2000 is from 9.4% - 12.6%. We want to see a smaller number.

Rep. Delmore : Are these mailings to certain notaries?

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House Political Subdivisions Committee
Bill/Resolution Number SB2255
Hearing Date 3-09-01

Al : No, we sent mailings to all of the \$11,548 notaries. This chart shows the number of undeliverable pieces. We have never charged a late fee before. We are not trying to recruit the cost of mailings. We want the correct addresses. You can imagine with 1,000 pieces coming in, the amount of time my staff has to spend checking out names and addresses.

Rep. Delmore : There could be 10,000 people fined under this?

Al : No, I don't think so because we won't have 10,000 people. We generally have around 1,000 pieces that come back. We want to get this number down. We want the notaries to understand that they are an officer of the state. They have some obligations.

Rep. N. Johnson : How long is a notary commission? If this passes, how are you going to get notice to the ones that know they don't have?

Al : 6 years. We aren't planning to go after the ones now. When they renew, then we'll want the \$10. We won't go to small claims court or collection letters. People who move away, we won't see the \$10 ever.

Rep. Herbel : I noticed from 1997 to 1999 there was a sizable increase. Do you know why?

Al : I was only sending out a newsletter every two years, after the sessions. In 1999, we were so busy that the newsletter was a bit late. That's why the date is different. After that, we talked about a mailing once a year to talk about what the notaries obligations are. The notary fee is \$6.00

Rep. Maragos : (1550) Why not revoke the notary's privilege in stead of the fine?

Al : For me to revoke a commission, I have to go through an administrative law judge which is a long process.

Chair Froseth : Any more testimony for or against? Hearing none, hearing is closed.

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House Political Subdivisions Committee
Bill/Resolution Number SB2255
Hearing Date 3-09-01

Tape 1, Side B (2400--2750)

Chair Froseth : What does the committee wish about SB2255?

Rep. Ekstrom : (2630) Don't quite understand how the agency will handle the late fee. Don't see the cost benefit.

Rep. N. Johnson : I don't think we are talking about a full scale investigation.

Chair Froseth : I understand the Sec. of State's frustration. It's got to be a nightmare to track people down.

Vice-Chair Severson : I move a DO PASS.

Rep. Herbel : I second.

VOTE: 10 YES and 3 NO with 2 absent. PASSED. Rep. Kretschmar will carry the bill.

Date: 3-9-01
Roll Call Vote #: /

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2255**

House POLITICAL SUBDIVISIONS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Vice-Chair Severson Seconded By Rep. Herbel

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	/		Rep. Wayne W. Tieman	/	
Vice-Chair Dale C. Severson	/				
Rep. Lois Delmore	A B				
Rep. Rachael Disrud	/				
Rep. Bruce Eckre	/				
Rep. Mary Ekstrom		/			
Rep. April Fairfield	A B				
Rep. Michael Grosz		/			
Rep. Jane Gunter	/				
Rep. Gil Herbel	/				
Rep. Nancy Johnson	/				
Rep. William E. Kretschmar	/				
Rep. Carol A. Niemeier					
Rep. Andrew G. Maragos	/				

Total (Yes) 10 No 3

Absent 2 ab

Floor Assignment Rep. Kretschmar

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

REPORT OF STANDING COMMITTEE (410)
March 9, 2001 10:51 a.m.

Module No: HR-41-5190
Carrier: Kretschmar
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

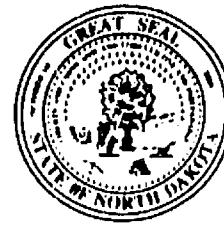
SB 2255: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends DO PASS (10 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). SB 2255 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2255

B-295
ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE

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

February 1, 2001

TO: Senator Cook and Members – Senate Political Subdivisions Committee

FR: Al Jaeger, Secretary of State

RE: SB 2255 – Notary Public – Address and Name Change

As of yesterday, there were 11,552 notaries commissioned by the Secretary of State.

Under current law, each one of these notaries is to inform the Secretary of State within 30 days of any change in their address or a change in their name.

As the chart below demonstrates, the rate of compliance is not very good. Consequently, the Secretary of State's staff utilizes a considerable amount of time tracking down "stray" notaries.

Date of Mailing	Aug 97 (approx 11,000)	Nov 99 (approx 11,655)	Jul 00 (approx 11,900)
Special Handling Required	1,033	1,589	1,504
Percentage of mailing	9.4%	13.6%	12.6%
Moved out of state	84	309	50
Deceased	3	5	5
Changed names	0	7	14
No forwarding address (never found)	618	402	299
Forwarded by postal service (@ .50 cents)	0	468	463
Re-mailed by SOS	328	398	246
Mailed Address changed forms	0	0	427

Therefore, the intent of this bill is to provide a fair timeline and provide a modest incentive for notaries to comply with the law.

Section 1 of the bill changes the timeline from 30 to 60 days and provides for a late fee of \$10 if a notary fails to notify the Secretary of State of an address change.

Section 2 changes the timeline from 30 to 60 days for a name change and provides a "bridge" for the notary to use while waiting for the processing and securing of a new notary seal.

Section 3 takes care of an oversight in the new millennium technical corrections bill from the 1999 session, which did not delete the "19" in line 24.

Section 4 of the bill makes the "bridge" in Section 2 possible.



SECRETARY OF STATE

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

March 9, 2001

TO: Rep. Froseth and Members – House Political Subdivisions Committee

FR: Al Jaeger, Secretary of State

RE: SB 2255 – Notary Public – Address and Name Change

One of the duties of the Secretary of State is to commission notary publics. As of this morning, there were 11,548 individuals listed on the Secretary of State's database as commissioned North Dakota notaries.

Under current law, each one of these notaries (who is considered an officer of the state) is to inform the Secretary of State within 30 days of any change in their address or a change in their name.

As the chart below demonstrates, the rate of compliance is not very good as evidenced by three recent mailings made to notaries.

Date of Mailing	Aug 97 (approx 11,000)	Nov 99 (approx 11,655)	Jul 00 (approx 11,900)
Special Handling Required	1,033	1,589	1,504
Percentage of mailing	9.4%	13.6%	12.6%
Moved out of state	84	309	50
Deceased	3	5	5
Changed names	0	7	14
No forwarding address (never found)	618	402	299
Forwarded by postal service (@ .50 cents)	0	468	463
Re-mailed by SOS	328	398	246
Mailed Address changed forms	0	0	427

Consequently, the Secretary of State's staff expends a considerable amount of time tracking down "stray" notaries. Therefore, the intent of this bill is to provide a fair timeline and provide a modest incentive for notaries to comply with the law.

Section 1 of the bill changes the timeline for reporting an address from 30 to 60 days. It also imposes a late fee of \$10 if a notary fails to notify the Secretary of State within the new 60-day timeline.

Section 2 changes the timeline for reporting a name change from 30 to 60 days and provides a "bridge" for the notary to use while waiting for the processing and the securing of a new notary seal.

Section 3 takes care of an oversight in the new millennium technical corrections bill from the 1999 session, which did not delete the "19" in line 24.

Section 4 of the bill makes the "bridge" in Section 2 possible.