

2017 SENATE FINANCE AND TAXATION

SB 2214

2017 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

Senate Bill 2214
1/23/2017
Job #: 27193

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subsection 2 of section 41-09-87 of the North Dakota Century Code, relating to the requirement of a social security number or internal revenue service taxpayer identification number on uniform commercial code and secured transaction records

Minutes:

Attachment #1

Chairman Cook: Opened the hearing on SB 2214. All Senators present.

Alvin Jaeger, Secretary of State: Testimony #1 in support of Senate Bill 2214.

Chairman Cook: Questions? Further testimony in support?

Senator Dotzenrod: In order for the system to work, a social security number needs to be on the paperwork. With the Secretary of State's online filing system, the record does not need to have a Social Security number.

Secretary Jaeger: You need to read in context, the entire law.

Senator Dotzenrod: Starting on line 8, is a list of things that can be refused to accept that filling?

Secretary Jaeger: The intent is that the filings filed with the SOS office, the real estate of the collateral for UCC isn't filed with the SOS office. That's what the effect language does, removes any of the filings with the recorder's office.

Chairman Cook: Questions? Testimony and support? Testimony opposed?
Closed the hearing on Sb 2214.

Senator Meyer move a do pass.

Senator Unruh seconded.

Roll Call Vote was taken. 6 yeas, 0 nays, 0 absent.

Senator Dotzenrod will carry the bill. (Senator Meyer was carrier on recording, during discussions later in the day, **Senator Dotzenrod became the carrier**).

Date: 1-23-2017
Roll Call Vote 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2214

Senate Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Meyer Seconded By Unruh

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chair Brad Bekkedahl	✓				
Senator Lonnie J. Laffen	✓				
Senator Scott Meyer	✓				
Senator Jessica Unruh	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Dotzenrod

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

REPORT OF STANDING COMMITTEE

SB 2214: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2214 was placed on the Eleventh order on the calendar.

2017 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2214

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2214
3/6/2017
28739

- Subcommittee
 Conference Committee

Eileen L. Tang

Explanation or reason for introduction of bill/resolution:

Requirement of a social security number of internal revenue service taxpayer identification number on uniform commercial code & secured transaction records.

Minutes:

Attachment 1

Chairman Keiser: Opens the hearing of SB 2214.

Al Jaeger ~ Secretary of State for ND: Attachment 1.

3:35

Chairman Keiser: If I do a filing, I will have to provide a Social Security number?

Jaeger: Right, but if a collateral happens to be real-estate & that part of the collateral is recorded with the country recorder, it doesn't require those 2 pieces of information.

Chairman Keiser: Anyone else to testify in support, opposition, neutral in SB 2214, closes the hearing. What are the wishes of the committee?

Rep Laning: Moves a Do Pass.

Rep Dobervich: Second.

Chairman Keiser: Further discussion?

Roll call was taken for a Do Pass on SB 2214 with 14 yes, 0 no, 0 absent & Rep O'Brien is the carrier.

Date: Mar 6, 2017

Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 2214

House _____ Industry, Business and Labor _____ Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation

- Adopt Amendment
- Do Pass Do Not Pass Without Committee Recommendation
- As Amended Rerefer to Appropriations
- Place on Consent Calendar

Other Actions Reconsider _____

Motion Made By Rep Laning Seconded By Rep Dobervich

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep Laning	X	
Vice Chairman Sukut	X		Rep Lefor	X	
Rep Beadle	X		Rep Louser	X	
Rep R Becker	X		Rep O'Brien	X	
Rep Bosch	X		Rep Ruby	X	
Rep C Johnson	X		Rep Boschee	X	
Rep Kasper	X		Rep Dobervich	X	

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep O'Brien

REPORT OF STANDING COMMITTEE

SB 2214: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
SB 2214 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

SB 2214

1/23/2017

SB 2214

#1 Testimony

pg 1

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 23, 2017

TO: Chairman Cook and members of the Senate Finance and Taxation Committee

FR: Al Jaeger Secretary of State

RE: SB 2214 – Central Indexing System – filing requirements

Uniform Commercial Code (UCC), Central Notice, agricultural statutory liens and notices, miscellaneous statutory liens, and state and federal tax liens are filed online with the Secretary of State's office. According to subsection 2 of section 41-09-87 of the N.D.C.C., these filings require the inclusion of either the Social Security Number (SSN) or Taxpayer Identification Number (TIN) of the debtor in order to accept the filing.

When the collateral for a UCC filing is real estate, that portion of the filing is recorded separately with the County Recorder's office of the county in which the property is located and it does not require nor would it be wise in open public record to include either the SSN or TIN of the debtor.

On page 2, lines 21 and 22 amends subdivision h of subsection 2 of section 41-09-87 of the N.D.C.C to clarify that only those lien filings that are filed online with the Secretary of State's office have the requirement for the inclusion of the SSN or TIN in order to be accepted.

As a result, this text effectively excludes that requirement from the real estate filings, which are associated with a UCC document, but that are filed direct with the County Recorder.

On line 2, where the bill is described, there is a typo. It should read "number or internal" instead of "number of internal".

ALVIN A. JAEGER
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SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
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March 6, 2017

TO: Chairman Kaiser and Members of the House Industry, Business and Labor Committee

FR: Al Jaeger Secretary of State

RE: SB 2214 – Central Indexing System – filing requirements

Uniform Commercial Code (UCC), Central Notice, agricultural statutory liens and notices, miscellaneous statutory liens, and state and federal tax liens are filed online with the Secretary of State's office. According to subsection 2 of section 41-09-87 of the N.D.C.C., these filings require the inclusion of either the Social Security Number (SSN) or Taxpayer Identification Number (TIN) of the debtor in order to accept the filing.

However, when the collateral for a UCC filing is real estate, that portion of the filing is recorded separately with the County Recorder's office in the county where the property is located. That portion of the filing does not require nor would it be wise in open public record to include either the SSN or TIN of the debtor.

Therefore, on page 2, lines 21 and 22 amends subdivision h of subsection 2 of section 41-09-87 of the Century Code to clarify that only those lien filings that are filed online with the Secretary of State's office have the requirement for the inclusion of the SSN or TIN in order to be accepted.

As a result, the amended text effectively excludes that requirement from the real estate filings, which are associated with a UCC document, but that are filed direct with the County Recorder.

In the context of the entire reading of subsection 2, it would read:

(page 1, line 8) "2. Filing does not occur with respect to a record that a filing office refuses to accept because:"

(page 2, line 21) "h. In the case of filings entered in the secretary of state's online filing system, the record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor."