

2021 SENATE POLITICAL SUBDIVISIONS

SB 2293

2021 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Sakakawea, State Capitol

SB 2293
2/11/2021

A BILL for an Act to amend and reenact subsection 6 of section 11-18-02.2 of the North Dakota Century Code, relating to statements of full consideration.

Chairman Burckhard opened the hearing on SB 2292 at 9:14 a.m. Members present: Burckhard, Anderson, Lee, Larson, Kannianen, Oban, Heitkamp.

Discussion Topics:

- Constituents privacy
- Disclosure of sale price
- Price set on a deed

[9:14] Senator Scott Meyer, District 18. Introduced SB 2293.

[9:18] Joe Ibach, Chairman, Government Relations, North Dakota Appraisers Association (NDAA). Provided testimony #6307 in favor.

[9:33] Jill Beck, North Dakota Association of Realtors. Provided testimony #6329 in favor.

[9:44] Blaine Johnson, Chair of the Real Property Section, State Bar Association of North Dakota. Provided oral neutral testimony.

Senator Lee moves **DO PASS.**

Senator Larson seconded.

The motion passed 7-0-0

Senator Larson will carry SB 2293.

Additional written testimony: (3)

Kevin Ternes, Certified General Real Estate Appraiser. Provided written testimony #6361 in favor.

Senators	Vote
Senator Randy A. Burckhard	Y
Senator Howard C. Anderson, Jr.	Y
Senator Jason G. Heitkamp	Y
Senator Jordan Kannianen	Y
Senator Diane Larson	Y
Senator Judy Lee	Y
Senator Erin Oban	Y

Blake Crosby, Executive Director, North Dakota League of Cities. Provided written testimony #6102 in favor.

Katie Paulson, McKenzie County Reporter, Director of Tax Equalization. Provided written testimony #6091 in favor.

Chairman Burckhard closed the hearing on SB 2292 at 9:45 a.m.

Patricia Lahr, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2293: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2293 was placed on the Eleventh order on the calendar.



P.O Box 7521, Rapid City, SD 57709

www.ndappraisers.org

**SENATE BILL NO. 2293
Testimony
Joe Ibach, MAI
Government Affairs Chairman
North Dakota Appraisers Association (NDAA)**

February 11, 2021

My name is Joe Ibach, Chairman of the Government Affairs Committee of the North Dakota Appraisers Association (NDAA). As of today, NDAA has about 150 members, representing about 95% of the licensed and certified appraisers living/practicing in North Dakota. (There are about 300 licensed and certified appraisers in North Dakota, but about half do not live in the state.) The NDAA appreciates this opportunity to present the "voice" of North Dakota appraisers.

I am here representing the NDAA in support of Senate Bill No. 2293. As a practicing appraiser with more than 45 years of experience in completing appraisals for virtually all statewide property types, amending Chapter 11-18 will greatly benefit the North Dakota appraisal profession. Currently, this chapter excludes nine different sale transactions that are definitely part of the "market". Attached to this testimony is the November 18, 2020, letter I wrote that was presented to select members of the Legislature to gain support. It details the reasoning for the elimination of all exceptions. Two that are particularly concerning relate to (1) the transfer of property ownership using a quit claim deed and (2) agricultural lands of less than 80 acres. Since the legislature implemented full sale price disclosure in 2013, it has become more prevalent in recent years that a quit claim deed is used as a "loophole" to circumvent the sale price disclosure. Also concerning is the rationale as to why a transaction for agricultural land of less than 80 acre is any different than one having 81 acres. Essentially, *all* market-based sales should not be excluded from being recorded on the deed.

Other exempt transactions include sales of property owned or used by public utilities, estate settlements, most all foreclosures, and sales involving religious, charitable, or nonprofit organizations. In most instances, these exempt sales are reflective of market transactions. Most are properly exposed to the market, many times they are even listed for sale, and most are applicable sales, sales that are currently not available but can be vital in the appraisal process.

The request to pass Senate Bill No. 2293 is amplified by the need for all pertinent information used in the appraisal process, especially when timeliness has been expressed as a concern in the statewide appraisal process. As detailed in the attachment, having *all* available and applicable market sales would greatly assist in providing timely and credible appraisal services. This data is also especially vital in the small, rural markets where data for most all property types is extremely limited. Therefore, the NDAA is requesting your support for Senate Bill No. 2293.



North Dakota Appraisers Association

P.O Box 7521, Rapid City, SD 57709

www.ndappraisers.org

November 18, 2020

Re: Proposed Bill – Revisions to Chapter 11-18: "Recorder"

The North Dakota Appraisers Association (NDAA) is requesting an amendment to Chapter 11-18 of the North Dakota Century Code. The amendment relates to Section 11-18-02.2.2 #6. This section of this chapter was copied and is presented below. The revision relates to eliminating all but Subsections b and c, detailed as:

6. This section does not apply to deeds transferring title to the following types of property, or to deeds relating to the following transactions:
 - ~~a. Property owned or used by public utilities.~~
 - b. Property classified as personal property.
 - c. A sale when the grantor and the grantee are of the same family or corporate affiliate, if known.
 - ~~d. A sale that resulted as a settlement of an estate.~~
 - ~~e. All forced sales, mortgage foreclosures, and tax sales.~~
 - ~~f. All sales to or from religious, charitable, or nonprofit organizations.~~
 - ~~g. All sales when there is an indicated change of use by the new owners.~~
 - ~~h. All transfer of ownership of property for which is given a quitclaim deed.~~
 - ~~i. Sales of property not assessable by law.~~
 - ~~j. Agricultural lands of less than eighty acres [32.37 hectares].~~
 - ~~k. A transfer that is pursuant to a judgment.~~

These transactions were most likely excluded as they are not used for assessment purposes. However, they are definitely pertinent to the information needed in the appraisal process, especially when timeliness and fees are concerns in the statewide real estate market. Having *all* available and applicable market transactions would assist greatly in providing timely, credible, and hopefully, more cost efficient appraisal services.

Presently, considerable time and efforts are needed to track exempt sales; sales that are reliable price/value indicators. Eliminating the exceptions would provide greater efficiency and, thereby, hopefully reducing the time needed to complete an appraisal.

A brief summary of the rationale supporting the elimination of these exemptions is detailed as:

- a. *Property owned or used by public utilities:* Public utility companies own considerable real estate throughout the state. Many times they build new facilities and then market their existing facilities. These possible sales are most times arms-length transactions, vital data that can now be exempt.
- d. *A sale that resulted as a settlement of an estate:* Many beneficiaries of estates elect to sell the properties. Typically, an appraisal is secured as the beneficiaries may not always have similar motivations. The properties are then actively advertised through numerous market outlets and achieve market prices. These market exposed transactions/sales are a critical part of the market.

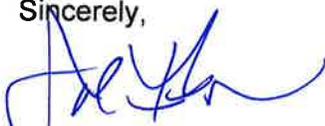
November 18, 2020

- e. *All forced sales, mortgage foreclosures, and tax sales:* The initial reaction would be that this type of data is not reflective of an arms-length transaction. However, appraisers are many times retained to provide an opinion of typical "market value" but also to provide the client an estimate of "liquidation value", a value conclusion used in forced sales and mortgage foreclosures.
- f. *All sales to or from religious, charitable, or nonprofit organizations:* As in the previous public utility owned properties, many religious, charitable, and nonprofit organizations own properties that are sold. They also purchase properties. These market transactions are, for the most part, "at market".
- g. *All sales when there is an indicated change of use by the new owners:* This exemption is confusing as a "change of use" is highly common in the market. For example, a church could be purchased and changed into a daycare. Excluding the reporting of the sale price is not appropriate as it still represents a standard market transaction.
- h. *All transfer of ownership of property for which is given a quitclaim deed:* It has become more prevalent in recent years that quit claim deeds are being used as a "loophole" to circumvent disclosure of the sale price. Simply using a quit claim deed does not create a non-relevant sale. Several examples were conveyed by appraisers around the state in which sellers are using quit claim deeds to preclude the need to disclose the sale price.
- i. *Sales of property not assessable by law:* This exemption relates primarily to nonprofit organizations that own property. Excluding market transactions simply because they are not subject to assessment process is not necessary.
- j. *Agricultural land of less than eighty acres [32.37 hectares]:* The rationale for excluding any transaction of 80 acres or less is difficult to understand. Many 80-acre tracts or even slightly smaller tract sales are common in the marketplace. A good example is an 80-acre tract located next to any particular city that is purchased for future development. Even in the agricultural market, 80-acre tract or less sales are commonplace. These market-based sales should not be excluded.
- k. *A transfer that is pursuant to a judgment:* This exemption correlates to Item e, forced or foreclosures. Many of the sales pursuant to a judgment are "at market" transactions.

Again, the primary goal in eliminating these exemptions is to provide *all* available market data to the state's appraisers, data that is vital in providing more timely and credible appraisals. This data is especially vital in the smaller, rural markets where data for most all property types is extremely limited. The NDAA is then requesting that legislators support this important statute revision.

Should you have any questions or desire additional information, please contact me or any NDAA member.

Sincerely,



Joe Ibach, MAI
NDAA Past President (2019)
NDAA Government Affairs Chairman



North Dakota Association of REALTORS®

To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

February 11, 2021

Chairman Burckhard and Members of the Senate Political Subdivisions Committee, for the record my name is Jill Beck and I am the CEO representing the North Dakota Association of REALTORS® (NDAR).

The North Dakota Association of REALTORS® membership is made up of more than 2,200 REALTORS® and more than 250 Business Partner members.

I am writing to ask for your support of Senate Bill 2293. Passage would ease the delay and at times, added cost to consumers, for appraisals by making more sales available to use for comparables as required to complete an appraisal. These transactions, if allowed to be used through this bill, are normal every day sales transactions that will be able to be used in the process.

While this will be beneficial in most areas of the state, the rural communities will see the most benefit. Comparables are hard to come by and very limited in the rural areas and require much more additional work by the appraiser to find these which can add time, money and resources to the final product. By removing these exemptions, it will open more sales to be used in the process.

While this bill is good for our industry the real benefit is to the consumer.

We ask for your support for SB 2293 and would be happy to answer any questions you may have now or my contact info is below as well.

Jill Beck, CEO
North Dakota Association of REALTORS®
Jill@ndrealtors.com
701-355-1010



Date: 2/11/2021
Senate Bill #2293

#6361

COMMITTEE: Senate Political Subdivisions

CHAIRMAN: Senator Randy Burckhard

FROM: Kevin Ternes, CAE, ND CG-2003, Certified General Real Estate Appraiser

Subject: Senate Bill #2293 concerning reporting the sale price of real estate on the recorded deed

Chairman Burckhard and Honorable Senators: Thank you for allowing me to present testimony on this bill. As a former city assessor and current real estate appraiser, I would like to offer my support for this bill.

Currently, if you sell a parcel of real estate, and it meets one of 11 types of transactions, the buyer is exempt from being required to place the sale price of the property on the deed that will be recorded as a public document. For instance, a sale to or from a religious organization is exempt from reporting the sale price of the property. In addition, there are exemptions for reporting sale prices of agricultural parcels under 80 acres, and any parcel sold with a quitclaim deed. In some rural areas of the state, a church selling or buying a house that was or will be used as a parsonage might be one of the few houses sold in a smaller city or county. Currently that information is not available to the public. A building owned by a charitable organization or purchased by a charitable group is currently exempt from reporting. This then results in another transaction that is not available to the public.

There are some counties in the state, where a sizeable percentage of the annual real estate transactions are being completed with quitclaim deeds between private citizens, therefore they are also exempt from the current statute requiring the sale price be placed on the recorded deed. The result of these exemptions is market data not available to the public.

A lack of verifiable real estate transactions results in limited data for those real estate professionals who assist the public in buying, selling, leasing, and more importantly, securing financing.

Below is an illustration of the stamp you would see on a deed for a property that is currently exempt. It indicates no sale price as being reported.



Notary Public 0

GRANTEE'S STATEMENT OF FULL CONSIDERATION

I certify that the report of full consideration paid is not required because the exemption in subdivision h of Section 11-18-02.2(6), N.D.C.C., applies to this transaction.

Dated this 27th day of June, 2019.

Julie Conica
Grantee/Agent

This bill would still allow for real estate transaction between relatives or corporate affiliates to still remain confidential.

Currently the majority of real estate transactions for commercial and residential properties are required to state the sale price/consideration on the deed. Please give consideration to reducing the remaining current exemptions for reporting sale prices that still exist by supporting this bill.

Kevin Turner



February 11, 2021
Senate Political Subdivisions
Sen. Burckhard, Chairman
SB 2293

Chairman Burckhard and members of the Committee. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

This testimony is in support of SB 2293. Outside of the largest cities in the State it is difficult to hire an appraiser, which means additional cost, and it also does not allow for appraisal completion in a timely manner. Much of this is driven by lack of sales data in rural areas. This bill would ease those impacts, increase appraisal validity and reduce the wait time.

We support the request for this bill from the North Dakota Appraisers Association and I respectfully ask for a DO-PASS on SB 2293. Thank you for your time and consideration.

Chairman Burckhard and Senate Political Subdivisions Committee

From: Katie Paulson, McKenzie County Recorder/Director of Tax Equalization

RE: SB 2293

Chairman Burckhard & committee members,

My name is Katie Paulson and I am the McKenzie County Recorder and Director of Tax Equalization. I am testifying to support SB 2293 in regards to reporting the full consideration price and allowed exemptions on the face of transferring deeds.

As a county recorder, this change would not have much of an impact on how we handle documents that transfer title when presented for recording. The deed would either have a sales price reported or it would be exempt, the biggest change is that there are less reasons to be exempt.

As a Tax Director, this change would greatly increase the data at my fingertips to analyze sale prices to set equalized values in my jurisdiction. When assessors are working to set values, the more information we have the option to include in our sales ratio study, the more we can learn about our assessments and their accuracy. In 2019 I used 166 sales in my overall sales ratio study which included all three classes of property, agricultural, residential, and commercial. Most of these sales were residential sales. We are required to have at least 30 sales to complete a sales ratio study for each class of property, so many years I have to include sales from the previous 3 years in my commercial class in order to reach the minimum. I ran a report and in 2019 there were an additional 272 title transferring transactions that were recorded that reported the allowed exemptions. Had a price been required, this would have increased the amount of information I use to set equalized values by about 60%.

I get frequent complaints from my commercial property owners when we are faced with challenging economic conditions when I have to use sales from previous years that had shown better

economic conditions. This bill gives potential to use the most recent sales to reflect a truer market value and current market conditions.

There are always going to be circumstances the transaction is not a true reflection of market value, and I will decide keep that data out of my analysis. But even the opportunity to make the decision would be welcomed; if half of those transaction could be included in my analysis it will help equalize and set taxable valuations with timely pertinent information. Sometimes Quit Claim Deeds are used to clean up old title issues or there is something that is fixing a missing deed, but normally it is pretty easy to figure that out and code it as a sale that won't be used for my sales ratio study even if there is some sort of price listed on the deed. Same would be true for other types of transactions, a county deed from a tax sale would be another instance where the price was not a reflection of market value. Our county deeds have a reported price, I just code it so that it doesn't come in to my ratio study as it was a forced sale.

There are smaller counties that truly struggle to achieve the 30 sales of each class of property. This may not solve their problem entirely, but it would help close a loophole for reporting prices and increase the amount of data that they can consider. The more information we have to look at, the better picture we will have to make good decisions about what market value looks like in our respective jurisdictions. It will still require diligence to investigate the sales and weigh the information presented, but limiting the allowed reasons it could exempt from reporting is not entirely a bad idea. I see transactions of exempt deeds followed by a mortgage come across my desk pretty frequently, but those are currently sales I am unable to use for equalization because they are exempted from reporting a price on the deed.

Please consider supporting SB 2293 with a **DO PASS** from your committee.

Thank you for your time and consideration.

Katie Paulson McKenzie County Recorder/Director of Tax Equalization

2021 HOUSE POLITICAL SUBDIVISIONS

SB 2293

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Room JW327B, State Capitol

SB 2293
3/4/2021

Relating to statements of full consideration

Chairman Dockter: (10:00). Opened the hearing.

Representatives	
Representative Jason Dockter	P
Representative Brandy Pyle	P
Representative Mary Adams	P
Representative Claire Cory	P
Representative Sebastian Ertelt	P
Representative Clayton Fegley	P
Representative Patrick Hatlestad	P
Representative Mary Johnson	P
Representative Lawrence R. Klemin	P
Representative Donald Longmuir	P
Representative Dave Nehring	P
Representative Marvin E. Nelson	P
Representative Luke Simons	P
Representative Nathan Toman	P

Discussion Topics:

- Removing exemptions
- Appraisal process

Sen. Meyer: Introduced the bill. Testimony #7422.

Joe Ibach, Real Estate Appraiser: No written testimony. In favor.

David Straly, North American Coal: No written testimony. Opposition.

Additional written testimony:

#7286

Chairman Dockter: (10:31). Closed the hearing.

Carmen Hickle, Committee Clerk



North Dakota Senate

State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0360

Senator

Scott Meyer

District 18

1624 Seventh Avenue North
Grand Forks, ND 58203-3010

218-791-7655

scottmeyer@nd.gov

Committees:

Finance and Taxation

Government and Veterans
Affairs

March 4, 2021

Chairman Dockter and members of the Political Subdivisions Committee, SB 2293 is a bill that was introduced on behalf of the Appraisers Association.

The goal of this bill is removing the exemptions in the bill, which would then provide greater efficiency by providing all available market data to our appraiser's and help reduce turn times for their customers.

As you may know I represent an urban area, but this data is proving to be extremely important in our more rural markets where data becomes quite limited.

You'll notice support from NDAR and the league of cities, and I also appreciate the Appraiser Association continuing to look at ways to improve efficiencies in the appraisal process.

I do have industry professionals behind me who can shed more light on the reason for this bill. I do ask for a Do Pass recommendation and I'll stand for any questions.



March 4, 2021
House Political Subdivisions
Rep. Dockter, Chairman
SB 2293

Chairman Dockter and members of the Committee. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

This testimony is in support of SB 2293. Outside of the largest cities in the State it is difficult to hire an appraiser, which means additional cost, and it also does not allow for appraisal completion in a timely manner. Much of this is driven by lack of sales data in rural areas. This bill would ease those impacts, increase appraisal validity, and reduce the wait time.

We support the request for this bill from the North Dakota Appraisers Association and I respectfully ask for a DO-PASS on SB 2293. Thank you for your time and consideration.

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2293
3/18/2021

Relating to statements of full consideration

Chairman Dockter: (4:24). Opened for committee work.

Representatives	Vote
Representative Jason Dockter	Y
Representative Brandy Pyle	Y
Representative Mary Adams	Y
Representative Claire Cory	Y
Representative Sebastian Ertelt	Y
Representative Clayton Fegley	Y
Representative Patrick Hatlestad	Y
Representative Dori Hauck	Y
Representative Mary Johnson	Y
Representative Lawrence R. Klemin	Y
Representative Donald Longmuir	Y
Representative Dave Nehring	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y

Discussion Topics:

- Study

Chairman Dockter: Proposed to put the bill into a study. Proposed amendment 21.0555.01002. Testimony #10018, 10017.

Rep. Ertelt: Suggested to include study barriers to licensure for appraisers in the bill.

Rep. Johnson: Made a motion to adopt 21.0555.01003.

Rep. Cory: Second the motion.

Voice vote carried.

Rep. Johnson: Made do pass as amended motion.

Rep. Nehring: Second the motion.

Representatives	Vote
Representative Jason Dockter	Y

Representative Brandy Pyle	Y
Representative Mary Adams	N
Representative Claire Cory	Y
Representative Sebastian Ertelt	Y
Representative Clayton Fegley	Y
Representative Patrick Hatlestad	Y
Representative Dori Hauck	Y
Representative Mary Johnson	Y
Representative Lawrence R. Klemin	N
Representative Donald Longmuir	Y
Representative Dave Nehring	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y

12-2-0 carried.

Rep. Johnson: Will carry the bill.

Chairman Dockter: (4:49). Closed committee work.

Carmen Hickle, Committee Clerk

gj
3/18/21

PROPOSED AMENDMENTS TO SENATE BILL NO. 2293

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a for legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF CONSIDERATION. During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the requirement of a statement of full consideration for deeds transferring title of certain types of transactions and property under subsection 6 of section 11-18-02.2. The study also must include a review of the education and curriculum requirements and barriers related to the licensure of appraisers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2293: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2293 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a for legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF CONSIDERATION. During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the requirement of a statement of full consideration for deeds transferring title of certain types of transactions and property under subsection 6 of section 11-18-02.2. The study also must include a review of the education and curriculum requirements and barriers related to the licensure of appraisers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

21.0555.01002

Sixty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2293

Introduced by

Senators Meyer, Burckhard, J. Roers

Representatives M. Ruby, Vetter

1 A BILL ~~for an Act to amend and reenact subsection 6 of section 11-18-02.2 of the North Dakota~~
2 ~~Century Code, relating to statements of full consideration.~~ for an Act to provide for a legislative
3 management study of exceptions to deeds transferring title of certain types of property or
4 relating to certain transactions.

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

6 ~~SECTION 1. AMENDMENT.~~ ~~Subsection 6 of section 11-18-02.2 of the North Dakota~~
7 ~~Century Code is amended and reenacted as follows:—~~

8 ~~6. This section does not apply to deeds transferring title to the following types of property,~~
9 ~~classified as personal property or to deeds relating to the following transactions:~~

10 ~~a. Property owned or used by public utilities.~~

11 ~~b. Property classified as personal property.~~

12 ~~c. A sale when the grantor and the grantee are of the same family or corporate~~
13 ~~affiliate, if known.~~

14 ~~d. A sale that resulted as a settlement of an estate.~~

15 ~~e. All forced sales, mortgage foreclosures, and tax sales.~~

16 ~~f. All sales to or from religious, charitable, or nonprofit organizations.~~

17 ~~g. All sales when there is an indicated change of use by the new owners.~~

18 ~~h. All transfer of ownership of property for which is given a quitclaim deed.~~

19 ~~i. Sales of property not assessable by law.~~

20 ~~j. Agricultural lands of less than eighty acres [32.37 hectares].~~

21 ~~k. A transfer that is pursuant to a judgment.~~

22 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF**
23 **CONSIDERATION.** During the 2021-22 interim, the legislative management shall consider
24 studying the legislative intent of the exceptions to the requirement of a statement of full

1 consideration for deeds transferring title of certain types of transactions and property under
2 subsection 6 of section 11-18-02.2. The study also must include a review of the education and
3 curriculum requirements related to the licensure of appraisers. The legislative management
4 shall report its findings and recommendations, together with any legislation required to
5 implement the recommendations, to the sixty-eighth legislative assembly.

21.0555.01002
Title.

Prepared by the Legislative Council staff for
Representative Dockter
March 17, 2021

PROPOSED AMENDMENTS TO SENATE BILL NO. 2293

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a for legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF CONSIDERATION. During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the requirement of a statement of full consideration for deeds transferring title of certain types of transactions and property under subsection 6 of section 11-18-02.2. The study also must include a review of the education and curriculum requirements related to the licensure of appraisers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

2021 CONFERENCE COMMITTEE

SB 2293

2021 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Sakakawea, State Capitol

SB 2293
4/13/2021
Conference Committee

A BILL for an Act to provide for a legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

Chairman Burckhard opened the conference committee on SB 2293 at 10:30 a.m.
Members present: Burckhard, Larson, Oban, Longmuir, Klemin, Adams.

Discussion Topics:

- House actions
- Appraiser study
- Coal producers position

[10:31] Representative Lawrence Klemin, District 47. Provided the committee with an explanation on bill passage via the ND Constitution (#11499).

10:42:56 AM Representative Donald Longmuir moves to recede from house amendments and amend 21.0555.01004

10:43:00 AM Representative Klemin seconds the motion

10:47:25 AM Roll Call Vote 5-1-0 motion passed

Additional written testimony: N/A

Chairman Burckhard closed the conference committee on SB 2293 at 10:48:32 AM .

Patricia Lahr, Committee Clerk

April 13, 2021

CJ
4/13
10:41

PROPOSED AMENDMENTS TO SENATE BILL NO. 2293

That the House recede from its amendments as printed on pages 1022 and 1023 of the Senate Journal and pages 1218 and 1219 of the House Journal and that Senate Bill No. 2293 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF CONSIDERATION. During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the requirement of a statement of full consideration for deeds transferring title of certain types of transactions and property under subsection 6 of section 11-18-02.2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

**2021 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2293 as engrossed

Senate Political Subdivision Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Longmuir Seconded by: Representative Klemin

Senators					Representatives				
			Yes	No				Yes	No
Senator Burckhard				X	Representative Longmuir			X	
Senator Oban			X		Representative Klemin			X	
Senator Larson			X		Representative Adams			X	
Total Senate Vote			2	1	Total Rep. Vote			3	0

Vote Count Yes: 5 No: 1 Absent: 0

Senate Carrier Larson House Carrier Longmuir

LC Number 21.0555 . .01004 of amendment

LC Number 21.0555 . .03000 of engrossment

Emergency clause added or deleted

During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the of requirement of a statement of full consideration for deeds transferring title of certain transactions and property under subsection 6 of section 11-18-02/2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly

Insert LC: 21.0555.01004
Senate Carrier: Larson
House Carrier: Longmuir

REPORT OF CONFERENCE COMMITTEE

SB 2293, as engrossed: Your conference committee (Sens. Burckhard, Larson, Oban and Reps. Longmuir, Klemin, Adams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1022-1023, adopt amendments as follows, and place SB 2293 on the Seventh order:

That the House recede from its amendments as printed on pages 1022 and 1023 of the Senate Journal and pages 1218 and 1219 of the House Journal and that Senate Bill No. 2293 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of exceptions to deeds transferring title of certain types of property or relating to certain transactions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - EXCEPTIONS TO STATEMENT OF CONSIDERATION. During the 2021-22 interim, the legislative management shall consider studying the legislative intent of the exceptions to the requirement of a statement of full consideration for deeds transferring title of certain types of transactions and property under subsection 6 of section 11-18-02.2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Re-number accordingly

Engrossed SB 2293 was placed on the Seventh order of business on the calendar.

ND CONSTITUTION**ARTICLE IV LEGISLATIVE BRANCH**

Section 13. [Journals — Recorded vote — Voting by lieutenant governor — **Bill passage** — Effective date of acts — Laws to implement constitution — Local or special laws]

Each house shall keep a journal of its proceedings, and a recorded vote on any question shall be taken at the request of one-sixth of those members present. No bill may become law except by a recorded vote of a majority of the members elected to each house, and the lieutenant governor is considered a member-elect of the senate when the lieutenant governor votes.

No law may be enacted except by a bill passed by both houses, and no bill may be amended on its passage through either house in a manner which changes its general subject matter. No bill may embrace more than one subject, which must be expressed in its title; but a law violating this provision is invalid only to the extent the subject is not so expressed.

Every bill must be read on two separate natural days, and the readings may be by title only unless a reading at length is demanded by one-fifth of the members present.

No bill may be amended, extended, or incorporated in any other bill by reference to its title only, except in the case of definitions and procedural provisions.

The presiding officer of each house shall sign all bills passed and resolutions adopted by the legislative assembly, and the fact of signing shall be entered at once in the journal.

Every law, except as otherwise provided in this section, enacted by the legislative assembly during its eighty natural meeting days takes effect on August first after its filing with the secretary of state, or if filed on or after August first and before January first of the following year ninety days after its filing, or on a subsequent date if specified in the law unless, by a vote of two-thirds of the members elected to each house, the legislative assembly declares it an emergency measure and includes the declaration in the Act. Every appropriation measure for support and maintenance of state departments and institutions and every tax measure that changes tax rates enacted by the legislative assembly take effect on July first after its filing with the secretary of state or on a subsequent date if specified in the law unless, by a vote of two-thirds of the members elected to each house, the legislative assembly declares it an emergency measure and includes the declaration in the Act. An emergency measure takes effect upon its filing with the secretary of state or on a date specified in the measure. Every law enacted by a special session of the legislative assembly takes effect on a date specified in the Act.

The legislative assembly shall enact all laws necessary to carry into effect the provisions of this constitution. Except as otherwise provided in this constitution, no local

or special laws may be enacted, nor may the legislative assembly indirectly enact special or local laws by the partial repeal of a general law but laws repealing local or special laws may be enacted.

LEGISLATIVE MANUAL 2021-22

Senate Rules

332. Amending bills. No bill may be amended, extended, or incorporated in any other bill by reference to its title only, except in the case of definitions and procedural provisions, but the portion amended, extended, or incorporated must be set out at length and reenacted. **No bill may be amended during its pendency in the Senate in a manner that changes its general subject matter.**

House Rules

332. Amending bills. No bill may be amended, extended, or incorporated in any other bill by reference to its title only, except in the case of definitions and procedural provisions, but the portion amended, extended, or incorporated must be set out at length and reenacted. **No bill may be amended during its pendency in the House in a manner that changes its general subject matter.**

LEGISLATIVE DRAFTING MANUAL

CONSTITUTIONAL CONSIDERATIONS FOR LEGISLATIVE DRAFTERS

STATE CONSTITUTIONAL REQUIREMENTS

Background

A number of provisions of the Constitution of North Dakota provide specific requirements relating to the drafting of legislation. For the most part, these provisions are found in Article IV, the legislative article. Many of the provisions of Article IV relating to bill drafting are found in Section 13, which contains seven paragraphs.

General Subject Matter

Section 13 also provides that no bill may be amended to change its general subject matter.

Single Subject Rule

Another provision of Section 13 which has received a good deal of attention by the North Dakota Supreme Court is the sentence that provides: "No bill may embrace more than one subject, which must be expressed in its title; but a law violating this provision is invalid only to the extent the subject is not so expressed." **The general rule deducible**

from the court decisions is that the Act is valid if all the provisions of an Act are germane to the subject expressed in the title. See *Sunbehm Gas, Inc. v. Conrad*, 310 N.W.2d 766 (N.D. 1981); *Kessler v. Board of Ed. of City of Fessenden*, 87 N.W.2d 743 (N.D. 1958).

Stated differently, this rule means that legislation may include any matter naturally and reasonably connected with the subject of the Act as expressed in the title. *Lapland v. Stearns*, 54 N.W.2d 748 (N.D. 1952); *State ex rel. Gammons v. Shafer*, 63 N.D. 128, 246 N.W. 874 (1933); *Thompson Yards v. Kingsley*, 54 N.D. 49, 208 N.W. 949 (1926).