

**Senate Political Subdivisions Committee  
Hearing on SB 2285**

Testimony from North Land Title Association

Nick Hacker – Legislative Chair

[nick@thetitleteam.com](mailto:nick@thetitleteam.com)

(240) 688-2210

Chairman Burckhard, Members of the Committee, my name is Nick Hacker with the North Dakota Land Title Association as well as President of North Dakota Guaranty and Title Co.

Our industry provides abstracting, title insurance and real estate closing services in every county of the state. A part of these services is to ensure buyers acquire real property as they expect, free and clear of liens and with knowledge of known encumbrances or easements.

Our abstracting services provide a compilation of documents recorded against a specific piece of property through a search of the real estate records by an Abstracter which is written in a brief concise format. These concise descriptions of the documents affecting the property are called abstract entries. The cost of an abstract entry is governed by state statute at \$15 per entry. The primary use of abstracts is for North Dakota attorneys to determine the condition of title and what needs to occur to ensure title is marketable to a buyer or lender.

Included in the attorney's examination is a review of all easements affecting the property. An easement is the legal right to use another person's real property, generally in order to cross a part of the property or to gain access. Many times, these are useful to the property owners such as a shared driveway, delivery of rural water, power, gaining physical access to a public road or to simply receive cable services. Sometimes easements may be to the detriment of the owner, in these cases the grantor of the easement is almost always compensated for granting the easement.

As abstractors, our job is to provide what has been recorded against the property to the requesting party. The requesting party could be an attorney, bank, buyer, or seller. The bill before you changes who we charge for our services, by statute, and requires us to bill the beneficiary of the easement which could be a city, county, private individual, utility, pipeline company, water system, cable company and beyond with a \$15 invoice for the abstract entry.

This bill will result in thousands of \$15 invoices being sent to unsuspecting entities who are not related to the transaction as well as significant undue hardship on small

abstracting businesses to find, invoice and collect for a service that was ordered by someone else. This is all part of ensuring the buyer has knowledge of the easement affecting the land they are contemplating to purchase.

In the case of a buyer and seller, these costs are negotiated in the purchase and sale contract, again the easement holder is not a party to the transaction. Additionally, we are a table funding state, which means when a real estate closing occurs, all costs and fees are paid for at the closing table. This bill could put abstract companies in a position of trying to collect \$15 invoices from entities with an easement that could take months to find and collect, in turn, causing unnecessary delays to real estate closings.

Please give this bill a do not pass recommendation.

Thank you.