

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1066

2001 HOUSE JUDICIARY

HB 1066

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066

House Judiciary Committee

☐ Conference Committee

Hearing Date 01-15-01

Tape Number	Side A	Side B	Meter #
Tape 1	x		1937 to
Committee Clerk Signature <i>John D. Lewis</i>			

Minutes:Chr DeKrey opened the hearing on HB 1066. Is there someone here from the Board of School Lands who wishes to explain the bill?

Linda Fisher: Unclaimed Property Administrator (see attached testimony).

Chr DeKrey: Are there any questions for Ms Fisher.

Rep Delmore:When you are talking about not limiting it to the city you are going to meet in, are you really talking that you prefer to do it over the Internet?

Linda Fisher: Not necessarily. We are asking for the option to consider that.

Rep Delmore: Would there be an additional workforce? Would it take more time and effort out of your staff?

Linda Fisher: It could until we figured out we were doing. A lot of the other states have done this type of thing.

Rep Delmore: How actively have you tried to track this type of thing?

Linda Fisher: There are three major ways that we do it. 1) The biggest way is the Internet; 2) advertising in county newspapers at least two times a year, 3) we have a booth at the state fair.

Rep Kretschmar: Under section 1 of the bill, if you receive a stock certificate that isn't paying and dividend, would you still credit four per cent to that account.

Linda Fisher: If we have securities, they come with specific dividends, so when there is a specific dividend, that could be applied. The four per cent would be things like cash account.

Rep Kretschmar: If the dividend is zero.

Linda Fisher: Then the dividend would be nothing.

Rep Kretschmar: I read the bill, if the dividend isn't there you pay four per cent.

Linda Fisher: All the securities would be treated the same.

Rep Klemin: In section one, I have a question on the interest, currently, talking about cash, if someone did claim that, you wouldn't pay them interest. But this bill would require payment at four per cent interest.

Linda Fisher: Yes, that is a fact.

Rep Klemin: You have a fiscal note to show how much it is going to cost. How did you arrive at the four per cent figure? Do you invest this money and get interest on it? So that the state could break even, could you charge the interest less an administrative fee?

Linda Fisher: We talked to a few other states, but no method in picking the four per cent fee. Currently the money is being invested at 8.25 per cent long term yield. There has been some talk about administrative fees, but quite frankly people don't like administrative fees. Right now the interest is what is running our program.

Rep Klemin: What you are proposing is to give back the money plus some additional money?

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House Judiciary Committee

Bill/Resolution Number HB 1066

Hearing Date 01-15-01

Linda Fisher: Yes.

Rep Klemm: Don't people have some obligation to keep track of their accounts?

Linda Fisher: We are presenting this bill at the request of the board.

Rep Wrangham: In section 2, you refer to the spot as being sold in an appropriate city within the state, can you give us some history on this.

Linda Fisher: There is no history, this was the first auction held. We don't know where the next one will be held.

Rep Kingsbury: Do you ever go to the county newspaper?

Linda Fisher: Yes, it gets published in the county papers.

Rep Eckre: How big is your staff?

Linda Fisher: Small very small.

Rep Eckre: I called people who were listed in the phone book, and I thought that was amazing that you could not find people who are listed in the phone book.

Linda Fisher: We have a couple different answers as to the way the law is written. It requires that the holder prior to us getting, they are supposed to send a certified letter to you as the owner.

Please respond by a certain date or it will go on to the state. We don't know if this happens. One of the things that we are going to do is send postcards to the addresses that have been given to us.

Rep Eckre: Thank you, if it happened in Richland County and we are one of the larger counties, it could happen anywhere. I would suggest the Red River Valley County Fair gets a fair number of people and it might be a good thing to set up a booth there.

Linda Fisher: We are looking at a few other things where the showcase in Fargo is another one.

Chr DeKrey: If there are no other questions, is there anyone else wishing to testify either in support or opposition to HB 1066? We will close the hearing on HB 1066.

Chr DeKrey: Reconvene the hearing on HB 1066, the property bill.

Rep Klemin: I have a problem with that bill having the state paying interest. I would make a motion to amend the bill.

Chr DeKrey: Why don't you go to Legislative Council and have those amendments drawn up.

Rep Klemin: My thought would be to remove section 1.

Chr DeKrey: Would that take care of it?

Rep Kretschmar: I have no objection to the state with paying the dividend for a stock.

Rep Eckre: I would agree, if they start tracking all that stuff, here stuff is quire small.

Chr DeKrey: If we take section one out, would that allay everyone's fears?

Rep Mahoney: What is it under current law?

Chr DeKrey: I don't think that is addressed.

Rep Mahoney: I think dividend is paid to the owner.

Rep Grande: You get your dividend but you don't get the per centage. Is she not trying to get at what the investments are?

Rep Onstad: It makes the statement that owners are entitled to receive any dividends or interest realized accruing.

Rep Grande: The problem starts with if the property does not.

Rep Onstad: Right.

Rep Delmore: Just the one sentence, the one sentence is there for a reason.

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House Judiciary Committee
Bill/Resolution Number HB 1066
Hearing Date 01-15-01

Chr DeKrey: The third sentence is that ok?

Rep Mahoney: I think so. This is coming just from the board. They never bring a bill that is going to bring them more work.

TAPE 1 SIDE B

Rep Grande: The administrator feels that this would cause a problem.

Rep Maragos: why don't we try it and put it a sun-set on it. I would amend a sunset on it.

Rep Klemin: I am not sure that I would do that. They will still have to invest money up front and staff to track.

Rep Maragos: I am looking at the fiscal note, this bill will cost the common school fund.
Several in the committee agree that this would be true.

Rep Grande: Gives the figure to clarify the point.

Rep Maragos: Are monies being accrued to this, is money being invested in the bank?Chr

DeKrey: Yes

Rep Grande: Invested in the common school trust fund.

Rep Maragos: Which in turn, invested in some type of investment vehicle.

Rep Grande: Correct.

Rep Maragos: So they are making money for the common school trust fund. That sounds reasonable to me.

Rep Grande: As long as the trust fund maintains an 8.1.

Rep Maragos: It could go up to 12 percent.

Rep Grande: I think over the past 10 years the highest is 10 per cent.

Rep Maragos: That is pretty good.

Rep Grande: That is at the peak of everything.

Rep Maragos: As long as that money is in there, it making money for the common school trust fund, half of it.

Rep Onstad: It is, but the complaint is why are we paying a reward for us holding their money for them when it is claimed?

Rep Maragos: Because they are citizens of the state and we are looking after them.

Chr DeKrey: But should we charge the children of the state for them not knowing where their money is?

Rep Maragos: We are looking after that for them.

Rep Klemin: Could we consider just taking out the second sentence.

Chr DeKrey: Is that a motion?

Rep Klemin: Yes, that is a motion.

Rep Grande: Second

Chr DeKrey: It has been moved and seconded on page one of the bill we remove from line 1 starting with It and we end with the period on line 13 at receive. Further discussion on that amendment.

Rep Maragos: What I understand what the net effect of that would be, the property owner will pay the state for the privilege of them holding on to it, all the monies that it makes for the common school trust fund.

Chr DeKrey: Basically

Rep Klemin: If some outside party pay interest or stock, that goes to that person that claims it.

Rep Maragos: I don't disagree with that, the state is just not taking 100 per cent of the benefit but will benefit from it.

Chr DeKrey: If we put the per centage rate in statute and the market goes to pieces, the state will loose from that.

Rep Maragos: I have a counter proposal for that, return half of the income generated from the investment.

Rep Eckre: How long does the state keep something?

Rep Delmore: Five years

Rep Mahoney: Discussion on five or seven years. Seven years, I agree with Rep Maragos, people can lose track of anything, it can happen. Went on to ask questions on interest and dividend. More questions and discussion was held on the issue of the stock and monies that was being held.

Chr DeKrey: There is a motion on the floor.

Rep Grande: Will you (Rep Klemin) remove your motion? I will remove my second

Rep Klemin: Yes, I would like to have an amendment drawn up.

More discussion was held on the purposed amendments.

Chr DeKrey: I will appoint a sub committee of Rep Maragos, Klemin and Mahoney to draw up some amendments on HB 1066.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066A

House Judiciary Committee

☐ Conference Committee

Hearing Date 01-23-01

Tape Number	Side A	Side B	Meter #
Tape 1		x	3659 to 3886
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:Chr DeKrey: We will take a look at HB 1066,. A sub committee had been appointed to look at possible amendments for this bill. A discussion was held on amendments. The sub committee had met, but could not come up with one set of amendments. Char DeKrey asked Rep Klemm for his amendments and Rep Mahoney has some amendments to turn in.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066B

House Judiciary Committee

☐ Conference Committee

Hearing Date 01-24-01

Tape Number	Side A	Side B	Meter #
TAPE II		x	1539 to 2814
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey reconvened the hearing on HB 1066. A sub committee was appointed (Rep Klemin, Rep Maragos, Rep Mahoney) to iron out the differences for this bill. The committee could not agree, so Rep Klemin and Rep Mahoney each had amendments drafted. Each representative explained their amendments. Chairman DeKrey called for a vote on the amendments, the committee took up Rep Klemin's amendments first (18083.0101) Rep Klemin moved the amendments and seconded by Rep Grande. A voice vote was called for, the vote was undecided, so a roll call vote was taken. The motion failed. Rep Mahoney's amendments (18083.0103) were taken up. Rep Mahoney moved those amendments, seconded by Rep Maragos. A voice vote was taken, these amendments passed.

Rep Delmore: I move a DO PASS as amended.

Rep Onstad: Seconded the motion.

Chairman DeKrey: The clerk will call the roll on a DO PASS as amended. This motion passed with 12 YES, 2 NO and 1 ABSENT. The floor assignment is Rep Maragos.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066c

House Judiciary Committee

☐ Conference Committee

Hearing Date 02-12-01

Tape Number	Side A	Side B	Meter #
TAPE 1	X		3846 to 5670
Committee Clerk Signature <i>G. van Dine</i>			

Minutes: Chairman DeKrey called the committee to order on HB 1066.

Linda Fisher: State Land Department, we have a bill on the senate side, but this is the better of the two bills. We would like to see this bill the one that you would work with.

Chairman DeKrey: we took this down to the floor, but we need some amendments so that we can get rid of the fiscal note.

DISCUSSION

COMMITTEE ACTION

Rep Mahoney moved to amend the bill so that all that remains is section 2 and 3 in tact. Rep Delmore seconded. Discussion on the amendment. Voice vote on the amendments, the amendments pass.

Chairman DeKrey what are the wishes of the committee. Rep Delmore moved a DO PASS as amend, seconded by Rep Maragos. The clerk will call the roll on a DO PASS as amend motion.

Page 2

House Judiciary Committee

Bill/Resolution Number HB 1066

Hearing Date 02-12-01

The clerk will call the roll on a DO PASS as amend. The motion passes with 12 YES, 2 NO and

1 ABSENT. Carrier is Rep Maragos.

FISCAL NOTE

Requested by Legislative Council

04/11/2001

REVISION

Bill/Resolution No.:

Amendment to: Reengrossed
HB 1068

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	(\$5,000)	\$0	(\$5,000)
Expenditures	\$0	\$0	\$0	\$20,400	\$0	\$5,400
Appropriations	\$0	\$0	\$0	\$15,000	\$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	(\$25,400)			(\$10,400)

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If the Amendment to Section 1 of the bill becomes law, the Common Schools Trust will pay approximately \$5,000 in dividends during the biennium, plus the Land Department will need to spend a portion of its appropriation to track dividends (.125 of one FTE = \$2,700 each fiscal year, plus approximately \$15,000 for software development in FY2002 only).

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.*

The Common Schools Trust will lose \$5,000 in dividend income for the biennium based upon the typical amount of annual claims resulting from stock interests.

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.*

\$20,40

12.5% of one FTE @ \$1,800 per month times 24 month = \$5,400 for the biennium. We would also expect to spend \$15,000 in software development costs in the first fiscal year of the 2001-2003 biennium.

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 amount shown for expenditures and appropriations.*

\$15,000 software development cost is not included in our 2001-2003 Executive Budget recommendation.

Name:	Rick D. Larson	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	04/10/2001

FISCAL NOTE

Requested by Legislative Council

04/10/2001

Bill/Resolution No.:

Amendment to: Reengrossed
HB 1066

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	(\$5,000)	\$0	(\$5,000)
Expenditures	\$0	\$0	\$0	(\$20,400)	\$0	(\$5,400)
Appropriations	\$0	\$0	\$0	\$15,000	\$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	(\$25,400)			(\$10,400)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If the Amendment to Section 1 of the bill becomes law, the Common Schools Trust will pay approximately \$5,000 in dividends during the biennium, plus the Land Department will need to spend a portion of its appropriation to track dividends (.125 of one FTE = \$2,700 each fiscal year, plus approximately \$15,000 for software development in FY2002 only).

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.*

The Common Schools Trust will lose \$5,000 in dividend income for the biennium based upon the typical amount of annual claims resulting from stock interests.

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.*

12.5% of one FTE @ \$1,800 per month times 24 month = \$5,400 for the biennium. We would also expect to spend \$15,000 in software development costs in the first fiscal year of the 2001-2003 biennium.

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.

\$15,000 software development cost is not included in our 2001-2003 Executive Budget recommendation.

Name:	Rick D. Larson	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	04/10/2001

FISCAL NOTE
Requested by Legislative Council
03/20/2001

Bill/Resolution No.:

Amendment to: Reengrossed
HB 1066

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	(\$96,000)	\$0	(\$96,000)
Expenditures	\$0	\$0	\$0	\$25,800	\$0	\$10,800
Appropriations	\$0	\$0	\$0	\$15,000	\$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	(\$121,800)	\$0	\$0	(\$106,800)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If Section 1 of the bill becomes law, the Common Schools Trust will pay approximately \$48,000 in interest and dividend income annually, plus the Land Department will need to spend a portion of its appropriation to track dividends and interest on unclaimed property (.25 of one FTE = \$5,400 every fiscal year, plus at least \$15,000 software development costs in FY2002 only). Any money we must spend on operations is money that would have gone to our educational trust.

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.*

The Common Schools Trust would lose \$48,000 in interest and dividend income annually (typical claims paid in a year of \$1,200,000 times 4% interest = \$48,000).

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.*

25% of one FTE @ \$1,800 per month times 24 months = \$10,800 for the biennium, plus we would need to spend at least \$15,000 in software development costs in the first fiscal year of the 2001-03 biennium

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.

\$15,000 software development cost is not included in our 2001-03 Executive Budget recommendation.

Name:	Rick D. Larson	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	03/20/2001

FISCAL NOTE

Requested by Legislative Council

02/14/2001

Bill/Resolution No.:

Amendment to: Engrossed
HB 1066

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The amendment to this Bill eliminates the fiscal effect of the Bill.

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.*

The proceeds from the Unclaimed Property collected will now continue to benefit the Common Schools Trust Fund and thus the kindergarten through grade twelve students of North Dakota.

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.*

No additional expenditures or personnel will now be needed to administer the program.

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.*

No additional appropriation is now needed.

Name:	Rick D. Larson	Agency:	Land Department
Phone Number:	328-2800	Date Prepared:	02/15/2001

FISCAL NOTE

Requested by Legislative Council
01/26/2001

Bill/Resolution No.:

Amendment to: HB 1066

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	(\$96,000)	\$0	(\$96,000)
Expenditures	\$0	\$0	\$0	\$31,200	\$0	\$16,200
Appropriations	\$0	\$0	\$0	\$15,000	\$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	(\$127,200)	\$0	\$0	(\$112,200)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If the bill as amended passes, the Common Schools Trust will still pay an estimated \$48,000 in interest and dividend income annually, however the Department will need to spend an estimated \$5,400 more of its appropriation to track dividends and interest on unclaimed property. The software development costs in the amended bill stay the same as in the original bill.

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.*

Estimated \$48,000 in lost interest and dividend income annually for the Common Schools Trust.

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.*

37.5 % of one FTE (@ \$1,800 per month times 24 months = \$16,000 for the biennium, plus \$15,000 in software development costs for the first fiscal year of the 2001-03 biennium.

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 \$15,000 software development cost is not included in our 2001-03 Executive Budget recommendation.

Name:	Robert J. Olhaiser	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	01/29/2001

FISCAL NOTE
Requested by Legislative Council
12/26/2000

Bill/Resolution No.: HB 1066

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	(\$96,000)	\$0	(\$96,000)
Expenditures	\$0	\$0	\$0	\$25,800	\$0	\$10,800
Appropriations	\$0	\$0	\$0	\$15,000	\$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	(\$121,800)	\$0	\$0	(\$106,800)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If section 1 of the bill becomes law, the Common Schools Trust will pay approximately \$48,000 in interest and dividend income annually, plus the Land Department will need to spend a portion of its appropriation to track dividends and interest on unclaimed property (.25 of one FTE = \$5,400 every fiscal year, plus at least \$15,000 software development costs in FY2002 only). Any money we must spend on operations is money that would have gone to our educational trusts.

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.*

\$48,000 in lost interest and dividend income annually for the Common Schools Trust (typical claims paid in a year of \$1,200,000 times 4% interest = \$48,000).

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.*

25% of one FTE (@ \$1,800 per month times 24 months = \$10,800 for the biennium, plus we would need to spend at least \$15,000 in software development costs in the first fiscal year of the 2001-03 biennium.

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 \$15,000 software development cost is not included in our 2001-03 Executive Budget recommendation.

Name:	Robert J. Olheiser	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	01/02/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1066

Page 1, line 11, replace "realized or accruing on the property. If the property does not have a"
with "paid or delivered to the administrator."

Page 1, remove lines 12 through 15

Renumber accordingly

facile

VK
1/24/01

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1066

Page 1, line 11, remove "If the property does not have a"

Page 1, line 12, replace "specific interest or dividend rate assigned to it" with "For cash assets"
and replace "simple interest at" with "one-half of any interest earned while held by the
administrator"

Page 1, line 13, remove "the annual rate of four percent of the property originally received"

Renumber accordingly

Date:
Roll Call Vote #:

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

House JUDICIARY Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on 18083.0101 - *adding an amendment*

Motion Made By Rep Klemin Seconded By Rep Grande

Representatives	Yes	No	Representatives	Yes	No
CHR - Duane DeKrey	✓				
VICE CHR -- Wm E Kretschmar		✓			
Rep Curtis E Brekke	✓				
Rep Lois Delmore		✓			
Rep Rachael Disrud		✓			
Rep Bruce Eckre		✓			
Rep April Fairfield		✓			
Rep Bette Grande	✓				
Rep G. Jane Gunter					
Rep Joyce Kingsbury	✓				
Rep Lawrence R. Klemin	✓				
Rep John Mahoney		✓			
Rep Andrew G Maragos	✓				
Rep Kenton Onstad		✓			
Rep Dwight Wrangham	✓				

Total (Yes) 7 No 7

Absent _____

Floor Assignment _____

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

Date: 01-24-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB-1066

House JUDICIARY

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep Delmore Seconded By Rep Onstad

Representatives	Yes	No	Representatives	Yes	No
CHR - Duane DeKrey	✓				
VICE CHR -- Wm E Kretschmar		✓			
Rep Curtis E Brekke	✓				
Rep Lois Delmore	✓				
Rep Rachael Disrud	✓				
Rep Bruce Eckre	✓				
Rep April Fairfield	✓				
Rep Bette Grande	✓				
Rep G. Jane Gunter					
Rep Joyce Kingsbury	✓				
Rep Lawrence R. Klemm		✓			
Rep John Mahoney	✓				
Rep Andrew G Maragos	✓				
Rep Kenton Onstad	✓				
Rep Dwight Wrangham	✓				

Total (Yes) 12 No 2

Absent 1

Floor Assignment Rep Maragos

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

REPORT OF STANDING COMMITTEE

HB 1066: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1066 was placed on the Sixth order on the calendar.

Page 1, line 11, remove "If the property does not have a"

Page 1, line 12, replace "specific interest or dividend rate assigned to it" with "For cash assets" and replace "simple interest at" with "one-half of any interest earned while held by the administrator"

Page 1, line 13, remove "the annual rate of four percent of the property originally received"

Renumber accordingly

18083.0201
Title.0300

Adopted by the Judiciary Committee
February 12, 2001

VK
2/13/01

HOUSE AMENDMENTS TO ENGROSSED HB 1066 HOUSE JUDICIARY 02-13-01
Page 1, line 1, remove "create and enact section 47-30.1-21.1 of the North Dakota Century Code,"

Page 1, line 2, remove "relating to abandoned property payments; and to"

Page 1, remove lines 6 through 14

Renumber accordingly

Date: 02-12-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB-1066

House JUDICIARY

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amend

Motion Made By Rep Delmore Seconded By Rep Maragos

Representatives	Yes	No	Representatives	Yes	No
CHR - Duane DeKrey	✓				
VICE CHR -- Wm E Kretschmar	✓				
Rep Curtis E Brekke	✓				
Rep Lois Delmore	✓				
Rep Rachael Disrud	✓				
Rep Bruce Eckre		✓			
Rep April Fairfield		✓			
Rep Bette Grande					
Rep G. Jane Gunter	✓				
Rep Joyce Kingsbury	✓				
Rep Lawrence R. Klemin	✓				
Rep John Mahoney	✓				
Rep Andrew G Maragos	✓				
Rep Kenton Onstad	✓				
Rep Dwight Wrangham	✓				

Total (Yes) 12 No 2

Absent 1

Floor Assignment Rep Maragos

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

2001 SENATE TRANSPORTATION

HB 1066

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066

Senate Transportation Committee

☐ Conference Committee

Hearing Date 3-15-01;3-16-01
3-15-01

Tape Number	Side A	Side B	Meter #
1	x		29.1-49.8
2	x		9.6-12.1
3-16 1	x		6.5-11.8
Committee Clerk Signature <i>Suzette Schaffer</i>			

Minutes: **HB 1066** relates to abandoned property under the Uniform Unclaimed Property Act.

Linda Fisher: (Unclaimed Property Administrator; Supports) See attached testimony.

Senator Stenehjem: Why did the House take out the original Section 1?

Linda Fisher: I am assuming because of the fiscal note.

Senator Stenehjem: Are they going to get back all dividends, earnings, etc. that is theirs?

Linda Fisher: That is property that technically, and it is all in definition at that point, is money, dividends, interest that was earned while in our custody. But as far as giving back what was reported to us when given to us, they get back all of it.

Senator Stenehjem: How aggressively do you search for the people? Do you try and call people on the phone?

Linda Fisher: We have stepped up our efforts quite a bit. We have a web site, advertise in county newspapers, booth at the state fairs, etc. Another plan is to send postcards out. We do not

Page 2

Senate Transportation Committee

Bill/Resolution Number HB 1066

Hearing Date 3-15; 3-16

have the people to call people. We are a total agency staff of 17 employees. Sometimes we get 5000 more names each year. That is part of the amendment of Section 1 to be able to advertise.

Senator Stenehjem: Is there any truth to the attorney general's family, who oversees the school land department, was on the unclaimed property list? How hard is it to get hold of those people?

Linda Fisher: There is absolute truth to that. Governor Schafer's name was on the list. We found those people and they are paid.

Jack McDonald: (ND Newspaper Association; Opposes) See attached testimony and proposed amendments.

Senator Stenehjem: Could we figure out a way to compromise to make everyone happy?

Senator Trenbeath: I am inclined to agree with Mr. McDonald that the cleanest and simplest way to do it is by adoption of his amendments.

Linda Fisher: That would be fine too. The biggest part of this bill that interests us is in Section 1 was to be able to sell it at other places than just at "a city".

Senator Espeland: How would you ever give notice of selling grandma's diamond ring on E-Bay?

Linda Fisher: It would be part of the ad. It would say to check E-bay once in a while. We would have inclusive dates, and closing dates so that people would know it's out there.

Roger Bailey: (Newspapers of ND; Opposes) See attached testimony. Would like to emphasize that when he was speaking to his father-in-law he said, " What is all this www business"?

Newspapers are more accessible.

Hearing closed. Committee reopened on HB 1066 on 3-15-01.

Discussion held. Senator Trenbeath is going to get amendments.

Committee closed on 3-15-01.

Page 3

Senate Transportation Committee

Bill/Resolution Number HB 1066

Hearing Date 3-15; 3-16

Committee reopened on HB 1066 on 3-16-01.

Senator Trenbeath passes out proposed amendment.

Senator Trenbeath motions to accept the proposed amendment. Seconded by Senator Espegard.

Roll call taken. 5-0-1.

Senator Trenbeath motions to accept proposed amendment 18083.0201. Seconded by Senator

Espegard. Roll call taken. 5-0-1. Floor carrier is Senator Trenbeath.

Committee closed.

763
3-16-1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1066

Page 1, line 1, after "to" insert "create and enact section 47-30.1-21.1 of the North Dakota Century Code, relating to abandoned property payments; and to"

Page 1, after line 4, insert:

"SECTION 1. Section 47-30.1-21.1 of the North Dakota Century Code is created and enacted as follows:

47-30.1-21.1. Crediting of dividends, interest, or increments to owner's account. Whenever property in the form of stocks, bonds, or cash is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends, interest, or other increments realized or accruing on the property. If the property does not have an interest or dividend rate assigned to it, the owner is entitled to receive simple interest at the annual rate of four percent of the property originally received. Interest or dividends do not accrue to an owner after five years from the date of the administrator's original receipt of the property."

Page 1, line 15, remove "electronic or printed"

Page 1, line 16, remove the overstrike over "in a newspaper of general circulation in the county in which the property is to"

Page 1, line 17, remove the overstrike over "be sold"

Renumber accordingly

3-16
Vote #:

101010

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

18083.0301

Mass Adoption of Amendment

Tran beats

Espeyord

[illegible]

5 No 0

+

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

3-140

ote #: 2

1066

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

18083.0301

Do Pass As Amended

Trunbeath Seconded
By Espigard

[illegible]

Total (Yes) 5 No 0

Absent

Floor Assignment 1 underneath

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

REPORT OF STANDING COMMITTEE

HB 1066, as reengrossed: Transportation Committee (Sen. Stenehjem, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed HB 1066 was placed on the Sixth order on the calendar.

Page 1, line 1, after "to" insert "create and enact section 47-30.1-21.1 of the North Dakota Century Code, relating to abandoned property payments; and to"

Page 1, after line 4, Insert:

"SECTION 1. Section 47-30.1-21.1 of the North Dakota Century Code is created and enacted as follows:

47-30.1-21.1. Crediting of dividends, interest, or increments to owner's account. Whenever property in the form of stocks, bonds, or cash is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends, interest, or other increments realized or accruing on the property. If the property does not have an interest or dividend rate assigned to it, the owner is entitled to receive simple interest at the annual rate of four percent of the property originally received. Interest or dividends do not accrue to an owner after five years from the date of the administrator's original receipt of the property."

Page 1, line 15, remove "electronic or printed"

Page 1, line 16, remove the overstrike over "~~in a newspaper of general circulation in the county in which the property is to~~"

Page 1, line 17, remove the overstrike over "~~be sold~~"

Renumber accordingly

2001 HOUSE JUDICIARY

CONFERENCE COMMITTEE

HB 1066

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066-conference

House Judiciary Committee

☐ Conference Committee

Hearing Date 04-06-01

Tape Number	Side A	Side B	Meter #
TAPE 1	X		01 to 4150
Committee Clerk Signature <i>Juan Piers</i>			

Minutes: Chairman Grande called the conference committee on HB 1066 to order and have the clerk call the roll. Note that a quorum is present. The reason for the conference meeting is the amendments that were put on by the Senate.

The Intern explains to the committee how a change can be made to the amendments.

Rep Eckre: Is there something in here that shows the cost, an increase cost. Is this what we are looking at, at the fiscal note.

Chairman Grande: At this time I would like Ms Fisher step forward and explain the change in cost and direction by the land board in the unclaimed properties area.

Senator Stenehjem: Are we going to have another hearing.

Chairman Grande: It was my understanding , that if we did the amendments such as you have, that there was going to be an incurred cost. I was wondering if we have a fiscal note problem here.

Ms Fisher: The Senate had its own bill and so did the House. There were separate fiscal notes. The Senate fiscal note was less. The fiscal note that you have before you now, that is the money that would be paid out. This is fiscal note that we originally submitted to the House. The House took that portion of the bill out and the Senate put it back in.

Senate Trenbeath: what portion are we speaking about.

Chairman Grande: Section one of the amendment.

Ms Fisher: In engrossed HB 1066, it shows where we are responsible for paying dividends and interest at a flat rate of four per cent. The fiscal not is \$106,000.00.

Chairman Grande: Thank you.

Senator Stenejem: Here was our position on the Senate side, the crediting of dividends and interest that they have on the fiscal note, we understand what happens to the dollars that are turned into the Unclaimed Property Division. It is our opinion, what right does the Unclaimed Property Division have to that in the first place. It belongs to someone, this amendment has a sunset in it, it only goes for five years. (Gives an example) How hard is it to find the rightful owner and it wouldn't be in there. (Gave another example) The other thing that we did in the Senate amendment is that we took out the electronic printed on page one line 15.

Senator Trenbeath: To clarify that, we are only speaking of the publication of the notice. The sale itself can be done electronic or anyway.

Chairman Grande: You want electronic and public or only through the paper, what is the intent.

Senator Trenbeath: The intent is that the statutory notice will still be done in print.

Chairman Grande: Are there any comments from committee. As I look at this, the dividends tracking is difficult. As far as electronic publication, I don't know that the House has any issue with that. I would do both.

Senator Trenbeath: This is the only one that is mandated.

Chairman Grande: The only problem that I have heard is that people think that they are not being notified. I have discussed this with the banking industry, and asked why do we even have any thing going there. The independent banks don't have much going there, it is the large banks that are not following through with that.

Senator Stenehjem: We need to get back to the beginning, some property is going to be unclaimed. Some time there is going to be unclaimed property and a long time ago it was decided that it should be deposited with the state. It was decided what better place it would be to put that money in the common school trust fund. This was set up in the Land Board so that in the end when the rightful owner was never located the money went to work for the common school trust fund. Somebody has to do that work and some financial gain has to go to the state.

Chairman Grande: How do we take the burden off the tax payer in the first place.

Senator Stenehjem: The way we have taken the burden off the tax payers, is the fact that, we are taking more money in then it is costing us to administer.

Chairman Grande: In the amendment that you had drawn up, you asked for an annual rate of four per cent, how did you come up with that rate.

Senator Trenbeath: It roughly reflects what your net rate after taxes if you have your money invested in an average CD.

Chairman Grande: If it falls below that, then the state would have the burden of paying out something that wasn't there. Is there a better way of adjusting that.

Senator Trenbeath: It would like to see the day when that happens. It seems like a reasonable amount at the time.

Senator Stenejem: We are only taking about the dividends and not the stocks. And for a period of five years.

Senator Trenbeath: The big problem we saw is not so much the dividends, but if you have stock dividends or stock splits, the state took those as their own.

Chairman Grande: So now the Land Bank is supposed to divide that out and figure out who belongs to what.

Senator Trenbeath: The splits as this says, that is where they accrue to the owner, if they reclaim the property within the statutory period, rather than remaining with the state.

Rep Eekre: Are we taking in more money then the cost of administrating.

Ms Fisher: Yes, we take in more money, but we are paying out more money then we did. We don't charge a fee when someone comes to claim the property.

Rep Eeke: On the splits of the stock, do you keep it then.

Ms Fisher: No, splits go to the owner.

Rep Eekre: what about stock dividends.

Ms Fisher: Splits go the owner, dividends do not.

Chairman Grande: This bill will only be dealing with dividends.

Ms Fisher: Dividends on stock and interest on cash.

Chairman Grande: Since we are not in the current practice of dividends on stock what practice are we going to have to go through when we start doing that.

Ms Fisher: I am not sure.

Senator Stenehjem: Four per cent seems to be a high rate, you could do it another way. Let the bank keep it for five years after they inform the Unclaimed Property Committee and then if it is not claimed after five years, the Land Bank could have it. It would still be making money.

Rep Eckre: Banks are paying only two per cent now. Bank rates have really dropped for cash money.

Senator Stenehjem: They could turn the cash over to the Land Bank, but the big thing would be the stocks or dividends. Give the dividend back.

Rep Kingsbury: In the case of a CD, how long does it sit there with no activity and it is called unclaimed.

Chairman Grande: I think we need to go back to current practice. If the CD is in the bank and sits for five years, during that time the bank is supposed to issuing final notification, after years. Then it is turned over to the Unclaimed Property and the Unclaimed Property holds it for another five years. What Senator Stenehjem is purposing is that the Bank not turn it over then for ten years.

Senator Stenehjem: I think, it isn't that the Unclaimed Property, using the CD, the bank holds it for five years and no activity, its turned over to the Unclaimed Property Division, what this amendment says is that for the next five years those dividends will be credited to that CD, then at that point the Unclaimed Property Division keeps that cash forever, looking for the rightful owner. But in the mean time they are collecting all the interest from it.

Chairman Grande: Is the five years the standard practice or is that new language.

Ms Fisher: We pay no interest now.

Senator Stenehjem: How long does it take you, say if it a stock, do you convert those stocks to cash.

Ms Fisher: Currently we hold those stock for six years.

Senator Stenehjem: The owner should get the dividend. I think that we would be looking at this way different if the bank would hold on to all of this, a private bank. Who really has a right to this money.

Senator Trenbeath: The stock, do you convert those shares to the state of North Dakota.

Ms Fisher: They are in a house account.

Senator Trenbeath: They are actually in the name of the State rather than in the name of the person.

Ms Fisher: Yes.

Senator Trenbeath: No qualifier, such as the state of North Dakota as a trustee for.

Ms Fisher: Yes.

Senator Trenbeath: So the dividends would come in the name of the state of North Dakota as trustee for the owner of the stock.

Ms Fisher: We would hold the stock, but the dividend comes to us.

Senator Trenbeath: So that would be just a matter of a change in the procedure.

Ms Fisher: The procedure would not change with our broker, the procedure would have to change in house with our office. It would cost extra money to find people, we don't have the staff to find them now, and we don't have the money. Other states hire a finder to locate people.

Senator Stenehjem: When they do that do the finders get a percentage as pay.

Ms Fisher: NO, they are staff people.

Chairman Grande: My biggest problem is that is the effort made to find these people.

Senator Stenehjem: I agree with you.

Chairman Grande: So have we gone down the wrong path.

Senator Stenehjem: I agree with what your saying, but that is a issue for a different bill on a different day.

Rep Fekre: Is there a way that we can still do that without, you don't have enough F.T's to do this.

Ms Fisher: Not with the staff we have.

Senator Stenehjem: I have a compromise on this, I would suggest when the property comes to the state, if there is any dividend or in the case of bonds with a cash payment, those would go in the persons account and do away with the four per cent interest, the principle belongs to the person that it was issued to. Take the four per cent off on line 12.

Chairman Grande: Go back to line eleven and on the word "if" if the property does not have an interest or dividend rate assigned to it the owner is entitled to receive simple interest at the annual rate of four per cent. You are thinking of taking that verbiage out.

Senator Stenehjem: correct.

Chairman Grande: Leave in interest or dividend does not.

Senator Stenehjem: I would want to run this by the council to see that it does exactly what we want.

Chairman Grande: At this time, I think that we have had some very good discussion on this, I would like to allow Senator Stenehjem time to proceed in that direction. If there is anyone else that would like to look at another direction, please do so before the committee reconvenes.

Senator Stenehjem: I would like to see what the committee wants.

Rep Kingbury: I still don't understand this about the interest after five years that is not claimed.

Senator Stenehjem: Not the interest, gives an example to clarify.

Chairman Grande: The only issue is of the difficulty for the Land Bank to pull out the amount to be paid back.

Ms Fisher: Yes.

Chairman Grande: How does this discussion effect the fiscal note.

Ms Fisher: The fiscal note would be decreased.

Chairman Grande: The cost to the school land would be effected.

Ms Fisher: \$48,000.00 that would disappear.

A person from the Land Bank: testifying that there would be an additional 25% to cover the cost of the software development and the tracking.

Chairman Grande: So we eliminate those two parts of this.

Senator Stenehjem: So you are talking \$20,000.00.

Chairman Grande: We are at \$25,080.00.

Ms Fisher: I think what yo are talking about is that something that would look more similar to what the Senate bill looked like.

Senator Stenehjem: Yes, it would look fairly similar. Asked about payment from a life insurance.

Ms Fisher: We don't get the payment, the only payment is a dividend on stock.

Senator Stenehjem: There is no annuities.

Ms. Fisher: NO.

Senator Stenehjem: If you have some kind of investment that is paying an interest dividend, while they are holding that within that five year period that would be credited, but no interest on top of that, that the state is getting for holding it.

Chairman Grande: Are there any other comments from the committee. I would like to see the amendments drawn up.

Senator Stenehjem: I have no problem with that.

Chairman Grande: You still have a sunset on this.

Senator Stenehjem: The five years would be in there.

Ms Fisher: That being the case, we would not liquidate the stock any sooner then five years.

Senator Stenehjem: The thought did cross my mind, you said your current practice is to wait six years. I did realize that you could change your current practice to three years. If you convert it to cash in three years, they are not going to get any interest.

Ms Fisher: We can't liquidate stock sooner then five years. But if we cut our current six years down to three years that would make the administrative issue easier. We have not done that yet, but it is being talked about.

Chairman Grande: To change from six to three are you coming through the administrative rule process.

Ms Fisher: No, we can do that in house.

Senator Stenehjem: If they go from six years to three years is there going to be a change in the fiscal note.

Chairman Grande: The statute now says five years.

Senator Stenehjem: They have the flexibility, they may come back and say they want to keep it for seven years or whatever. They can do what they want.

Ms Fisher: May I make a suggestion, say that we are required to pay dividend on the stock while we hold the stock. Any dividends that are paid while we hold the stock will be applied to the owner.

Senator Stenehjem: I think the end result is the same.

Chairman Grande: I appreciate the amendment, if you will work with Senator Stenehjem. For the record please note that Senator Espegard is present.

Senator Stenehjem: I move that we adjourn.

Chairman Grande: This committee is adjourned.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1066-conference-b

House Judiciary Committee

☒ Conference Committee

Hearing Date 04-09-01

Tape Number	Side A	Side B	Meter #
TAPE II	x		01 to 416
Committee Clerk Signature <i>Joan Delis</i>			

Minutes: Chairman Grande called the conference committee on HB 1066 to order. Note that all six members of the conference committee are present. You have in front of you the Stenehjem amendments, would you go over them with us please.

Senator Stenehjem: Goes over the amendments with the committee that were prepared by the Legislative Council 18083.0302. This would be a good compromise.

Chairman Grande: Could we go on with the amendments on page one line 15. Are we taking any public sale, taking out the electronic or printed and going back to public sale.

Senator Trenbeath: You would not be talking about only County papers, but that is the only one that would be mandated.

Chairman Grande: That is mandated and the rest are optional.

Rep Eckre: I would move the amendments.

Senator Stenehjem: Second.

Page 2
House Judiciary Committee
Bill/Resolution Number HB 1066
Hearing Date 04-09-01

Chairman Grande: Any discussion, the clerk will call the roll, point of clarification, would the Senate have to recede.

Senator Stenehjem: I believe that is what Rep Eckre said, That the Senate recede from its amendments and further amend.

Chairman Grande: we will have a voice vote on the amendments. Motion carries. The clerk will call the roll on the motion.

Senator Stenehjem: I move that we do concur on HB 1066 as amended.

Rep Eckre: Second.

Chairman Grande: The motion is the Senate recede from its amendments and further amend. The motion passes with 6 YES, 0 NO and 0 ABSENT.

Senator Stenehjem: Madam Chair, Senator Trenbeath will carry the bill on the Senate side. Chairman Grande will carry on the House side.

Senator Stenehjem: I move we adjourn.

Rep Kingsbury: Second.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1066

Page 1, line 1, after "to" insert "create and enact section 47-30.1-21.1 of the North Dakota Century Code, relating to credits abandoned stock; and to"

Page 1, after line 4, Insert:

"**SECTION 1.** Section 47-30.1-21.1 of the North Dakota Century Code is created and enacted as follows:

47-30.1-21.1. Crediting of dividends or increments on stock to owner's account. Whenever property in the form of stock is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the stock for as long as the stock is held by the administrator."

Page 1, line 15, remove "electronic or printed"

Page 1, line 16, remove the overstrike over "~~in a newspaper of general circulation in the county in which the property is to~~"

Page 1, line 17, remove the overstrike over "~~be sold~~"

Renumber accordingly

CONFERENCE COMMITTEE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1066 JUD 04-09-01

That the Senate recede from its amendments as printed on pages 1024 and 1025 of the House Journal and page 856 of the Senate Journal and that Reengrossed House Bill No. 1066 be amended as follows:

Page 1, line 1, after "to" insert "create and enact section 47-30.1-21.1 of the North Dakota Century Code, relating to credits abandoned stock; and to"

Page 1, after line 4, insert:

"**SECTION 1.** Section 47-30.1-21.1 of the North Dakota Century Code is created and enacted as follows:

47-30.1-21.1. Crediting of dividends or increments on stock to owner's account. Whenever property in the form of stock is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the stock for as long as the stock is held by the administrator."

Page 1, line 15, remove "electronic or printed"

Page 1, line 16, remove the overstrike over "~~in a newspaper of general circulation in the county in which the property is to~~"

Page 1, line 17, remove the overstrike over "~~be sold~~"

Renumber accordingly

Date: 64-09-01

Roll Call Vote # /

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. *HB-1064*

House Judiciary Committee

☐ Subcommittee on _____

or

☒ Conference Committee

Legislative Council Amendment Number _____

Action Taken Senate recedes from its amendments & further amendments

Motion Made By Rep Eckre Seconded By Stenehjem

[illegible]

Total	(Yes)	No
100	100	0

Absent

Floor Assignment

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

Date: 04-09-01

Roll Call Vote # 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB-1066*

House

Committee

☐ Subcommittee on

or

☒ Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By Sen Stenehjem Seconded By Rep Eckre

[illegible]

Total (Yes)

No

Absent

Floor Assignment

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

REPORT OF CONFERENCE COMMITTEE

HB 1066, as reengrossed: Your conference committee (Sens. Stenehjem, Trenbeath, Espeland and Reps. Grande, Kingsbury, Eckre) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1024-1025, adopt further amendments as follows, and place HB 1066 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1024 and 1025 of the House Journal and page 856 of the Senate Journal and that Reengrossed House Bill No. 1066 be amended as follows:

Page 1, line 1, after "to" insert "create and enact section 47-30.1-21.1 of the North Dakota Century Code, relating to credits abandoned stock; and to"

Page 1, after line 4, insert:

"SECTION 1. Section 47-30.1-21.1 of the North Dakota Century Code is created and enacted as follows:

47-30.1-21.1. Crediting of dividends or increments on stock to owner's account. Whenever property in the form of stock is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the stock for as long as the stock is held by the administrator."

Page 1, line 15, remove "electronic or printed"

Page 1, line 16, remove the overstrike over "~~in a newspaper of general circulation in the county in which the property is to~~"

Page 1, line 17, remove the overstrike over "~~be sold~~"

Renumber accordingly

Reengrossed HB 1066 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE) - 420

07398

(Bill Number) HB-1066 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen Stenehjem
Sen Trenebach
Sen Espgaard

For the House:

Chr Grande
Rep Kingsbury
Rep Eckert

☐ recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 8724/H726 8723/H725
the (Senate/House) amendments on (S/HJ) page(s) _____ - _____

☐ and place HB-1066 on the Seventh order.
727

☐ , adopt (further) amendments as follows, and place
_____ on the Seventh order:

☐ having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/515

((Re)Engrossed) HB-1066 was placed on the Seventh order of business on the
calendar.

DATE: 04/06/01

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE) - 420

07398

(Bill Number) HB-1066 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen Stenehjem
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Sen Espgaard

For the House:

Chr Grande
Rep Kingsbury
Rep Eckre

☐ recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
the (Senate/House) amendments on (80/HJ) page(s) _____

☐ and place 1066 on the Seventh order.

☒ , adopt (further) amendments as follows, and place
1066 on the Seventh order:

☐ having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: 04/09/01

CARRIER: _____

LC NO. 18083 . 0302 of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

2001 TESTIMONY

HB 1066

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North Dakota
STATE LAND DEPARTMENT
1707 N 9th Street
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Robert J. Olheiser
COMMISSIONER

TESTIMONY OF LINDA FISHER
Unclaimed Property Administrator

IN SUPPORT OF
HB 1066
House Judiciary Committee

January 15, 2001

House Bill 1066 was introduced with a three-fold purpose:

- 1) To facilitate discussion regarding paying interest and dividends to unclaimed property owners.
- 2) To request more marketing flexibility in offering tangible unclaimed property (from safe-deposit boxes) for sale to the public.
- 3) To request a reduction in the fees which can legally be charged by unclaimed property "locators" (otherwise known as "helplinders").

SECTION 1. To create and enact section 47-30.1-21 of the North Dakota Century Code.

The North Dakota Uniform Unclaimed Property Act (NDCC 47-30.1) provides for the collection, advertising, and return of property to the individual or business that can provide proof of ownership. Under current state law, remitted principal is held in trust, on behalf of the owner, forever. There is no charge to owners for the recovery of their property.

In 1995, the legislature abolished the requirement that dividends on stock and interest on bonds, earned while the property is in our custody, be paid to owners. There never has been a requirement to pay interest on cash or cash equivalents. Currently, any interest or dividends, earned on property in our custody is distributed to the Common Schools Trust Fund. The simplicity of the current law eliminates the need for our limited staff to maintain detailed tracking for individual owners.

Following are a few statistics that may be relevant to the discussion.

- 1) To date, we have approximately 29,000 unpaid owners on record (approximately 1,150 are stock owners).
- 2) Over the past two fiscal years, the average amount per cash claim paid was \$850.
- 3) Based on the amount of dividends we currently receive on our portfolio, if every active stock owner in our database claimed their property, the average dividend would be \$33.95.

We have submitted a fiscal note on this bill which may generate some questions as well.

Section 2. To amend and reenact section 47-30.1-22 of the North Dakota Century Code.

The Unclaimed Property law currently requires that tangible property, which generally comes from safe-deposit boxes, be sold in an appropriate "city in the state", and that the sale be publicized in that county's "newspaper of general circulation" for three weeks. In response to the increasing popularity of web-based auction sites, it seems financially prudent (for the owners and the Trust) to be able to consider the possibility of utilizing a reputable on-line auction service to dispose of this property. In addition, we are also requesting authority to consider electronic, broad-based advertising in place of (or in addition to) the local county newspaper, which has limited circulation.

Section 3. To amend and reenact section 47-30.1-17 of the North Dakota Century Code.

Along with the increased awareness of unclaimed property laws among the general public, comes an increased interest in the business of "locating" owners. Currently, North Dakota law allows for a locator (also known as an heir-finder) to contract with an unclaimed property owner for 25% of the value of the property. This is in sharp contrast to the fact that owners can currently apply for the property through our office free of charge.

Prior to the onset of Internet "people finders", address books, lineal histories, etc. a locator may have earned the 25% they have been allowed to charge. While we feel there is a place for locators in the world of unclaimed property, we also feel that 25% is an excessive fee under current circumstances.

At the request of the Board of University of School Lands, I respectfully ask for your support of HB 1066.

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www.discovernd.com

TESTIMONY OF LINDA FISHER
Unclaimed Property Administrator

IN SUPPORT OF
Re-engrossed HB 1066
Senate Transportation Committee

March 15, 2001

The North Dakota Uniform Unclaimed Property Act (NDCC 47-30.1) provides for the collection, advertising, and return of property to the individual or business that can provide proof of ownership.

The same Act also provides for the occasional sale of safe deposit box contents by our Department, and makes it permissible for locators/helplfinders to contract with individuals or businesses, for a fee, to help claim funds from our office. It is these two sections of current law that are covered in this bill.

Section 1. To amend and reenact section 47-30.1-22 of the North Dakota Century Code.

The Unclaimed Property law currently requires that tangible property, which generally comes from safe-deposit boxes, be sold in an appropriate "city in the state", and that the sale be publicized in that county's "newspaper of general circulation" for three weeks. In response to the increasing popularity of web-based auction sites, it seems financially prudent to be able to consider the possibility of utilizing a reputable on-line auction service to dispose of this property. In addition, we are also requesting authority to consider electronic, broad-based advertising in place of (or in addition to) the local county newspaper, which has limited circulation.

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Along with the increased awareness of unclaimed property laws among the general public, comes an increased interest in the business of "locating" owners. Currently, North Dakota law allows for a locator (also known as an helr-finder) to contract with an unclaimed property owner for 25% of the value of the property. This is in sharp contrast to the fact that owners can currently apply for the property through our office free of charge.

While we feel there is a place for locators in the world of unclaimed property, we also feel that 25% is an excessive fee under current circumstances.

At the request of the Board of University of School Lands, I respectfully request "do pass" Committee recommendation on HB 1066.

March 15, 2001

SENATE TRANSPORTATION COMMITTEE
HB 1066

SENATOR STENEHJEM AND COMMITTEE MEMBERS:

My name is Jack McDonald. I am appearing today on behalf of the North Dakota Newspaper Association. We oppose the portion of the bill that introduces electronic posting of public notices and ask that you support our proposed amendment to keep the law as it is now regarding public notice of this abandoned property sale.

The purpose behind public notices is to notify the public of what its government is doing. In this instance, the state wants to notify as many potential purchasers as possible about the proposed sale. Every survey we conduct shows that the percentage of readership of North Dakota newspapers, and of legal advertising, is extraordinarily high. What proof do we have about the readership of electronic postings?

What about costs to the public? The cost to subscribe to a newspaper is much less than costs necessary to access the Internet. A minimum start-up investment can range from \$500 to \$1,500 for hardware and software, plus \$15 to \$20 a month for access fees. Newspapers are accessible to all North Dakotans at a much lower cost to citizens.

There is no comparison to having public notices packaged in a mainstream product containing relevant, useful and timely community information (news, sports, grocery ads, classifieds, etc.) delivered to your doorstep or mailbox to trying to access public notices through a computer (turning on the computer, dialing an ISP, remembering a specific URL to find the site and scrolling through a computer screen just to see if a public notice has appeared).

Do we really want government in the business of having sole responsibility and control over the posting of its own public notices? When a newspaper publishes a public notice, in effect the newspaper is acting in the role of a third-party verifier or auditor of the notice. The newspaper is responsible for preparing the notice for print and is responsible for signing a sworn affidavit of publication for every public notice published. Once the legal notice has been published in print, it's permanent. Allowing the government to put notices on the Web rather than publish them in the newspaper removes those critical verification and auditing roles. The stability of newspapers as a medium for public notices is unquestioned. For decades – centuries – in the United States, newspapers which have met government-set publication requirements have been able to guarantee citizens reliable access to vital information about their government. The Internet is all about change and instability. Is this where we want to put the most important messages of government? We think the answer is no.

We respectfully request you adopt our proposed amendments on the reverse side of this testimony. If you have any questions, I'd be glad to try to answer them.
THANK YOU FOR YOUR TIME AND CONSIDERATION.

(OVER)

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL 1066

On page 1, line15, delete "electronic or printed"

On page 1, line16, delete the overstrikes

On page 1, line17, delete the overstrikes

Renumber accordingly

**TESTIMONY BEFORE THE
SENATE TRANSPORTATION COMMITTEE**

HB 1066

March 15, 2001

CHAIRMAN STENEHJEM AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before the committee today. My name is Roger Bailey and I represent the 10 daily and 78 weekly newspapers that are publishing in North Dakota today.

On behalf of the newspapers of North Dakota, I am requesting your support of the amendment to HB 1066 which would eliminate reference to electronic publishing of public notices.

For more than 100 years, the people of North Dakota have traditionally relied on their community newspaper as the purveyor of public notices. It's where they expect to find the information they need on the many aspects of government that touch their lives.

The newspaper industry believes that newspapers are the most reliable vehicle for transmitting public notices. Newspapers don't "crash" newspapers are not subject to "hackers" and newspapers have a reliable record of publishing their daily or weekly editions even in times of floods and other disasters.

Electronic notices would be difficult to verify. There would be no easy archival history to government actions as there is with newspapers. Years from now, any person could go to a newspaper file and read of action taken by a government agency.

Electronic public notices would be difficult for the residents of North Dakota to locate. Everyone in North Dakota easily recognizes the newspaper – far fewer recognize what I recently heard my father-in-law call "this www business." He and many others like him would be shutout of this important part of the government process if public notices were not included in the newspaper. Electronic public notices will disenfranchise many of the elderly and many of the people who do not have access to the Internet. Endorsing the first government agency to utilize electronic public notices will likely escalate to other government agencies with the ultimate end being an less-informed public.

My father-in-law – one of the smartest people I've ever known in my life but a man who doesn't have and never will have a computer, – and I, thank you for voting for the amendment eliminating the use of electronic public notices.

If you have any questions, I will try to answer them.