1999 HOUSE AGRICULTURE

HB 1180

House Agriculture Committee

❑ Conference Committee

Hearing Date 1-14-99

Tape Number	Side A	Side B	Meter #
ONE HB 1180		B Schaible	36.4 to 38.5
Committee Clerk Signature	*Arlin Hanson*		

Minutes:

Tape #1 side B 34.4 to 36.5: Bob Schaible, Sec of State Office. This bill amends and reenact

sections of the century code relating to the filings indexed in the Central Indexing system.

Basically what it does is change the name from "central notice system" to the "central indexing

system" The Central Indexing System is a network between the Sec of State's office and the

offices of the state's fifty-three county Register of Deeds. Many different types of liens,

including filing related to the central notice system, are filed in it. Therefore, we believe the law

should reference the correct name of the system in order to avoid confusion with filings made

under the cental notice system. (Written testimony attached)

Rep Pollert: What does it mean on page 1 line 11 changing the must to the word can?

Mr Schaible: There is a nation wide effort to use one form within the state.

Rep Brandenburg: What happens if a S/S # is not available are they not valid.?

<u># 42.0 Mr Schaible:</u> Actually they have been requiring all filings to have a S/S # on them since

1993.

One exemption to that and that's the Federal Govt.

<u>Chairman Nicholas:</u>Appointed a sub-committee consisting of Chm Rep Rennerfelt, Rep Herbel

and Rep Stefonowicz

Tape # 1 side B 24.8..

1-21-99..

Motion by Rep Rennerfeldt for DO PASS as Amended   Second by Rep Renner

Carried 14 to 1 - 0 absent

Carrier: Rep Rennerfeldt

FISCAL NOTE

Bill/Resolution No.:   HB 1180   Amendment to: _____

Requested by Legislative Council   Date of Request: January 4, 1999

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: There is no fiscal impact. The primary purpose of this bill is to have the law accurately reflect the correct name of the Central Indexing System. The central notice system is a part of the Central Indexing System and not the system itself.
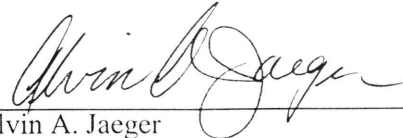
2. **State** fiscal effect in dollar amounts: None

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	None	None	None	None	None	None
Expenditures	None	None	None	None	None	None

What, if any, is the effect of this measure on the budget for your agency or department:

a.   For rest of 1997-99 biennium: None
      (Indicate the portion of this amount included in the 1999-2001 executive budget:)

b.   For the 1999-2001 biennium: None
      (Indicate the portion of this amount included in the 1999-2001 executive budget:)

c.   For the 2001-03 biennium: None

4. **County, city, and school district** fiscal effect in dollar amounts: None

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
None	None	None	None	None	None	None	None	None

Signed: _Alvin A. Jaeger_ _____

Typed Name: Alvin A. Jaeger

Department: Secretary of State

Phone Number: 328-2900

Date Prepared: January 4, 1999

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House Amendments to House Bill 1180 Ag 1-21-99

Page 2, line 5, remove the overstrike over ", if available,"

Page 2, line 7, remove the overstrike over ", if available,"

Renumber accordingly

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1180

House _____ Agriculture _____ Committee

☐ Subcommittee on _____
    or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken _____Do pass As Amended_____

Motion Made By _____Rep Rennerfeldt_____ Seconded By _____Rep Renner_____

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	Ⓝ				
Myron Koppang	✓				
John M. Warner	✓				
Rod Forelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total   (Yes) _____14_____ No _____1_____

Absent _____0_____

Floor Assignment _____Rep Rennerfeldt_____

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

REPORT OF STANDING COMMITTEE

HB 1180, as engrossed: Agriculture Committee (Rep. Nicholas, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1180 was placed on the Sixth order on the calendar.

Page 2, line 5, remove the overstrike over ", if available,"

Page 2, line 7, remove the overstrike over ", if available,"

Renumber accordingly

1999 SENATE AGRICULTURE

HB 1180

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1180

Senate Agriculture Committee

❑ Conference Committee

Hearing Date 2/26/99

Tape Number	Side A	Side B	Meter #
1		X	1534-2355
Committee Clerk Signature *Tricia Jorgensen*			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on HB 1180.

Bob Schaible from the Secretary of State office spoke in support of the bill. Testimony enclosed.

Senator Urlacher: Is this technology driven.

Bob Schaible: Yes it is.

Senator Wanzek closed the hearing on HB 1180.

Senator Klein made the motion for a Do Pass.

Senator Urlacher seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Wanzek

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1180

Senate   Agriculture   Committee

☐ Subcommittee on _____
   or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken   Do Pass _____

Motion Made By   Klein   Seconded   Urlacher
                                 By

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total   (Yes)   7   No   0

Absent   _____

Floor Assignment   Senator Wanzek

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

REPORT OF STANDING COMMITTEE
HB 1180, as engrossed: Agriculture Committee (Sen. Wanzek, Chairman) recommends
DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1180
was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1180

SECRETARY OF STATE
ALVIN A. JAEGER

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

February 26, 1999

TO: Senator Wanzek and Members - Senate Agriculture Committee

FR: Bob Schaible, Deputy Secretary of State

RE: HB 1180 - References to Filings in the North Dakota Central Indexing System

The purpose of this bill is to change all references to the "central notice system" that are found in existing law to the "central indexing system." The "central indexing system" is the correct name for the network that exists between the Secretary of State's office and the offices of the state's fifty-three county Register of Deeds. It is the "system" to which the sections of law in this bill pertain. The words "central notice system" refer to just one type of filing, among many, that are filed in the "central indexing system." Therefore, the purpose of this bill is to change the incorrect reference to the "system" now found in state law to the correct name of the "system" in order to avoid confusion with "central notice system" documents that are filed in the "central indexing system."

Historical Background:

In 1965, the Thirty-ninth Session of the Legislative Assembly created the Uniform Commercial Code (UCC) in the State of North Dakota. The law was patterned after a model law. That act allowed lenders to file UCC documents with the Secretary of State (SOS) and/or Register of Deeds (ROD) offices which showed that the lenders had security rights on items under loan. Those documents were processed with the use of typewriters.

In 1985, the Fourth-ninth Session of the Legislative Assembly established the Central Notice System (CNS). That system provided security interest protection for lending agencies by allowing those lending agencies to register crop and livestock liens in the Secretary of State's office. The North Dakota act was enacted as a result of the 1985 Food Security Act passed by the United States Government which provided that states may implement a notification system concerning crop and livestock liens. It was the first time that farm security agreements were entered into a computer database program in the SOS office. At that time, UCC documents were still processed with the use of typewriters.

In 1991, the Fifty-second Session of the Legislative Assembly established the Central Indexing System (CIS). This was a joint venture between the Secretary of State's office and the county Registers of Deeds. The present operation provides that all UCC and CNS documents filed within the above offices would be entered into one computer database. This is a unique system in our nation. Few other states have a central filing system like ours.

Over the last several years the system has taken on additional responsibilities. Laws have been approved which allows various types of liens and notices to be placed into the system, including but not limited to, UCC and CNS documents, numerous statutory liens; and federal and state tax liens. All of the above liens are placed into categories that are called "Indexes".