

2001 HOUSE APPROPRIATIONS

HB 1002

Fifty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1002

Introduced by

Appropriations Committee

(At the request of the Governor)

HB
1002

1 A BILL for an Act to provide an appropriation for defraying the expenses of the secretary of
2 state and public printing; and to amend and reenact section 54-09-05 of the North Dakota
3 Century Code, relating to the salary of the secretary of state.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
6 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
7 the state treasury, not otherwise appropriated, to the secretary of state for the purpose of
8 defraying the expenses of the secretary of state and public printing, for the biennium beginning
9 July 1, 2001, and ending June 30, 2003, as follows:

10 Subdivision 1.

11 SECRETARY OF STATE

12 Salaries and wages	\$2,122,684
13 Operating expenses	2,063,790
14 Equipment	84,000
15 Petition review	<u>12,000</u>
16 Total all funds	\$4,282,474
17 Less estimated income	<u>370,000</u>
18 Total general fund appropriation	\$3,912,474

19 Subdivision 2.

20 SECRETARY OF STATE - PUBLIC PRINTING

21 Operating expenses	<u>\$508,000</u>
22 Total general fund appropriation	\$508,000
23 Grand total general fund appropriation H. B. 1002	\$4,420,474

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1002

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
01-17-01 tape #1	0 - 6216		
Committee Clerk Signature <i>Arthur Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1002, the budget appropriation bill for the Secretary of State.

Al Jaeger: Secretary of State - presented written testimony. He began with a general introduction of his testimony for the day, that he has attached to his written testimony certain pages from the OMB budget request, and will refer to these pages as he speaks. Also included in his written testimony at attachment page 1, is an overview of the agency, its statutory authority, the agency mission, and agency accomplishments. On page 2 of the attachments there appears a future critical issues listing, and agency description. On pages 3 and 4 of the attachments there is a listing of the various services provided by the agency. Most persons do not realize the extent and variety of services performed by the Secretary of State.

On the bottom of page 4 of the attachments there is a listing of the revenues generated by the agency during the past 4 budget cycles. As of the December appropriation status report, the

revenue projected last fall will be very close to that which will be received during the biennium.

The revenue listed for this biennium is made up of two parts, approximately \$5,250,000 is revenue that will be deposited in the general fund, and the remaining \$370,000 in revenue is generated by the agency's general services operating fund and deposited into that special fund.

On the top of page 5 of the attachments there is a listing of the expenditures for the past four budget cycles. According to the December appropriations status report, the expenditures are on track with the estimate in the budget request. Some of the estimated expenditures for this biennium will be covered funding wise and expended from the agency's general services operating fund. On pages 5 and 6 of the attachments, there is a five year summary of just the services the agency provides in its business division. The agency now processes 28,800 more documents per year than it did 5 years ago. The increase has resulted in more revenue, but also has challenged the resources of the agency, both in increased operational expenses and staff. The addition of Limited Liability Partnerships, Limited Liability Corporations, and Nonprofit Corporation filings have increased the document load.

On page 2 of the written testimony, Al Jaeger notes that the revenues have increased at a much faster pace than expenditures, and a shift in the ratio of the budget that is paid for operating expenses versus salary. The salaries are higher, and operating expenses lower, which is a good shift of the ratio. He notes that this means the office has been prudent in the use of the funding required to operate the agency.

In 1999, last legislative session, a General Services Operating Fund was established, authorized in the NDCC at 54-09-08. Moneys in this fund are to be used pursuant to legislative appropriations for the provisions of services under subsections 8 and 11 of section 41-09-42 and subsection 10 of section 54-09-04. Any funds exceeding \$75,000 left over at the end of each

fiscal year are to be deposited into the general fund. The agency's "retail" services are those services that are demanded by the public and which are not related to any regulatory function of the Secretary of State. This is a hard area to predict. The department has information/records which the public may purchase. Historically, because the department has limitations under a general fund appropriation, it was difficult to respond to public request, even though they were willing to pay. Now, rather than depositing the revenue in the general fund where the department cannot use it, the revenue is deposited in the agency's general services operating fund, now available to cover the cost of providing "retail" services in direct relationship to customer demand.

As requested, the agency submitted a budget proposal for consideration. The lines for equipment and petition review remained the same. Some expenses, like postage, will be higher, but it was possible to submit a request at the same level by making adjustments between categories within the same operating line. However, because ITD and IT related costs consist of almost 58% of the operating line, these costs outside of the control of the agency could not be absorbed. Therefore, \$284,000 is requested over the budget. The agency requests the increase of FTE's from 25.5 to 26, at a cost of \$21,515. They also request finding for overtime for several key employees, who do not qualify for an exception from the payment of overtime. The budget does not include any funding for temporary employees, and they need some extra work done. It is more cost effective to pay overtime, than to pay his staff to train temporary employees, and spend their time training. They also request an increase of \$175,000 for the agency's share to operate the wide area network (WAN) used by Central Indexing Division (CIS) and the states Register of Deeds. In the 1997-1999 biennium the WAN charges were \$75,000, and now they are \$375,000. The increases in the WAN costs were beyond the agency's control. They are also

asking for funds of \$109,000 for ITD costs, to cover rate adjustments and costs related to increased usage because of filing demands. And they are also seeking \$66,300 for programming enhancements to the CIS.

Also this committee needs to be aware of HB 1105, that has an appropriation tied to it relating to Article 9 of the UCC. The passage of this bill will allow customers to do direct data entry for UCC filings and the appropriation is needed to pay for programming. The funds needed are \$21,000, so the appropriations committee will eventually see this bill.

Subdivision two of HB 1002 deals with appropriation pertaining to public printing, which is the publication of the NDCC, Session Laws, Administrative Rules, and a few miscellaneous items. These items are included in the Secretary of State's budget, although he has no control or decision making over these items. The agency is only the distributor, and pays the bills. Each session, the agency receives a cost estimate for these items, and the agency then adds mailing and handling expenses to the budget.

Chairman Byerly: The pink sheet shows that HB 1139 deals with increasing fees, but has a minimal fiscal note. Any thoughts on this.

Response: The only bill that has any fiscal impact is HB 1105 - all others have minimal impact.

Rep. Carlisle: Do the lawmakers still get a copy of the Century Code, or do they get this on CD?

Response: The legislators are given a choice of hard bound or CD, or both. They can recycle the old sets.

Rep. Carlisle: Are you getting the old Century Code back from retired legislators?

Response: Some, and the state will pay for shipping costs back. If the lawmakers keep their copies, they are given the opportunity to pay for updates, these are not at the state expense.

Rep. Huettner: Do you have a breakdown of corporate filings, corporations vs. Subchapter s corporations, like that?

Response: No, not as to subchapter S corporations. I could do a query, and can find some categories, farm related, LLC, LLP, etc, but not subchapter S.

Rep. Koppelman: What is your responsibility of licensing corporations, and the related costs?

Response: Our responsibility is created by law, and the corporations are to check in each year with the filing of an annual report. The annual reports are scanned in and can be retrieved by computer. We are currently adding charitable solicitations onto the web site.

Rep. Koppelman: Can you explain the change you referred to in regard to Article 9.

Response: This is a one-time costs. The process will have ongoing costs from year to year, but the requested appropriation would be for programming changes that allow those who choose, by charging a membership fee, to input their own data.

Rep. Koppelman: Do you have to cover benefits for the one half-time employee.

Response: Yes, I believe so, but someone else could answer this better than me.

Sandy (OMB): Yes, anyone who works more than 20 hours per week gets benefits.

Al Jaeger: We also in addition to the half time employee have a student that comes in a few hours per day to file, from Century High School.

Rep. Glassheim: Do your revenues exceed your expenses every year?

Response: Yes, we profit about 1.5 - 2 million.

Rep. Glassheim: Why the big increase in the wide area network (WAN)?

Response: It has to do with an "application" of connection. Last biennium it was recommended for a fee increase too. The WAN is like a new computer highway. (There was some basic discussion as to the mainframe computer usage, and how costs are apportioned for mainframe usage, interactive video usage, phone lines, etc.). (There was also some general discussion as to the budget, and building the ITD figures into it. This includes computer programming, computer problem solving, debugging, etc.).

Al Jaeger: Does give ITD lots of credit for the help they provide. Most of the services can be provided by ITD. His agency does have some outside consulting work necessary for a AS400 project. The web site is only 4 years old, and they have come a very long way since that was first introduced.

Rep. Skarphol: Can you explain to me what your responsibilities are to the Century Code and supplements?

Response: This is not my favorite topic. We are in charge of distributing these, but we have no control over them, the Legislative Council has the control.

Rep. Skarphol: Why are the budget numbers different?

Response: That is due because of the salary package.

Rep. Skarphol: Do you have any IT persons on your staff?

Response: Not fully trained, but one person does many jobs. ITD provides desktop support, and their budget does not allow an IT person, they cannot justify the cost. (In response to a question by Rep. Glassheim, Al Jaeger responded that some of the programming costs are for programming changes to hide social security numbers, and some privacy issues. Some programming changes are necessary for Article 9 changes, not related to the other bill.

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Government Operations Division

Bill/Resolution Number HB 1002

Hearing Date January 17, 2001

Rep. Skarphol: Can you put a number on the CIS, the Article 9 issue, for one-time work

Response: About \$66,000.

Sandy (OMB): Confirms the one-time programming costs of \$66,000.

Rep. Carlisle: Is there a huge increase in activity in trade name registration?

Response: Some increase, due to more education, and better rules to register. The fee is \$25 for five years.

Rep. Carlisle: Do you register fictitious partnership names?

Response: Yes. Because there is a need for this information for the public record.

The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1002

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
01-25-01 tape #1	-	315 - 1220	
Committee Clerk Signature <i>Kelli Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1002, the budget of the Secretary of State.

Roxanne, LC staff: reminds the committee that his bill has the salary adjustment problem.

Chairman Byerly: Basically, there was no place to cut this budget at all. They did spend a lot of time discussing this public printing problem that the office has. The majority leaders have decided that it is to stay here forever. We also discussed not doing any amendments to any money items, other than the salary and wages problem. We left this just as the governor recommended. We did spend some time discussing the IT issues and CIS issues, and the bottom line is that after we were all done, we will leave the budget alone. We left the approved half time FTE request alone because the department continues to have new duties assigned each session. The department was already paying benefits on this FTE as half time, so the only increase is the

salary itself. I felt fairly uncomfortable with the overtime line item, but we ran into a situation where he can get in trouble with the federal overtime wage law, that says even salaried persons are to get overtime. The secretary ends up spending overtime, and they need to be able to pay her. The \$109,000 line item for ITD, is due to the fact that the CIS system is on an old IBM AS 400 computer, which is housed in ITD, and the department has to pay storage on it, and pay for time used. This is a very old system, and no one on the state payroll can write computer programs for it. They must contract this work out for changes, and it isn't cheap. Eventually this will have to be changed over to a different system.

(The committee discussed the various changes and need for changes coming from the Secretary of State's office. They also discussed some other related bills, and that they will deal with them later).

Rep. Huetter: Isn't the overtime actually comp. time?

Chairman Byerly: The overtime is for salaried persons, who are spending extra hours not being done by temporary employees.

Rep. Skarphol: moves to amend to reflect the salary changes as required. Rep. Glassheim seconded.

Vote to adopt the amendment, 7 yes, 0 no. Motion passes.

Rep. Skarphol: Moves DO PASS AS AMENDED. Rep. Thoreson seconded.

Vote on the motion to pass as amended, 7 yes, 0 no. Motion passes.

Rep. Huetter is assigned this bill to carry to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1002

House Appropriations Committee

☐ Conference Committee

Hearing Date **January 31, 2001**

Tape Number	Side A	Side B	Meter #
1	x		1481 - 2424
Committee Clerk Signature <i>L. J. Darr</i>			

Minutes:

Appropriations Committee action on HB1002.

Rep. Robert Heuther: HB1002 is the budget bill for the Secretary of State's office. The only two changes that we made to the governor's budge, we added back in the half time position of office assistant, and we increased the funding for overtime by **\$62,800**, and then there was an error in the wages and salary line that we corrected, and we added funding for the network access for \$175,000, and we increased the funding Information Technology Department services, for \$9,000, Mr. Chairman I move a Do Pass on HB1002 as amended.

Rep. Mike Timm: We have a motion to amend by Rep. Heuther, and a second by Rep. Skarphol. Any discussion?

Rep. Pam Gulleason: During 6 or 8 months of this last year the position, or the elections officer was absent from the Secretary of State's office. Was that position opened up for hire or was that

one that Central Personnel looking that one up to fill it, and I know that person came back now.

What's the status of that? And during the absence how was that position filled?

Rep. Rex Byerly: I don't have an answer for you specifically, but I'm sure that it was treated just like an other vacancy. And I'm sure that what ultimately happened is that the salary was probably rolled up as part of the 1% for the rest of the office, and that's the normal way that all of these agencies do it. If is position becomes vacant, and that position as my understanding is that it was vacant, it wasn't just a leave of absence. I'm assuming that Central Personnel handles all of those kinds of functions and I'm afraid that you would have to talk to Central Personnel about that specific question.

Rep. John Warner: If the assumption is that we can get along without the Election's Officer why do we need it the rest of the time?

Rep. Rex Byerly: I would again refer you to Central Personnel to ask what the situation was on that position. I did not appear on any of our vacant seats, it was not a question that we raised specifically in committee. I will be frank, I don't know that anybody had questions about that specific thing. I don't have an answer for you. I'm sure that we can get a job description from Central Personnel.

Rep. Amy Kliniske: I know the individual we are talking about and I do have some information about on it. My understanding is that he took a leave of absence it was not a vacation and was a leave of absence and the duties were absorbed by LeeAnn during his absence.

Rep. Mike Timm: Rep. Huether you made a motion to amend right? Yes. Seconded by Rep. Skarphol.

Rep. Pam Guleson: This is certainly not personal, I don't know the person at all, but just to restate what Rep. Warner said, it just seems to me that if a position is left absent during the time

of a critical 4 year election cycle with a presidential and all of the major state wide offices, I would wonder if that position is a necessary position if the duties were absorbed during that time, and maybe we need to look at that position overall.

Rep. Bob Skarphol: I believe in this case that the duties that are performed by that officer take place several months prior to the election with major responsibilities in the immediate time frame before the election probably is substantially reduced in his duties. If the preparations for the election would be the printing of the ballots and all of those responsibilities have to be taken care of way in advance.

Rep. Aye, Motion Mike Timm: Any other discussion? All those in favor of adopting the amendment say carried and the amendment is adopted. Any other motions to amend? A motion to DO PASS is in order.

Rep. Robert Heather: I move a DO PASS as amended. Seconded by Rep. Carlisle.

Rep. Mike Timm: Any discussion?

Rep. Jeff Delzer: What was the discussion on the \$350,000 for the central indexing? What exactly are they expanding that, and how much of that is just increased cost to the IT data.

Rep. Robert Heather: Central indexing is used to provide services for the County Auditors throughout the counties of North Dakota and it's to update and make it more available for RCC filings, individual filings without going through the Auditors office. They can do it right from own office when they make a loan to wherever their dealing with.

Rep. Mike Timm: Any other discussion? We will take the Roll. Motion passes. (20) Yes (0) No and (1) absent. Rep Heather will carry the bill to the floor.

FISCAL NOTE
Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1002

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	\$118,547	\$0	\$133,731	\$0	\$0	\$0
Appropriations	\$118,547	\$0	\$133,731	\$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 amount listed in 1A for the 1999-2001 Biennium is the gross salary figure for the biennium paid to the the Secretary of State. It does not include any benefits. The amount listed in 1A for the 2001-2003 Biennium is the gross salary figure for the biennium proposed by the Governor in the budget submitted for the legislature's consideration. It also does not include any benefits. The funds for the Secretary of State's salary are included in the salary and wages line item

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.*

Not Applicable

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.*

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.*

The proposed salary is included in the Governor's Budget Recommendation for the Secretary of State's Office

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-2900	Date Prepared:	12/31/2000

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1002

Page 1, line 12, replace "2,122,684" with "2,115,131"

Page 1, line 16, replace "4,282,474" with "4,274,921"

Page 1, line 18, replace "3,912,474" with "3,904,921"

Page 1, line 23, replace "4,420,474" with "4,412,921"

Page 2, line 2, replace "4,790,474" with "4,782,921"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Secretary of State			
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000		370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
Public Printing			
Total all funds	\$508,000	\$0	\$508,000
Less estimated income			
General fund	\$508,000	\$0	\$508,000
Bill Total			
Total all funds	\$4,790,474	(\$7,553)	\$4,782,921
Less estimated income	370,000		370,000
General fund	\$4,420,474	(\$7,553)	\$4,412,921

House Bill No. 1002 - Secretary of State - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,122,684	(\$7,553)	\$2,115,131
Operating expenses	2,063,790		2,063,790
Equipment	84,000		84,000
Petition review	12,000		12,000
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000		370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
FTE	26.00	0.00	26.00

Dept. 108 - Secretary of State - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE	TOTAL HOUSE CHANGES
Salaries and wages	(\$7,553) ¹	(\$7,553)
Operating expenses		
Equipment		
Petition review		
Total all funds	(\$7,553)	(\$7,553)
Less estimated income		

General fund

(\$7,553)

(\$7,553)

0 00

0 00

FTE

This amendment reduces, from \$14,051 to \$6,498 the amount provided for a market equity salary increase for the Secretary of State. The amount included in the bill will provide for a monthly increase of \$309.17 and related fringe benefits for the last 18 months of the biennium.

Date: 1-25-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1002

House Appropriations - Government Operations Division Committee

☒ Subcommittee on Government Operations
or
☐ Conference Committee

Legislative Council Amendment Number 18602.0101

Action Taken to adopt amendments

Motion Made By Rep. Skarphol Seconded By Rep. Glassheim

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

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

to add in salary & wage corrections.

Date: 1-25-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1002

House Appropriations - Government Operations Division Committee

☒ Subcommittee on Government Operations
or
☐ Conference Committee

Legislative Council Amendment Number 18002.0161

Action Taken DO PASS AS AMENDED

Motion Made By Rep Skarphol Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Huether

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

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1002

House APPROPRIATIONS

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By HUETHER Seconded By CARLISLE

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 20 No 0

Absent 1

Floor Assignment HUETHER

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

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 34 YEAS, 62 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Belter, Boehm, Brandenburg, Byerly, Carlson, Clark, Cleary, Dekrey, Delzer, Devlin, Dosch, Droydall, Froelich, Froese, Grander, Gunter, Kasper, Kempenich, Koppelmann, Lemieux, Maragos, Nelson, Renner, Rennerfeldt, Severson, Skarphol, Thoreson, B. Tieman, Timm, Wentz, Wranham, Acting Speaker Wald

NAYS: Aarsvold, Bellev, Berg, Boucher, Brekke, Brusegaard, Carlisle, Delmore, Dyrud, Ecker, Ekstrom, Fairfield, Galvin, Glassheim, Gumbo, Guileson, Haas, Hanson, Hawken, Herbel, Huether, Hunsaker, Jensen, Johnson, D. Johnson, N. Kessler, Kelsch, R. Kelsch, S. Kerzman, Kingsbury, Klein, F. Klein, M. Klein, Klemm, Kinske, Koppang, Kretschmar, Kroeber, Lloyd, Mahoney, Martinson, Meier, Metcalf, Monson, Mueller, Nicholas, Niemeyer, Notestad, Onstad, Pletsch, Pollett, Porter, Price, Rudy, Sandvig, Schmidt, Solberg, Svedjan, Thorpe, Warner, Wentz, Wikenheiser, Winick

ABSENT AND NOT VOTING: Bernstein, Thoreson, L.

HB 1275 was declared lost.

SECOND READING OF HOUSE BILL

HB 1290: A BILL for an Act to amend and reenact subdivision e of subsection 5 of section 6-06-06 of the North Dakota Century Code, relating to the limitation on credit union investment in certain notes or bonds.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold, Bellev, Berg, Boehm, Boucher, Brandenburg, Brekke, Brusegaard, Ecker, Carlisle, Carlson, Clark, Cleary, Dekrey, Delmore, Delzer, Devlin, Dyrud, Dosch, Droydall, Ecker, Ekstrom, Fairfield, Galvin, Glassheim, Gumbo, Guileson, Gunter, Haas, Hanson, Hawken, Herbel, Huether, Hunsaker, Jensen, Johnson, D. Johnson, N. Kessler, Kelsch, R. Kelsch, S. Kerzman, Kingsbury, Klein, F. Klein, M. Klein, Klemm, Kinske, Koppang, Koppelmann, Kretschmar, Kroeber, Lemieux, Lloyd, Mahoney, Maragos, Martinson, Meier, Metcalf, Monson, Mueller, Nicholas, Niemeyer, Notestad, Onstad, Pletsch, Pollett, Porter, Price, Renner, Rennerfeldt, Rudy, Sandvig, Schmidt, Severson, Skarphol, Solberg, Svedjan, Thoreson, B. Tieman, Timm, Warner, Wentz, Wikenheiser, Winick, Wranham, Acting Speaker Wald

ABSENT AND NOT VOTING: Bernstein, Thoreson, L.

HB 1290 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1314: A BILL for an Act to amend and reenact section 26.1-47-03 of the North Dakota Century Code, relating to provisions of health care preferred provider arrangements.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 0 YEAS, 96 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

NAYS: Aarsvold, Bellev, Berg, Boehm, Boucher, Brandenburg, Brekke, Brusegaard, Byerly, Carlisle, Carlson, Clark, Cleary, Dekrey, Delmore, Delzer, Devlin, Dyrud, Dosch, Droydall, Ecker, Ekstrom, Fairfield, Froelich, Froese, Grander, Gunter, Kasper, Kempenich, Koppelmann, Lemieux, Maragos, Nelson, Renner, Rennerfeldt, Severson, Skarphol, Thoreson, B. Tieman, Timm, Wentz, Wranham, Acting Speaker Wald

Skarphol, Solberg, Svedjan, Thoreson, B. Thorpe, Tieman, Timm, Warner, Weiler, Wentz, Wikenheiser, Winick, Wranham, Acting Speaker Wald

ABSENT AND NOT VOTING: Bernstein, Thoreson, L.

HB 1314 was declared lost.

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "2,127,065" with "1,984,329"

Page 1, line 11, replace "224,370" with "214,370"

Page 1, line 12, replace "9,600" with "4,200"

Page 1, line 14, replace "10,800" with "10,800"

Page 1, after line 14, insert

"Governor's school initiative"

150,000

Page 1, line 15, replace "2,381,835" with "2,373,699"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,127,065	(\$142,736)	\$1,984,329
Operating expenses	224,370	(10,000)	214,370
Depreciation	9,600	(5,400)	4,200
Transportation	10,800		10,800
Household energy		150,000	150,000
Governor's school initiative			150,000
Total all funds	\$2,381,835	(\$8,136)	\$2,373,699
Less estimated income			
General fund	\$2,381,835	(\$8,136)	\$2,373,699
FTE	18.00	(1.00)	17.00

Dept. 101 - Governor's Office - Detail of House Changes

	REMOVED NEW POLICY POSITION 1	ADDED FUNDING FOR SCHOOL INITIATIVE 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$142,736)		(\$142,736)
Operating expenses	(10,000)		(10,000)
Depreciation	(5,400)		(5,400)
Transportation			
Household energy		\$150,000	\$150,000
Governor's school initiative			
Total all funds	(\$158,136)	\$150,000	(\$8,136)
Less estimated income			
General fund	(\$158,136)	\$150,000	(\$8,136)
FTE	(1.00)	0.00	(1.00)

1 The new policy position added in the envelope outline is removed.

2 Funding is added for costs associated with the Governor's school initiative. Governor's Office has recommended \$250,000 from the general fund for this initiative. Governor's Office has recommended funding of \$250,000 from the general fund in the Department of Public Instruction for the Quality Schools Commission.

REPORT OF STANDING COMMITTEE

HB 1002: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 0 NAYS).

2001 SENATE APPROPRIATIONS

HB 1002

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1002

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 14, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	x		9.6-27.7
Committee Clerk Signature <i>Linn R. Ristich</i>			

Minutes:

Senator Nething opened the hearing on HB1002 - appropriation for the Secretary of State and Public Printing.

Alvin Jaeger, Secretary of State presented the documentation regarding HB1002 (a copy of his written testimony is attached).

Senator Solberg: CNS on line? Collecting for financial institutions -- monthly fee to collect, troublesome?

Alvin Jaeger: Information on the Internet is available for an annual subscription fee -- believe about 10 dollars a month.

Senator Solberg: Charging commodity groups for the microfiche hard copies --- takes some time to get it; if on line could pick it up immediately--- doesn't seem fair? Collect less and pay fees?

Alvin Jaeger: Collecting dollars owed to banks not part of our office -- as far as on line, perhaps next session the microfiche will all be available on CD -- it's been very popular with subscribers.

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB1002
Hearing Date February 14, 2001

Senator Solberg: Monthly delay on CD -- direct on line.

Alvin Jaeger: Working in that direction.

Later in the morning, prior to another hearing: Alvin Jaeger answered it is on line, per his office staff; wanted all to know.

Senator Bowman: Information technology -- seems to increase the cost of everything?

Alvin Jaeger: We couldn't operate our office without the technology -- couldn't do by hand with the staff we have without technology -- the formula they developed (application) regarding central indexing -- all this is tied into the budget.

Rod St Aubyn (Lobbyist #216), Noridian Mutual Insurance Company, presented documentation for consideration (a copy of document is attached-registration as a lobbyist). This may/may not be the appropriate bill for this to be placed on -- but the closest one available.

Senator Andrist: Take 2 friends to dinner -- double?

Rod St. Aubyn: For a legislator

Senator Heitkamp: What do the leaders say?

Rod St. Aubyn: Supportive -- not a political issue.

No additional individuals to testify, for or against the bill. Hearing closed.

3-28-01 Full Committee Action (Tape #1, Side A, Meter # 6.1-8.4)

Senator Nething reopened the hearing on HB1002 - Secretary of State and Public Printing.

Senator Schobinger, Chair of the Subcommittee reported the committee's finding, and submitted amendments - #18002.0201.

Discussion by Committee members.

Senator Schobinger moved for adoption of the amendments; seconded by Senator Tallackson.

Discussion; call for the vote; voice call approved the adoption.

Discussion.

Senator Schobinger moved a DO PASS AS AMENDED; seconded by Senator Tallackson.

Discussion; call for vote. Roll call vote: 13 yes; 0 no; 1 absent and not voting.

Senator Schobinger accepted the floor assignment.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1002

Page 1, line 2, after "reenact" insert "subsection 2 of section 54-05.1-03 and"

Page 1, line 3, after "to" insert "legislative lobbying expenditure reports and"

Page 2, after line 2, insert:

"SECTION 2. AMENDMENT. Subsection 2 of section 54-05.1-03 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. Each person ~~ee~~ registering to act as a lobbyist shall file, on or before August first following the expiration of the registration period, ~~file~~ with the secretary of state a detailed report. The report must include a statement as to each expenditure, if any, of ~~twenty-five~~ fifty dollars or more expended on any single occasion during the legislative session or the interim, as the case may be, on any individual in carrying out the lobbyist's work or include a statement that no reportable expenditures were made during the reporting period. A state official or agency may not require reporting of lobbyist expenditures other than is required under this subsection. The secretary of state shall provide a prescribed form for reporting pursuant to this chapter. The secretary of state shall charge and collect fees for late filing of the detailed expenditure report as follows:
 - a. Within sixty days after the date provided in this subsection for filing the detailed expenditure report, twenty-five dollars;
 - b. Thereafter, fifty dollars; and
 - c. If any currently registered lobbyist fails to file a detailed expenditure report and pay any late fee by October first, the lobbyist's registration is automatically revoked. The lobbyist's registration may be reinstated if the lobbyist thereafter files the detailed expenditure report and pays any outstanding late fee."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 108 - Secretary of State

SENATE - North Dakota Century Code Section 54-05.1-03 is amended regarding lobbying-related expenditures that must be reported to the Secretary of State.

Date: 5-28-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1002

Senate Appropriations Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken 18002.0201 de f... in committee

Motion Made By Senator Schobinger Seconded By Senator Tallackson

Senators	Yes	No	Senators	Yes	No
Dave Netling, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac					
Joel C. Heltkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 13 No 0

Absent 1

Floor Assignment Senator Schobinger

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

REPORT OF STANDING COMMITTEE

HB 1002, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 2, after "reenact" insert "subsection 2 of section 54-05.1-03 and"

Page 1, line 3, after "to" insert "legislative lobbying expenditure reports and"

Page 2, after line 2, Insert:

"SECTION 2. AMENDMENT. Subsection 2 of section 54-05.1-03 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. Each person ~~se~~ registering to act as a lobbyist shall ~~file~~, on or before August first following the expiration of the registration period, ~~file~~ with the secretary of state a detailed report. The report must include a statement as to each expenditure, if any, of ~~twenty-five~~ fifty dollars or more expended on any single occasion during the legislative session or the interim, as the case may be, on any individual in carrying out the lobbyist's work or include a statement that no reportable expenditures were made during the reporting period. A state official or agency may not require reporting of lobbyist expenditures other than is required under this subsection. The secretary of state shall provide a prescribed form for reporting pursuant to this chapter. The secretary of state shall charge and collect fees for late filing of the detailed expenditure report as follows:
 - a. Within sixty days after the date provided in this subsection for filing the detailed expenditure report, twenty-five dollars;
 - b. Thereafter, fifty dollars; and
 - c. If any currently registered lobbyist falls to file a detailed expenditure report and pay any late fee by October first, the lobbyist's registration is automatically revoked. The lobbyist's registration may be reinstated if the lobbyist thereafter files the detailed expenditure report and pays any outstanding late fee."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 108 - Secretary of State

SENATE - North Dakota Century Code Section 54-05.1-03 is amended regarding lobbying-related expenditures that must be reported to the Secretary of State.

2001 TESTIMONY

HB 1002

Department 108 - Secretary of State, including Public Printing
House Bill No. 1002

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	26.00	\$4,420,474	\$370,000	\$4,790,474
1999-2001 Legislative Appropriations	25.50	3,864,468	250,000	4,114,468 ¹
Increase (Decrease)	0.50	\$556,006	\$120,000	\$676,006

2001-03 Hoeven Executive Budget	26.00	\$4,420,474	\$370,000	\$4,790,474
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

¹ The 1999-2001 appropriation amounts include \$3,974 from the general fund for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$2,286 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$120,000 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

NOTE: The amounts on the schedule above include funding for public printing. The 2001-03 executive budget (Schafer and Hoeven) recommends \$508,000 from the general fund for public printing, \$27,200 less than the 1999-2001 biennium general fund appropriation of \$535,200.

Major Schafer Recommendations Affecting Secretary of State 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds funding for a market equity salary increase of \$309.17 per month for the Secretary of State effective January 1, 2002. The amount added in the executive budget is \$7,553 more than is necessary to provide for this increase.	\$14,051		\$14,051
2. Increases funding for overtime.	\$62,808		\$62,808
3. Adds a .5 FTE office assistant III.	\$22,990		\$22,990
4. Adds funding for wide area network access for the central indexing system.	\$175,000		\$175,000
5. Increases funding for Information Technology Department services (\$100,000) and micrographics (\$9,000).	\$109,000		\$109,000
6. Provides funding for central indexing system enhancements.	\$66,300		\$66,300

Major Hoeven Recommendations Affecting Secretary of State 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)

The Hoeven executive budget recommendation does not change the Schafer executive budget for the Secretary of State.

Major Legislation Affecting the Secretary of State

House Bill No. 1139 increases the foreign limited partnership amendment fee charged by the Secretary of State by \$15, from \$25 to \$40.

Department 108 - Secretary of State, including Public Printing
House Bill No. 1002

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	26.00	\$4,420,474	\$370,000	\$4,790,474
1999-2001 Legislative Appropriations	25.50	3,864,468	250,000	4,114,468 ¹
Increase (Decrease)	0.50	\$556,006	\$120,000	\$676,006

2001-03 Hoeven Executive Budget	26.00	\$4,420,474	\$370,000	\$4,790,474
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

¹ The 1999-2001 appropriation amounts include \$3,974 from the general fund for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$2,286 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$120,000 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

NOTE: The amounts on the schedule above include funding for public printing. The 2001-03 executive budget (Schafer and Hoeven) recommends \$508,000 from the general fund for public printing, \$27,200 less than the 1999-2001 biennium general fund appropriation of \$535,200.

Major Schafer Recommendations Affecting Secretary of State 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds funding for a market equity salary increase of \$309.17 per month for the Secretary of State effective January 1, 2002. The amount added in the executive budget is \$7,553 more than is necessary to provide for this increase. (The House reduced this amount by \$7,553.)	\$14,051		\$14,051
2. Increases funding for overtime.	\$62,808		\$62,808
3. Adds a .5 FTE office assistant III.	\$22,990		\$22,990
4. Adds funding for wide area network access for the central indexing system.	\$175,000		\$175,000
5. Increases funding for Information Technology Department services (\$100,000) and micrographics (\$9,000).	\$109,000		\$109,000
6. Provides funding for central indexing system enhancements.	\$66,300		\$66,300

Major Hoeven Recommendations Affecting Secretary of State 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)

The Hoeven executive budget recommendation does not change the Schafer executive budget for the Secretary of State.

Major Legislation Affecting the Secretary of State

House Bill No. 1105 appropriates \$21,000 from the Secretary of State's general services operating fund for costs of providing direct access to the central indexing system. (House passed)

House Bill No. 1139 increases the foreign limited partnership amendment fee charged by the Secretary of State by \$15, from \$25 to \$40. The additional general fund revenues resulting from this increase are estimated to be less than \$500 for the 2001-03 biennium. (House passed)

Summary of Legislative Changes Resulting From First House Action

Statement of Purpose of Amendment (attached).

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1002 - Funding Summary**

	Executive Budget	House Changes	House Version
Secretary of State			
Salaries and wages	\$2,122,684	(\$7,553)	\$2,115,131
Operating expenses	2,063,790		2,063,790
Equipment	84,000		84,000
Petition review	12,000		12,000
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000	0	370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
FTE	26.00	0.00	26.00
Public Printing			
Operating expenses	\$508,000		\$508,000
Total all funds	\$508,000	\$0	\$508,000
Less estimated income	0	0	0
General fund	\$508,000	\$0	\$508,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$4,790,474	(\$7,553)	\$4,782,921
Less estimated income	370,000	0	370,000
General fund	\$4,420,474	(\$7,553)	\$4,412,921
FTE	26.00	0.00	26.00

House Bill No. 1002 - Secretary of State - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$2,122,684	(\$7,553)	\$2,115,131
Operating expenses	2,063,790		2,063,790
Equipment	84,000		84,000
Petition review	12,000		12,000
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000	0	370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
FTE	26.00	0.00	26.00

Department No. 108 - Secretary of State - Detail of House Changes

	Adjust Market Equity Salary Increase	Total House Changes
Salaries and wages	(\$7,553) ¹	(\$7,553)
Operating expenses		
Equipment		
Petition review		
Total all funds	(\$7,553)	(\$7,553)
Less estimated income	0	0
General fund	(\$7,553)	(\$7,553)
FTE	0.00	0.00

¹ This amendment reduces, from \$14,051 to \$6,498, the amount provided for a market equity salary increase for the Secretary of State. The amount included in the bill will provide for a monthly increase of \$309.17 and related fringe benefits for the last 18 months of the biennium.

House Bill No. 1002 - Public Printing - House Action

The House did not change the Schafer executive budget recommendation for public printing. Governor Hoeven did not propose any changes to the Schafer recommendation for public printing.

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE <http://www.state.nd.us/soc>



SECRETARY OF STATE

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

January 17, 2001

HB 1002
1-17-01

PHONE (701) 328-2900
FAX (701) 328-2932

E-MAIL sos@state.nd.us

TO: Rep. Byerly and Members -- Government Operations - House Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: HB 1002 -- Appropriation for Secretary of State

It is my understanding that the committee has a copy of the Secretary of State's budget request, which was submitted to the Office of Management and Budget. I have, however, for your convenience attached several pages taken from that request and will refer to them several times during my presentation.

Because some of you are new to the committee, and also as a refresher for long-time members of the committee, I first refer you to page 1. On the top of that page, there is a listing of the various laws administered by the Secretary of State. Then, on pages 3 and 4, there is a listing of the various services provided the agency. Most people do not realize the extent and variety of services provided by the agency.

On the bottom of page 4, there is a listing of the revenues generated by agency during the past four budget cycles. Yesterday, we received the agency's appropriation status report through the month of December. As of now, it appears, that the revenue projected last fall will be very close to that which will be received by the end of the biennium. The revenue listed for this biennium is made up of two parts. Approximately \$5,250,000 is revenue that will be deposited in the state's general fund. The remaining portion of approximately \$370,000 in revenue generated by the agency's general services operating fund and deposited in that fund. I will discuss agency general services operating fund in more detail in a few moments.

On the top of page 5, there is a listing of the expenditures for the past four budget cycles. According to yesterday's appropriation status report, the expenditures are on track with the estimate in the budget request. Again, it is important to point out that some of the estimated expenditures for this biennium will be covered funding wise and expended from the agency's general services operating fund.

On pages 5 and 6, there is a five-year summary of just the services the agency provides in its business division. As you will note, the agency now processes 28,800 more documents per year than it did five years ago. Although this increase has resulted in more revenue, it also has challenged the resources of the agency, both in terms of increased operational expenses and staffing.

Page 8 is a copy of a page taken from the agency's last biennial report. It shows how the agency's revenues have increased at a much faster pace than the expenditures required by the agency to provide the services. It also reveals a shift in the ratio of the budget that is paid for operating expenses versus salary. In other words, the agency has been prudent in the use of the funding required to operate the agency.

The 1999 Legislative Assembly approved the establishment of a general services operating fund for the agency. This has proven to be very successful and has allowed the agency to provide and respond to the varying levels of demand for its "retail" services. For your reference, here is the section of law authorizing the fund.

54-09-08. Secretary of state's general services operating fund. The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under subsections 8 and 11 of section 41-09-42 and subsection 10 of section 54-09-04. At the close of each fiscal year, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.

The agency's "retail" services are those services that are demanded by the public and which are not related to any regulatory function of the Secretary of State. It is very difficult to predict. As an office of record, my office has information, which customers wish to purchase. Because of the limitations under a general fund appropriation, it was very difficult to respond to this segment of the market even though customers were willing to pay for it, e.g., programming, development costs, method of conveyance, etc. Now, rather than depositing the revenue in the state's general fund (where it is unavailable for use by the agency), the revenue is deposited in the agency's general services operating fund. There, the funds are available to cover the cost of providing "retail" services in direct relationship to customer demand without depleting the agency's general fund appropriation required for the general operation of the agency.

As requested by Governor Schafer, the agency submitted a 100% budget for his consideration. The lines for equipment and petition review remained the same. Even though certain expenses (such as postage) will be higher during the upcoming biennium, it was also possible to submit an operating line request at the same level as was in effect for this biennium by making adjustments between object categories with the operating line.

However, because ITD and IT related funding consists of almost 58% of the operating line, it is impossible to absorb significantly increase costs that are outside the control of the agency. Therefore, of the agency's optional adjustment requests recommended by the Governor over 100%, \$284,000 is to cover costs that are outside of the agency's control, which are related to ITD and IT expenditures. They are included in the summary of the agency requested and Governor recommended optional adjustments listed below.

1. Increase the agency's FTE authorization from 25.5 to 26 at a cost of \$21,515 for the biennium.
2. Additional funding for overtime for several key employees, mostly in supervisory roles, who do not qualify for an exception from the payment of overtime. The agency's budget request does not include any funding for temporary services. Furthermore, these employees have invaluable expertise, which other staff or temporary employees do not possess.

3. An increase of \$175,000 for the agency's share to operate the wide area network used by the Central Indexing Division (CIS) and the state's 53 Register of Deeds. In the 1997-1999 biennium, the WAN charges were approximately \$75,000. The appropriation was increased to \$375,000 for this biennium (some of the cost was offset by an increase in CIS filing fees). The increases in WAN costs were beyond the control of the agency.
4. Funds of \$109,000 to cover ITD rate adjustments and also costs related to increase usage because of increasing processing demands due to the more filings.
5. Programming enhancements of \$66,300 for the Central Indexing System.

I also need to make the committee aware of an appropriation of \$21,000 for the agency that is tied to HB 1105. This bill has been introduced by the Commission of Uniform State Laws and is related to the Uniform Commercial Code (UCC), also known as Article 9. The passage of this bill will allow customers to do direct data entry for UCC filings and the appropriation is needed to pay for the programming.

In closing, I want to briefly discuss subdivision two of HB 1002. This appropriation pertains to public printing, which is the publishing of the North Dakota Century Code, Session Laws, Administrative Rules, and a few miscellaneous items. While it is included in the Secretary of State's budget, I have no direct control or decision-making power. My office is only the distributor of the publications and the pays of the bills. The buying decisions and contracts executed with publishers are made by the Legislative Council and are dependent on many factors. These include the number of bills that are passed by the legislature and the number of new administrative rules that are adopted by agencies. Each budget cycle, the Legislative Council provides my office with a cost estimate and the agency adds mailing and handling expenses.

Red St Aubyn
testimony on

HB 1002

54-05.1-03. Registration as a lobbyist - Fee - Filing of information - Public inspection - Certificate of registration.

Statute text

1. Any person who shall engage himself or be engaged by any other person either on a part-time or on a full-time basis for any of the activities listed in section 54-05.1-02, shall, before doing anything in furtherance of such purposes, register with the secretary of state and receive a certificate of registration and a distinctive lobbyist identification badge that must be prominently worn by the lobbyist when engaged in any of the activities listed in section 54-05.1-02 while on the capitol grounds. In lieu of wearing the official badge provided by the secretary of state, a lobbyist may wear a reasonable reproduction of the official badge that contains the name of the lobbyist and any of the following: the word lobbyist, the registration number of the lobbyist, or the organization name of the lobbyist in characters no smaller than one-quarter inch [6.35 millimeters]. The registrant shall state in writing the registrant's full name and business address, the name and address of the person or persons upon whose behalf the registrant appears, all persons, corporations, limited liability companies, associations, groups, or organizations in whose interest the registrant appears or works, the duration of such employment or appearances, and by whom the registrant is paid or is to be paid. The registration period commences on July first and expires on June thirtieth of the following calendar year unless an earlier expiration date is requested by the registrant. Lobbyists required to be registered shall file with the secretary of state, prior to the issuance of a certificate of registration, a written authorization to act as lobbyist. Such authorization must be signed by the person or official of the corporation, limited liability company, association, group, or organization employing such lobbyist and may be filed by facsimile transmission. The secretary of state shall charge a fee of twenty dollars for registering each lobbyist and the first person or entity represented by the lobbyist and an additional fee of five dollars for each subsequent person or entity represented by the lobbyist.
2. Each person so registering to act as a lobbyist shall, on or before August first following the expiration of the registration period, file with the secretary of state a detailed report. *The report must include a statement as to each expenditure, if any, of twenty-five dollars or more expended on any single occasion during the legislative session or the interim, as the case may be, on any individual in carrying out the lobbyist's work or include a statement that no reportable expenditures were made during the reporting period.* A state official or agency may not require reporting of lobbyist expenditures other than is required under this subsection. The secretary of state shall provide a prescribed form for reporting pursuant to this chapter. The secretary of state shall charge and collect fees for late filing of the detailed expenditure report as follows:
 - a. Within sixty days after the date provided in this subsection for filing the detailed expenditure report, twenty-five dollars;
 - b. Thereafter, fifty dollars; and
 - c. If any currently registered lobbyist fails to file a detailed expenditure report and pay any late fee by October first, the lobbyist's registration is automatically revoked. The lobbyist's registration may be reinstated if the lobbyist thereafter files the detailed expenditure report and pays any outstanding late fee.

3. All information required to be filed under the provisions of this section with the secretary of state and that previously filed, must be compiled by the secretary of state within forty days after the close of the period for which such information is filed, and such files must be open and accessible for public inspection during the normal working hours.

History

Source: S.L. 1975, ch. 465, § 3; 1983, ch. 552, § 1; 1987, ch. 621, § 1; 1993, ch. 75, § 18; 1993, ch. 54, § 106; 1995, ch. 496, § 2; 1999, ch. 445, § 1.

Annotations

Effective Date: The 1999 amendment of this section by section 1 of chapter 445, S.L. 1999 became effective March 19, 1999, pursuant to an emergency clause in section 2 of chapter 445, S.L. 1999.

The 1995 amendment of this section by section 2 of chapter 496, S.L. 1995 became effective March 7, 1995, pursuant to an emergency clause in section 4 of chapter 496, S.L. 1995.

The 1987 amendment of this section became effective July 5, 1987.

Note: Section 54-05.1-03 was amended twice by the 1993 Legislative Assembly.

Pursuant to section 1-02-09.1, the section is printed above to harmonize and give effect to the changes made in section 18 of chapter 75, S.L. 1993, and section 106 of chapter 54, S.L. 1993.

1975 \$25.00

2001 \$53.91 based on 3% inflation for each year.

It is suggested that the reporting amount in Section 54-05.1-03, subdivision #2 be raised from \$25.00 to \$50.00.

ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE

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

February 14, 2001

TO: Senator Nething and Members – Senate Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: HB 1002 – Appropriation for Secretary of State

It is my understanding that the committee has a copy of the Secretary of State's budget request, which was submitted last year to the Office of Management and Budget. Nevertheless, for your convenience and easy reference I have attached several pages copied from that submitted budget request.

Beginning with page 1 of the agency's budget request (4th sheet), there is a listing of the various laws administered by the Secretary of State. Then, on pages 3 and 4, there is a listing of the various services provided the agency. Quite often people outside of the legislature do not realize the extent and variety of services provided by the agency.

On the bottom of page 4, there is a listing of the revenues generated by agency during the past four budget cycles. Based on the most recent figures available today (through December), it appears that the revenue projected in the budget request will be very close to that which will be received by the end of the biennium. The revenue listed for this biennium is made up of two parts. Approximately \$5,380,000 is revenue that will be deposited in the state's general fund. The remaining portion of approximately \$370,000 in revenue is generated by the agency's general services operating fund and deposited in that fund. I will discuss the agency's general services operating fund in more detail in a few moments.

On the top of page 5, there is a listing of the expenditures for the past four budget cycles. According to agency's appropriation status report at the end of December, the expenditures are on track with the estimate in the budget request. Please keep in mind that some of the estimated expenditures will be covered funding wise and will be expended from the agency's general services operating fund.

On pages 5 and 6, there is a five-year summary of the filings the agency has had in its business division. Please note that the agency now processes 28,800 more documents per year than it did five years ago. Although this increase has resulted in more revenue to the state, it also has challenged the resources of the agency, both in terms of increased operational expenses and staffing.

Page 8 is a copy of a page taken from the agency's 1997/1999 biennial report. It illustrates how the agency's revenues have increased at a much faster pace than the expenditures required by the agency to provide services. It also reveals a shift in the ratio of the budget that is paid for operating expenses versus salary. In other words, the agency has been prudent in the use of the general funding required to support the operations of the agency.

Because of the foresight of the Senate appropriations committee, the 1999 Legislative Assembly approved the establishment of a general services operating fund for the agency. This fund has proven to be very successful and has allowed the agency to provide and respond to the varying levels of demand for its "retail" services. For your reference, here is the section of law authorizing that fund.

54-09-08. Secretary of state's general services operating fund. The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under subsections 8 and 11 of section 41-09-42 and subsection 10 of section 54-09-04. At the close of each fiscal year, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.

The agency's "retail" services are those services that are demanded by the public and which are not related to any regulatory function of the Secretary of State. It is very difficult to predict the demand. As an office of record, the Secretary of State's office has information, which customers wish to purchase. Because of the limitations under a general fund appropriation, it was very difficult to respond to this segment of the market even though customers were willing to pay for it, e.g., programming, development costs, method of conveyance, etc. Now, rather than depositing the revenue in the state's general fund (where it is unavailable for use by the agency), the revenue is deposited in the agency's general services operating fund. There, the funds are available to cover the cost of providing "retail" services in direct relationship to customer demand without depleting the agency's general fund appropriation required for the general operation of the agency. It has worked so well that the agency had to request the Emergency Commission for an increase in spending authority from \$250,000 to \$370,000.

As requested by Governor Schafer, the agency submitted a 100% budget for his consideration. The lines for equipment and petition review remained the same. Even though certain expenses (such as postage) will be higher during the upcoming biennium, it was possible for the agency to submit an operating line request at the same level of authorization as was in effect for the current biennium by making adjustments between object categories within the operating line.

However, because ITD and IT related funding consists of almost 58% of the operating line, it is impossible for the agency to absorb significantly increase costs that are outside the control of the agency. Therefore, \$284,000 of the optional adjustment requests included in the agency's budget request is to cover costs that are outside of the agency's control and which are related to ITD and IT expenditures. These ITD and IT optional requests are included in the following summary of the optional adjustment requests recommended by the Governor in the budget before you.

1. Increase the agency's FTE authorization from 25.5 to 26 at a cost of \$21,515 for the biennium.
2. Additional funding for overtime for several key employees, mostly in supervisory roles, who do not qualify for an exception from the payment of overtime. These employees have invaluable expertise, which other staff or temporary employees do not possess. The agency's budget request does not include any funding request for temporary help services

3. An increase of \$175,000 for the agency's share to operate the wide area network (WAN) used by the Central Indexing Division (CIS) and the state's 53 Register of Deeds. In the 1997-1999 biennium, the WAN charges were approximately \$75,000. For the current biennium, the appropriation was increased to \$375,000 (much of the cost was offset by an increase in CIS filing fees approved last session). For the upcoming biennium, the agency's share of the WAN will be \$550,000. The fees for the WAN are determined by ITD.
4. Funding of \$109,000 to cover ITD rate adjustments for the upcoming biennium and also for costs related to increase usage related to the increased processing demands due to the large increase in filings discussed earlier.
5. Programming enhancements of \$66,300 for the Central Indexing System.

As a part of this testimony, I also need to make the committee aware of an appropriation of \$21,000 for the agency that is tied to HB 1105, which will be covered by the agency's general services operating fund. The bill was introduced by the Commission of Uniform State Laws and is related to the Uniform Commercial Code (UCC), also known as Article 9. The bill has been passed by the House, and if passed by the Senate, will allow customers to do direct data entry for UCC filings. The spending authority in HB 1105 is needed to pay for the programming.

In closing, I want to briefly discuss subdivision two of HB 1002. This part of the agency's appropriation pertains to public printing, which is the publishing of the North Dakota Century Code, Session Laws, Administrative Rules, and a few related miscellaneous items. While it is included in the Secretary of State's budget, I have no direct control or decision-making power. My office is only the distributor of the publications and the payer of the bills. The buying decisions and contracts executed with publishers are done by the Legislative Council and are dependent on many factors. These include the number of bills that are passed by the legislature during each session and the number of new administrative rules that are adopted by agencies. For each budget cycle, the Legislative Council provides my office with a cost estimate for the various publications and the agency adds mailing and handling expenses.

STATUTORY AUTHORITY

North Dakota Constitution, Article V, Section 12, N.D.C.C. Chapter 54-09 (secretary of state); and laws related to the following duties:

1. N.D.C.C. Title 10 (various business entities, e.g., corporations, limited liability companies - thirteen different chapters)
2. N.D.C.C. Title 16.1 (elections)
3. N.D.C.C. Chapters 35-01, 35-17, 35-21, 35-29, 35-30, 35-31, and 35-05 (various liens)
4. N.D.C.C. Chapter 41-09 (uniform commercial code - secured transactions)
5. N.D.C.C. Chapter 43-07 (contractors)
6. N.D.C.C. Chapter 44-06 (notaries public)
7. N.D.C.C. Chapters 45-10, 45-10.1, and 45-11 (partnerships)
8. N.D.C.C. Chapter 45-22 (limited liability partnerships)
9. N.D.C.C. Chapter 45-23 (limited liability partnership)
10. N.D.C.C. Chapters 47-22 and 47-25 (trademarks and trade names)
11. N.D.C.C. Chapter 50-22 (charitable solicitation)
12. N.D.C.C. Chapter 53-01 (athletic commissioner)
13. N.D.C.C. Chapter 54-05.1 (lobbyists)
14. Plus various other miscellaneous sections of the North Dakota Century Code

AGENCY MISSION

To serve the people of the State of North Dakota and its guests;

Execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code;

Collect and preserve the records of the State as defined by the law;

Act as an ambassador for the State of North Dakota, its people, and its way of life.

This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

MAJOR ACCOMPLISHMENTS

In listing the agency's "major" accomplishments, it is difficult to determine what others might define as major.

For example, during the past four legislative sessions, the agency has asked the legislature to consider numerous pieces of legislation to improve, clarify and procedurally enhance laws administered by this agency. While the agency is grateful for the response and support of the Legislature and the Governor, the ultimate beneficiaries have been those customers who use the services of the office. Therefore, this agency believes the success of its legislative program, beginning with the 1993 Legislative Assembly, is a major accomplishment. It has allowed the agency to provide better services for its customers.

Another "major" accomplishment is actually made up of many smaller components that are all related to the services provided by the agency. For example, the establishment of a fax-on-demand system; promotion of an 800 number for easier communications between staff and customers; the continually upgrading of its database programs; making available an informative internet web site; publishing a variety of election related materials; constantly examining and improving internal processing procedures; upgrading its software and

AGENCY OVERVIEW

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hardware as resources allow, cooperating with other agencies for the dissemination of how to start a new business; and many other "little" things that all add up in providing customers with the best possible service.

FUTURE CRITICAL ISSUES

For the 1999-2001 biennium, the agency was authorized 25.5 FTE positions. However, with that level of staffing, coupled with an ever-increasing demand for services, the agency continues to face major challenges in maintaining its present level of productivity and efficiency. Therefore, it is essential that the agency be authorized 26 FTE positions as was requested for the current biennium (although the Governor recommended 26 FTE for the current biennium, the legislature reduced the request by .5 FTE).

In the statistical data section of the program narrative for this budget, the numbers continue to reveal a significant increase in revenue that is a greater percentage of increase than is being expended. Because individual fees collected by the agency have remained relatively unchanged, the increase revenue is directly related to increase filings and demand for services on the part of the public. As a result, the increasing workload is greater than the present authorized FTE strength can effectively handle.

To provide the necessary services, the agency is also heavily dependent on the use of computer technology. Since the submission of the budget for the 1999-2001 biennium, there have been significant developments in the areas of electronic commerce, electronic signature, electronic filing, etc. Therefore, it is essential for the agency to keep abreast of technological advances; to make prudent decisions in utilizing cost effective and efficient computer technology, software, and hardware; to properly train employees; and to maintain salaries that retain and attract productive and conscientious employees.

AGENCY DESCRIPTION

The agency is the office of record for the executive and legislative branches of government, the office of record for public records and notices, many that are related to businesses, and it performs a wide range of licensing, regulatory, registration, and administrative functions in four operating divisions. The agency performs these functions in accordance with the requirements of the state's law and constitution.

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Program: ADMINISTRATION

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PROGRAM OBJECTIVES

To be the least complicated, most accessible agency in state government

SERVICES PROVIDED

The services of the office are delivered through an organizational structure that includes four internal divisions that use one cost center. They are as follows.

A. Administrative/Licensing Division - administers the laws, filings, registrations, licensing, and record keeping related to the following duties of the Secretary of State.

1. Athletic Commission (boxing, kickboxing, and sparring)
2. Contractors
3. Charitable Solicitation and Professional Fund-raisers
4. Internal Services (accounting, mail, central office files, public records, personnel)
5. Legislative Actions
6. Lobbyists
7. Notary Publics
8. Miscellaneous Licensing and Filing (chemical applications, Apostille's, mineral rights)
9. Official acts of the Governor
10. Apostille's
11. Chemical Applications

B. Central Indexing Division - a central database maintained by the agency connected to the offices of the Register of Deeds in the state's fifty-three counties for the filing of documents related to the following.

1. Uniform Commercial Code
2. Central Notice System
3. Agricultural Statutory Liens
4. Various Miscellaneous Liens

C. Business Division - administers the laws, filings, registrations, and reporting related to forty-four different business entities under the following general categories.

1. Cooperatives
2. Corporations (domestic, foreign, professional, nonprofit, farm,)
3. Credit Unions
4. Home Rules Charters for Cities and Counties
5. Limited Liability Companies (domestic, foreign, professional, farm)

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6. Limited Liability Partnerships (domestic, foreign, professional, farm)
7. Limited Partnerships (domestic, foreign)
8. Limited Liability Limited Partnerships
9. Insurance Companies
10. Miscellaneous (airport authorities, fiduciaries, irrigation districts, municipal power agencies, etc.)
11. State Banks
12. Trademarks
13. Trade names

D. Election Division - administers the laws related to elections such as the following.

1. Education of various election officials
2. Preparation of election related publications and forms
3. Election resource for various political subdivisions and candidates
4. Maintain the integrity of the election process
5. Certify the ballot, receive various filings and reports, issue certificates of election file oaths of office, etc.
6. Review and certify for ballot initiatives and referendums

PROGRAM STATISTICAL DATA

History of Revenue and Expenditures for the past five budget cycles

Revenue

1991-1993 \$ 3,590,061
1993-1995 \$ 4,007,416 increase of 11.6% over previous biennium
1995-1997 \$ 4,342,289 increase of 8.4% over previous biennium
1997-1999 \$ 4,912,970 increase of 13.1% over previous biennium
1999-2001 \$ 5,750,000 * (estimated) increase of 17.0% over previous biennium

* Because of the establishment of a general services operating fund by the 1999 Legislative Assembly, an estimated \$350,000 in revenue for that fund is included in the gross estimated revenue for the agency. The estimated general fund revenue for the biennium is \$5,400,000

*1999-2001
General Services
Operating Fund
Revenue*

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Expenditures

1991-1993 \$ 3,623,237
1993-1995 \$ 3,132,554 decrease of 13.5% from previous biennium
1995-1997 \$ 2,721,385 decrease of 13.1% from previous biennium
1997-1999 \$ 2,839,345 increase of 4.3% over previous biennium
1999-2001 \$ 3,600,000 * (estimated) increase of 26.8% over previous biennium

* Because of a system wide reallocation by ITD of the costs related to the wide area network connecting the agency and the state's fifty-three counties for the operation of the central indexing system, the budget was increased by \$300,000 from \$75,000 to \$375,000, accounting for 39% of the increase. Another \$197,000, or 26% of the increase, was for salaries as approved by the legislature, emergency commission, and the budget section. Most of the remaining \$264,000, or 35% of the increase was for increased expenses related to services provided by ITD and other technology related expense as approved by the legislature, emergency commission, and the budget section. Almost half of that amount was directly related to the cost of providing the increased demand for agency information as authorized through the agency's general services operating fund, with those expenses being covered by the revenue generated to that account.

Demand for Services

The demand for the agency's services has grown steadily during just the five-year period beginning June 30, 1995, and ending June 30, 2000. This is in direct relationship to the net increase in filings and registrations as listed below.

	June 30, 1995	June 30, 2000	Percentage Increase/decrease
Contractors	4,701	5,393	+14.7%
Charitable Solicitation	559	1,289	+130.6%
Notary Publics	10,419	11,562	+11.0%
ND For-profit corporations	10,734	11,779	+13.1%
ND Cooperatives	434	398	+8.3%
ND Professional corporation	552	667	+20.8%
Foreign For-profit corporations	7,307	10,246	+40.2%
Foreign cooperatives	45	62	+37.8%
Limited Liability Companies (all)	441	2,066	+368.5%
Limited liability partnerships (all)	13	921	+6,985.6%
Limited Partnerships (all)	864	1,573	+82.1%

Handwritten: \$3,600,000 General Services Fund

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Limited Liability Limited Partnerships	0	75	%
Partnership Fictitious Names	1,362	2,051	+ 50.6%
Trademarks	1,286	1,476	+ 14.8%
Trade names	3,565	12,729	+257.1%
ND non-profit corporations	0	7,806	+
Foreign non-profit corporations	0	992	+
Total	42,282	71,085	+ 58.1%

Prior to 1997, non-profit corporations were not required to file an annual corporate report. Therefore, the agency is processing an additional 9,000 filings that it did not have five years ago.

Even though the agency is processing an additional 28,800 documents a year, the FTE authorization has only increased 1.5 FTE from 24 FTE on June 30, 1995, to 25.5 FTE on June 30, 2000.

EXPLANATION OF PROGRAM COSTS

For the 1999-2001 biennium, the salary line represented approximately 51% of the agency's total spending authority.

The operating line represented approximately 46% of the agency's total spending authority. Of that amount, approximately 66% was budgeted for payments to the state's Information Technology Division (ITD). Another 10% of the operating line was used for expenses related to information technology, e.g., programming and software. The remaining 24% is spread among twelve other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency's equipment line is 2.3% of the agency's spending authority.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example - (continued on next page)



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1. the agency's budget supports the wide area network for the Central Indexing System that connects the agency and the state's fifty-three county Register of Deeds and for the expenses related to maintaining a database that is housed on the state's mainframe computer, which contains approximately 250,000 to 275,000 files.
2. the agency's budget supports a database of approximately 160,000 names on an IBM AS/400 computer for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming, which is only available from a private vendor.
3. the agency's budget supports an Internet web site and covers associated expenses.

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Chapter Six (D)

SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES - BIENNIAL HISTORY

	1987-1989	1989-1991	1991-1993	1993-1995	1995-1997	1997-1999
REVENUE						
Administration	\$ 350,334	\$ 60,177	\$ 10,079	\$ 8,100	\$ 46,120	\$ 1,000,000
Licensing	463,966	261,517	510,475	500,024	711,000	1,000,000
Central Indexing (ICC/CIPS)	* 220,330	54,000	1,513,131	1,513,131	1,237,000	1,000,000
Business Registration	1,300,827	1,000,000	1,552,416	1,513,131	2,141,000	1,000,000
Elections	0	0	3,320	2,200	2,100	1,000
Subtotal (operations)	\$ 2,634,557	\$ 1,875,928	\$ 3,590,061	\$ 4,037,416	\$ 4,542,220	\$ 4,001,000
Central Indexing Surcharge	0	0	0	0	192,007	0
Public Printing	25,756	43,418	53,402	59,901	14,459	70,000
TOTAL REVENUE	\$ 2,670,313	\$ 1,919,396	\$ 3,643,523	\$ 4,097,317	\$ 4,759,005	\$ 4,071,000

* On June 30, 1989 \$564,822 transferred from the Central Notice System line item to the state's General Fund

APPROPRIATIONS

Salaries	\$ 997,825	\$ 999,385	\$ 1,252,386	\$ 1,448,489	\$ 1,540,419	\$ 1,602,785
Operating Expenses	342,133	282,243	828,607	611,489	1,203,200	1,140,190
Information Services Division	192,953	181,679	1,174,668	1,023,928	0	0
Equipment	293,311	6,000	47,213	167,000	65,000	39,000
Petition Review	4,500	17,340	17,000	17,000	14,000	2,000
Limited Liability Implementation	0	0	0	5,000	0	0
Grants	0	0	643,000	0	0	0
Central Notice System	977,771	0	0	0	0	0
Contingency	0	0	53,713	0	0	0
Risk Management Premium	0	0	0	8,068	0	0
Subtotal	\$ 2,808,493	\$ 1,486,647	\$ 4,016,587	\$ 3,280,983	\$ 2,822,619	\$ 2,873,000
Presidential Preference	0	0	0	0	275,000	0
Public Printing	287,984	335,256	366,543	366,500	421,924	442,000
TOTAL APPROPRIATIONS	\$ 3,096,477	\$ 1,821,903	\$ 4,383,130	\$ 3,647,983	\$ 3,519,593	\$ 3,315,000

Blue Book (special appropriation) \$ 50,000 0 0 0 0 0

EXPENDITURES

Salaries	\$ 946,912	\$ 999,385	\$ 1,232,023	\$ 1,344,150	\$ 1,535,163	\$ 1,675,050
Operating Expenses	281,628	282,193	680,468	455,018	1,117,823	1,124,831
Information Services	156,272	181,675	1,018,224	800,841	0	0
Equipment	202,852	5,987	41,266	156,811	63,426	38,514
Petition Review	3,084	17,334	6,461	11,505	4,973	949
Grants	0	0	591,282	0	0	0
Blue Book	54,008	0	0	0	0	0
Limited Liability Implementation	0	0	0	5,000	0	0
Central Notice System	97,771	0	0	0	0	0
Contingency	0	0	53,513	0	0	0
Risk Management	0	0	0	8,068	0	0
Subtotal	\$ 1,742,527	\$ 1,486,574	\$ 3,623,237	\$ 2,781,394	\$ 2,721,385	\$ 2,839,345
Central Indexing Surcharge	0	0	0	0	191,927	0
Presidential Preference	0	0	0	0	197,650	0
Public Printing	287,928	335,205	339,897	351,160	363,972	441,954
TOTAL EXPENDITURES	\$ 2,030,455	\$ 1,821,779	\$ 3,963,134	\$ 3,132,554	\$ 3,474,934	\$ 3,281,299