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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1178

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1178

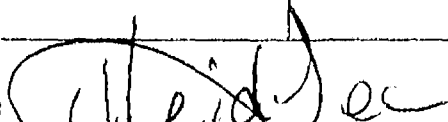
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1178

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Jan 1, 2001

Tape Number	Side A	Side B	Meter #
1	X		32,46-45.35
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Mike Grosz: I'm sponsoring HB 1178 at the request of the Secretary of States Office.

Clara Jenkins: *Secretary of State* **Written testimony in favor of bill**

Rep Thorpe: Limited liability, limited partnership. Can you explain them simply?

Jenkins: The limited partnership files the registration with the Sec of State. By virtue of that limited legislation, it grants limited liability protection to the general partners.

Rep Kasper: When these trademarks are canceled is there a public notice of that?

Jenkins: No, there is not.

Chairman Berg: Have you seen any change for tax liability?

Jenkins: The limited liability and limited partnership are increasing in popularity very quickly.

Rep Keiser: The retain earnings and loses can not be transferred?

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1178
Hearing Date Jan 17, 2001

Jenkins: There is not a lot of converting going on for that to be a concern.

Rep Ekstrom: How many have filed?

Jenkins: In the LLC 1500, the LLP 2000. The LLP being mainly small businesses.

Chairman Berg: Lets' close the hearing on HB 1178.

Rep Lemieux: I move to amend.

Rep Pietsch: I second.

Rep Koppang: I move a do pass as amended.

Rep Ekstrom: I second.

14 yea, 0 nay, 1 absent Carrier Rep Kasper

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: HB 1178

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	\$0	\$0	\$0	\$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 intended to bring consistency to state law by allowing five business structures administered by the Secretary of State's office to have the same record change procedures, which currently are available for corporations and limited partnerships.

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.*

Revenue Neutral

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.*

Non applicable

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.*

Non applicable

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-2900	Date Prepared:	01/02/2001

VR
1/17/01

House IBL Amendments to HB 1178

1/17/01

Page 1, line 1, replace the first "subsection" with "subsections 2 and"

Page 1, line 2, replace the first "subsection" with "subsections 2 and"

Page 1, line 6, replace "Subsection" with "Subsections 2 and"

Page 1, line 7, replace "is" with "are"

Page 1, after line 7, Insert:

- "2. A certificate of fact reciting the name change duly authenticated by the proper officer of the state or country if the registrant is a corporation ~~or~~, limited liability company, limited partnership, limited liability partnership, or limited liability limited partnership incorporated or organized in another state or country and does not have a certificate of authority to transact business in North Dakota."

Page 1, line 17, replace "Subsection" with "Subsections 2 and"

Page 1, line 18, replace "is" with "are"

Page 1, after line 18, Insert:

- "2. A certificate of fact reciting the name change duly authenticated by the proper officer of the state or country if the registrant is a corporation ~~or~~, limited liability company, limited partnership, limited liability partnership, or limited liability limited partnership incorporated or organized in another state or country and does not have a certificate of authority to transact business in North Dakota; or"

Renumber accordingly

Date: 1-17-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Click here to type Bill/Resolution No. 1178

House Industry, Business and Labor Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 18152.0101

Action Taken Do Pass as Amended

Motion Made By Koppang Seconded By Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 14 No 0

Absent 1

Floor Assignment Froelich Kasper

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

REPORT OF STANDING COMMITTEE

HB 1178: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1178 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the first "subsection" with "subsections 2 and"

Page 1, line 2, replace the first "subsection" with "subsections 2 and"

Page 1, line 6, replace "Subsection" with "Subsections 2 and"

Page 1, line 7, replace "is" with "are"

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Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1178

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1178

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date February 19, 2001.

Tape Number	Side A	Side B	Meter #
1	x		39.7 to end
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1178 relating to name changes of registrants and cancellations of trademarks and trade names filed with the secretary of state.

Al Jaeger, Secretary of State, in favor. Written testimony attached. Engrossed because after it was introduced we found out some changes were needed and the House did that. Intent is to bring consistency to state law and make it user-friendly for limited liability companies, limited partnerships, limited liability partnerships, and limited liability limited partnerships.

Senator Klein: Someone has trademark or name under these business structures, if they went out of business, you would do what?

A Jaeger: We have now a provision for corporations but not the same option for these five. We want to have the same procedure for all. This essentially allows those business structures to do something we allow for corporations.

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1178

Hearing Date February 19, 2001.

Senator Mathern: Does it happen very often that groups abandon their trade names?

A Jaeger: In this particular case, if they actually cease to exist. If a legal entity created by law no longer exists we have this trade name with no live owner, we can purge records easier. Trade name registration is good for five years, sometimes at the end of that period they don't get renewed. Many proprietors have not taken advantage of registering their trade name, this is a business asset that needs to be protected, somebody can legally come in and legally register it. \$25 for five years is no big burden.

Senator Mathern: You have to wait end of five years to purge database?

A Jaeger: 60 to 90 days before expiration we send reminder. Challenge is people(single proprietorship) move and amount of returned mail is substantial.

Representative Michael Grosz, District 42, co sponsor. Urge do pass.

Senator Mathern: Motion : do pass. **Senator Krebsbach:** Second.

Roll call vote: 7 yes; 0 no. Floor assignment: **Senator Mathern.**

Date: Feb 19/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1178

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Mathern Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Mathern

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

REPORT OF STANDING COMMITTEE (410)
February 19, 2001 11:09 a.m.

Module No: SR-30-3842
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1178, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1178 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1178

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

January 17, 2001

TO: Rep. Berg and Members – House Industry, Business and Labor Committee

FR: Al Jaeger, Secretary of State (presented by Clara Jenkins, Director, Business Division)

RE: HB 1178 – Trade Names and Trademarks

Representatives Grosz and F. Klein introduced this bill at the request of the Secretary of State.

After its introduction, it was realized that the bill could be enhanced with the attached amendment.

The intended purpose of the bill and the amendment is to bring consistency to state law and make it user-friendly for five business structures, which are created under the respective state laws administered by the Secretary of State. They are: limited liability companies, limited partnerships, limited liability partnerships, and limited liability limited partnerships.

Sections one and three of the bill allows these five business structures the same efficient and simultaneous process of making a change in the Secretary of State's trade name and trademark records as now exists for corporations when they file an amendment to their articles of incorporation.

The amendment to Sections one and three further facilitates and extends the same user-friendly process to changing the names of owners of trade names and trademarks, which again is only available under current law to corporations.

Sections two and four of the bill allows the Secretary of State to cancel a trade name or a trademark when the owner is one of five business structures registered with the Secretary of State, which has ceased to exist and failed to assign the trade name or trademark to another party. A cancellation of trade name or trademark is currently permissible by the Secretary of State only when the owner is a corporation, which has ceased to exist. This cancellation process will allow the agency to purge its database of abandoned trade names and trademarks.

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 19, 2001

TO: Senator Mutch and Members – Senate Industry, Business and Labor Committee

FR: Al Jaeger, Secretary of State

RE: HB 1178 – Trade Names and Trademarks

Representatives Grosz and F. Klein introduced this bill at the request of the Secretary of State.

The intended purpose of the bill is to bring consistency to state law and make it user-friendly for five business structures, which are created under the respective state laws administered by the Secretary of State. They are: limited liability companies, limited partnerships, limited liability partnerships, and limited liability limited partnerships.

Sections one and three of the bill allows these five business structures the same efficient and simultaneous process of making a change in the Secretary of State's trade name and trademark records as now exists for corporations when they file an amendment to their articles of incorporation.

The provisions of Sections one and three also facilitates and extends the same user-friendly process to changing the names of owners of trade names and trademarks, which again is only available under current law to corporations.

Sections two and four of the bill allows the Secretary of State to cancel a trade name or a trademark when the owner is one of five business structures registered with the Secretary of State, which has ceased to exist and failed to assign the trade name or trademark to another party. A cancellation of trade name or trademark is currently permissible by the Secretary of State only when the owner is a corporation, which has ceased to exist. This cancellation process will allow the agency to purge its database of abandoned trade names and trademarks.