

**House of Representatives Judiciary Committee
Hearing on HB 1271**

Testimony from North Land Title Association

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Chairman Klemin and Members of the Committee, my name is Nick Hacker with the North Dakota Land Title Association.

Our industry provides abstracting, title insurance and real estate closing services in every county of the state. Our job is to ensure buyers acquire real property free and clear of liens and to protect lenders regarding their mortgage.

Quit claim deeds are a common and efficient tool used by many property owners in North Dakota. These deeds allow for the transfer of property without the warranties or guarantees often associated with other types of deeds, making them an essential tool for various legitimate transactions. Many property owners rely on quit claim deeds for straightforward transfers, such as family estate planning, resolving title issues, and facilitating transfers between co-owners.

House Bill 1271 introduces requirements that would complicate these transfers and make it more difficult for individuals to manage their property rights.

As closing professionals, we rely on attorneys to interpret the law and ultimately the status of title. The use of a quit claim deed to cure a title defect can be arbitrary and up for interpretation if a defect exists which results in using this tool out of an abundance of caution. This bill would put us in a position of having to make a determination if a defect exists which increases our risk and would result in requiring property owners to go through unnecessary and expensive legal hurdles such as quiet title actions.

Quit claim deeds are used when transactions are not at arm's length so they should not be used for the basis of assessment or valuation. The value is something other than what can be measured financially.

We urge the committee to consider the implications and unintended consequences of House Bill 1271. Please give this bill a do not pass the recommendation.

Thank you.