

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1465 Amendment to: \_\_\_\_\_

Requested by: Legislative Council Date of Receipt: 1/17/89

Please estimate the fiscal impact of the above measure for:

State general or special funds  Counties  Cities

In the following space note the fiscal effect in dollars of this measure:

**Narrative:** In reviewing this bill, all uniform commercial code (U.C.C.) filings at the county register of deeds offices except timber and or minerals would be transferred and filed in the secretary of state's office. No one knows how many filings would have to be transferred and the fiscal effect is difficult to precisely estimate.

The secretary of state's office contacted eight county register of deeds asking the number of effective financing statements they had on file in their office. Burleigh county estimated 18,000 and Stutsman county estimated 9,600 u.c.c. statements were on file. Logan, Cass, Ward, Adams, Hettinger, and Richland counties were unable to provide estimates.

In addition, a percentage of those filings at the county register of deeds office will lapse. A number of the filings will also be terminated by the secured party before they would have to be transferred to the secretary of state's office.

Based on the number of u.c.c. filings in Burleigh and Stutsman counties, realizing of course some counties have more u.c.c. filings and most counties will have fewer u.c.c. filings, and projecting statewide totals, we estimate we will need six full time employees to handle the work necessary to complete the transfer of u.c.c. filings from the fifty-three register of deed's offices to the secretary of state's office. That equals one employee for every nine counties. Our impact would also need to address funding for data processing, equipment, and operating expenses. Since we have no idea of the number of filings that need to be transferred, we cannot estimate the income generated for the

**State Fiscal Effect:** state. Please realize that the same amount of income would be lost by the counties.

	<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
Income:	?		?		?	
Expenses:						
Salary	73,728		73,728		\$147,456	
C.D.P.	7,200		7,200		14,400	
Equipment	6,000		0		6,000	
Operating Exp.	1,200		1,200		2,400	
<b>County and City Fiscal Effect:</b>					\$ 170,256	

	<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
	?		?		?	

If additional space is needed, attach a supplemental sheet.

Signed *Jim Kusler*

Typed Name Jim Kusler

Date Prepared: Jan. 23, 1989

Department Secretary of State