

SIXTIETH BIENNIAL REPORT

July 1, 2011 - June 30, 2013



SECRETARY OF STATE
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Acknowledgments

This is the eleventh biennial report prepared under my administration. It was prepared with the support and assistance provided by the personnel in the office of Secretary of State. I am appreciative for their help.

In particular, I am grateful for the assistance provided by Beth Herzog, Public Information Specialist, for gathering, proofreading, and preparing the information used in this report.

In addition, the following individuals provided invaluable specific assistance: Clara Jenkins, Executive Staff, Business Systems Director; Mary Feist, Executive Staff, Operational Management Director; Renae Bloms, Executive Staff, Accounting/Notary Director; Lori Feldman, Central Indexing System Unit Lead; Lee Ann Oliver, Elections Specialist; Jim Silrum, Deputy Secretary of State; and Linda Gregoryk, Information Specialist I.

Alvin A. Jaeger
Secretary of State

Affidavit of Secretary of State

STATE OF NORTH DAKOTA)
) SS
COUNTY OF BURLEIGH)

Alvin A. Jaeger, after being first duly sworn and under the pains and penalties of perjury, deposes and says:

1. That he is the duly elected Secretary of State for the State of North Dakota and makes this affidavit in his official capacity.
2. That pursuant to N.D.C.C. § 54-09-02(9), he is required to biennially report to the Governor all moneys received from any source for services performed and accompany such report with a detailed statement under oath of the manner in which the appropriations for his office have been expended during the preceding two fiscal years.
3. That attached hereto and expressly incorporated by reference herein is a Statement of Revenues, Appropriations, and Expenditures, which detail the manner in which the appropriations for his office have been expended during the previous two fiscal years.
4. That the attached Statement of Revenues, Appropriations, and Expenditures is derived from the official books and records maintained by the Office of Secretary of State for the previous two fiscal years.
5. That to the best of affiant's knowledge, information, and belief, the attached Statement of Revenues, Appropriations, and Expenditures is a true and accurate statement of the manner in which the appropriations for his office has been expended during the previous two fiscal years as contemplated by N.D.C.C. § 54-09-02(9).

FURTHER AFFIANT SAYETH NOT.

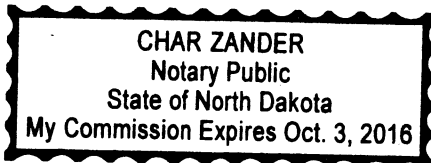


Alvin A. Jaeger
Secretary of State

Subscribed and sworn to before me this
12th day of November, 2013.



NOTARY PUBLIC



Chapter One

Constitutional, Statutory, and Legislative Authority

The origin of the Secretary of State's office begins prior to North Dakota's admittance to the union as a state on November 2, 1889. On March 2, 1861, the Congress of the United States adopted The Organic Law, which established the Territory of Dakota. Section three of that law prescribed there would be a secretary of the territory. The term of office was four years, unless sooner removed by the President of the United States. The duties of the secretary were to record and preserve all the laws and proceedings of the legislative assembly, the acts and proceedings of the Governor, and many other duties, which are very similar to those mandated in present day law to the Secretary of State.

The office, as known today, was established in Article V, Section 12, of the Constitution of North Dakota when the state's citizens adopted it on October 1, 1889. In that election, 35,548 electors cast their ballot, with 27,441 voters (77%) voting in favor of its adoption and 8,107 voters (23%) opposed.

Presently, the office of Secretary of State is authorized in Article V, Section 2, of the North Dakota Constitution (as amended by the voters June 11, 1996, and as amended by the voters June 13, 2000). The duties of the Secretary of State are defined in various parts of the state's constitution, in numerous state statutes, and within the agency's administrative rules.

In the state's constitution, the duties of the Secretary of State appear in Article III, related to the initiative and referral powers of the people; Article IV, Section 12, related to selecting the elected person by a toss of a coin if two or more legislative candidates have an equal and highest number of votes; Article IV, Section 13, related to the filing of legislative bills; Article V, Section 5, related to the term of office for the Secretary of State; Article V, Section 11, related to succession in the event of a vacancy in the office of Governor and Lieutenant Governor; Article IX, Section 3, related to membership on the Board of University and School Lands; and Article X, Section 17, related to the certificates regarding bonds or evidence of indebtedness on the part of the state.

In the North Dakota Century Code (state law), the general duties of the Secretary of State are established in Chapter 54-09; in Title 10 as they pertain to various business structures, e.g., registered agents, corporate and limited liability company farming, electric cooperative corporations, cooperative associations, business corporations, development corporations, venture capital corporations, community development corporations, professional organizations, limited liability companies, nonprofit corporations, real estate investment trusts, and publicly traded corporations; in Title 16.1 as they relate to elections; in Title 35 as they relate to liens, e.g., agister's, agricultural processor's, and agricultural supplier's; in Title 41 as they relate to the uniform commercial code; in Chapter 43-07 related to contractors; in Chapter 43-54 related to home inspectors; in Chapter 43-55 related to professional employer organizations; in Title 45 as they pertain to general partnerships, limited partnerships, limited liability partnerships, and limited liability limited partnerships; in Chapter 50-22 related to charitable solicitation; in Chapter 53-01 related to commissioner of combative sports, i.e., boxing and mixed fighting styles; in Chapter 54-02-01 related to the state's Great Seal; in Chapter 54-05.1 related to lobbying of the legislature and Governor; and in various other sections related to miscellaneous duties.

Under both the provisions of the Constitution and the North Dakota Century Code, the Secretary of State serves on the following boards, commissions, and advisory committees:

Board of University and School Lands (North Dakota Constitution, Article IX, Section 3)

Emergency Commission (also serves as secretary of the commission) (N.D.C.C. § 54-16-01)

State Historical Board (N.D.C.C. § 55-01-01)

State Canvassing Board (N.D.C.C. § 16.1-15-33)

Theodore Roosevelt Rough Rider Award (N.D.C.C. § 54-02-07)

Chapter Two

Term of Office and Listing of Secretaries

When the North Dakota Constitution was adopted in 1889, the term of the office for the Secretary of State was two years in length. Beginning in 1965, along with several other constitutional statewide elected officials, the term of office for the Secretary of State was extended to four years. This change occurred when voters approved Measure # 5, which appeared on the ballot in the June 30, 1964, election. In that election, 115,393 electors cast a ballot with 60,099 voters (52%) voting in favor of the measure and 55,294 voters (48%) who were opposed.

The next change in the term of office occurred on June 13, 2000, when the voters approved Measure # 2. This measure moved the election of four constitutional offices (Secretary of State, Attorney General, Tax Commissioner, and Commissioner of Agriculture) to the non-presidential election year cycle. To establish the new cycle, these four constitutional offices were elected to a term of two years in the 2004 general election. In the 2006 general election and every four years thereafter, these four positions reverted to a term of four years. The vote for Measure # 2 in 2000 was 49,391 voters (62%) voting in favor of the change and 30,431 voters (38%) who were opposed to the change.

North Dakota Secretaries of State

John Flittie.....	1889-1892
Christian M. Dahl	1893-1896
Fred Falley	1897-1900
Edward F. Porter.....	1901-1906
Alfred Blaisdell	1907-1910
Patrick D. Norton.....	1911-1912
Thomas Hall *	1913-1924
Robert Byrne	1925-1934
James D. Gronna.....	1935-1940
Herman Thorson	1941-1942
Thomas Hall *	1943-1954
Ben Meier.....	1955-1988
Jim Kusler	1989-1992
Alvin A. Jaeger	1993-present

* Served at two different times

Additional information regarding previous Secretaries may be obtained from the 1989, 1995, 1997-1999, 1999-2001, 2001-2003, 2003-2005, 2005-2007, 2007-2009, 2009-2011, 2011-2013, and 2013-2015 editions of the *North Dakota Blue Book*. They are available for viewing and searching on the Secretary of State's website at www.nd.gov/sos.

Chapter Three

Duties of Office

The following duties for the Secretary of State are prescribed in Section 54-09 and other sections of the North Dakota Century Code:

1. Custodian of the Great Seal of North Dakota and other original state documents;
2. Attests the signature of the Governor on official acts and maintains a register for them;
3. Serves as a member of and secretary to the Emergency Commission; is a member of the Board of University and School Lands; is a member of the State Historical Board; and is a member of and secretary to the State Canvassing Board (elections);
4. Concurs with the Governor's selection for the Theodore Roosevelt Rough Rider Award;
5. Serves as the Commissioner of Combative Sports governing boxing and mixed fighting styles events;
6. Distributes the North Dakota Century Code, the North Dakota Administrative Code and its supplements, and the North Dakota Session Laws books;
7. Biennially publishes and distributes the *North Dakota Blue Book*;
8. Receives and files original copies of legislative bills and resolutions;
9. Distributes copies of legislative resolutions as prescribed by law and as directed by the legislature;
10. Serves as the state's chief election officer;
11. Prescribes the form and content of statewide election ballots;
12. Files campaign finance disclosure reports of statewide candidates, political parties, district political parties, political committees, political action committees (PAC), and measure committees;
13. Certifies the names of persons elected to each chamber of the Legislative Assembly;
14. Receives and files petitions for initiated, constitutional, and referred measures;
15. Files oaths of office for legislative, judicial, and executive officials;
16. Issues certificates of registration to lobbyists;
17. Licenses contractors, registers charitable organizations and home inspectors;
18. Commissions notaries public;
19. Completes service of process as required by law;
20. Files uniform commercial code (UCC) documents, various agricultural liens, and other miscellaneous liens;
21. Maintains the central indexing system and its network link to the state's fifty-three County Recorders (name changed from Register of Deeds, effective August 1, 2001);
22. Administers the Registered Agents Act;
23. Registers trademarks and trade names, partnership fictitious name certificates, real estate investment trusts, limited partnerships, limited liability partnerships, limited liability limited partnerships, and professional employer organizations;
24. Files and records articles of incorporation related to domestic and foreign business corporations, publicly traded corporations, domestic and foreign nonprofit corporations, state banks, credit unions, lodges and fraternal organizations, mutual aid cooperatives, and cooperatives;
25. Files and records articles of organization related to domestic and foreign limited liability companies;
26. Receives annual reports from various business entities as prescribed by state law; and
27. Keeps records of organized cities as prescribed by law.

Chapter Four

Office of Secretary of State

Mission Statement

This office will:

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.

(Adopted 1993)

Chapter Five (A)

Organization of Office

As provided for in the North Dakota Constitution, the Secretary of State has an overall responsibility to execute the duties and functions of the office. To assist, the Secretary of State may appoint a Deputy (N.D.C.C. § 44-03-01 and N.D.C.C. § 1-01-11). In addition, the Secretary of State is authorized to hire one principal assistant (N.D.C.C. § 54-44.3-20(1)). The positions of Deputy and Executive Assistant are non-classified positions and the appointees serve at the will of the Secretary.

The Secretary appointed I. James (Jim) Silrum, Deputy Secretary of State, effective November 17, 2003.

Appointed August 1, 1995, Kim N. Shaw is the Secretary of State's Executive Assistant.

The organizational structure for the office divides the functional duties of the office into several operating units. During the biennium, the office was authorized twenty-seven classified full-time employees and three (including the Secretary of State) non-classified full-time employees. It is also authorized one full-time position, which is federally funded, to assist with the administration of the Help America Vote Act of 2002 and election related duties. The units are as follows:

Accounting/Notary Unit

Administrative/Licensing Unit

Business Registration Unit

Business Information Unit

Central Indexing Unit (UCC/CNS)

Communications and Information Unit

Elections Unit

Chapter Five (B)

Personnel in Office of the Secretary of State

(As of June 30, 2013)

Alvin (Al) A. Jaeger
Secretary of State

Jim Silrum
Deputy Secretary of State

Kim N. Shaw
Executive Assistant

Executive Directors

Clara Jenkins, Business Systems Director
Business Analyst II
Mary Feist, Operational Management Director
Executive Staff Officer
Renaë Bloms, Accounting/Notary Director
Account/Budget Specialist III

Accounting/Notary Unit

Shelia Goehring
Accounting/Budget Specialist I
Charlotte Zander
Account Technician II

Administrative/Licensing Unit

Vicky Miner
Office Assistant III
Michelle Peterson
Administrative Assistant I
Pamela Miller
Administrative Assistant I

Business Registration Unit

Susan Rask, Unit Lead
Administrative Staff Officer I
Nancy Schlosser
Administrative Assistant II
Tina Triebwasser
Administrative Assistant II
Sandi Kopp
Administrative Assistant II
Barbara Plum
Administrative Assistant II

Business Information Unit

Darcy Hurley, Unit Lead
Administrative Staff Officer I
Lucille Van Dame
Office Assistant III
Reyne White
Office Assistant III
Tina Deckert
Office Assistant III
Julie Fredericksen
Office Assistant III
Sheree' Holzworth
Office Assistant III

Central Indexing Unit (UCC/CNS)

Lori Feldman, Unit Lead
Administrative Staff Officer I
Allison Schumacher
Office Assistant III
Jan Storhaug
Office Assistant III
Kathy Dietz
Office Assistant III

Communications and Information Unit

Linda Gregoryk
Information Center Specialist I
Beth Herzog
Business Communication Specialist

Elections Unit

Lee Ann Oliver
Administrative Staff Officer I
Justin Anderson, Election Administration
System Manager
Administrative Staff Officer I

Chapter Six (A)

Appropriations

During the 1991-1993 biennium, the budget for the Secretary of State included appropriations for both General Funds and Special Funds. Although appropriations for a Special Fund are based on projected revenue, the expenditures from the fund cannot exceed the actual amount of revenue received. In the 1991-1993 biennium, the agency's Special Fund was directly related to the operations of the Central Indexing System (CIS).

The 1993 Legislative Assembly eliminated the CIS Special Fund from the Secretary of State's budget when approving the agency's appropriation for the 1993-1995 biennium. Consequently, the agency was totally funded with General Fund dollars, which practice was continued in the appropriations approved for the agency by the 1995 and 1997 Legislative Assemblies.

Subsequently, the 1999 Legislative Assembly approved the creation of a special fund identified as the General Services Operating fund for the agency beginning with the 1999-2001 biennium (1999 Session Laws, Chapter 24). The creation of this fund allowed the Secretary of State's office to retain revenue received from the sale of services and products provided by the agency's Central Indexing, Business Registration, and Business Information Units (N.D.C.C. § 54-09-08). At the end of each biennium, the Secretary of State transfers any un-obligated revenue in excess of \$75,000 from the agency's General Services Operating fund to the state's General Fund, unless designated otherwise by the legislature.

Legislative Appropriation

The 2011 Sixty-second Legislative Assembly's appropriation for the Secretary of State's office for the 2011-2013 biennium was contained in Senate Bill 2002. The gross total appropriated line items in effect on July 1, 2011, were as follows:

	<u>Amount Appropriated</u>
<u>Subdivision 1</u>	
Salaries and Wages	\$ 3,423,343
Operating Expenses	6,164,989
Petition Review	8,000
Election Reform	<u>6,206,812</u>
Subtotal for Subdivision 1	\$ 15,803,144
<u>Subdivision 2</u>	
Public Printing (see Chapter 12)..... (General Funds – \$310,000)	<u>310,000</u>
Gross Spending Authority	\$ <u>16,113,144</u>
Appropriation by Source – General Fund	\$9,326,160
Appropriation by Source – General Services Operating Fund	730,172
Appropriation by Source – Federal	6,056,812
Total Funding by Source	\$ <u>16,113,144</u>

Adjustments Made to Original Appropriation During Biennium

Adjustment #1 – According to the provisions of N.D.C.C. § 54-09-08, the Secretary of State's office was allowed to carry over the balance of the general services operating fund up to \$75,000. Therefore, the operating line was increased by \$75,000.

Adjustment #2 – According to SB 2002, Section 4 Exemption, the unexpended and unobligated balance in the Secretary of State's general services operating fund is not subject to the provisions of N.D.C.C. § 54-09-08 and is available to be expended for the migration project. Therefore, the operating line was increased by \$27,526.25.

Adjustment #3 – According to the provision of N.D.C.C. § 54-44.1-11, subsection 6, the Secretary of State's office was allowed to carry over the remaining balance of the funds allocated for the migration project. Therefore, the operating line was increased by \$78,000.

Adjustment #4 – On September 12, 2011, the Emergency Commission approved Request #1778 to transfer spending authority from the operating line to the salary line in the amount of \$175,000. The budget section committee approved this request on September 15, 2011.

Adjustment #5 – On June 12, 2012, the Emergency Commission approved Request #1799 to transfer spending authority from the operating line to the salary line in the amount of \$295,000. The budget section committee approved this request on June 19, 2012.

Adjustment #6 – On September 10, 2012, the Emergency Commission approved Request #1805 to increase spending authority in the petition review line by \$15,000.

Adjustment #7 – On September 10, 2012, the Emergency Commission approved Request #1806 to increase special fund spending authority in the salary line by \$196,000. The budget section committee approved this request on September 20, 2012.

Agency Appropriation After Preceding Adjustments

	<u>Amount Appropriated</u>
<u>Subdivision 1</u>	
Salaries and Wages.....	\$ 4,089,343
Operating Expenses	5,797,515
Petition Review	23,000
Election Reform	6,206,812
Technology Carryover	<u>78,000</u>
Subtotal for Subdivision 1	\$ 16,194,670
<u>Subdivision 2</u>	
Public Printing (see Chapter 12).....	<u>310,000</u>
(General Funds – \$310,000)	
Gross Spending Authority.....	<u>\$ 16,504,670</u>
Appropriation by Source – General Fund	\$ 9,419,160
Appropriation by Source – General Services Operating Fund	1,278,698
Appropriation by Source – Federal.....	5,806,812
Total Funding by Source.....	<u>\$ 16,504,670</u>

Chapter Six (B)

Revenue

The Office of the Secretary of State generates revenue for the state's General Fund and its General Services Operating fund in a variety of ways. The specific manner by which revenue is generated has been summarized in the several chapters contained within this report relating to the various units within the office. For the biennium covered by this report, the revenue was as follows:

General Fund Revenue

Administration.....	\$	100
Business Registration/Information.....		7,484,382
Central Indexing System		1,887,220
Elections		10,689
Licensing		<u>2,392,181</u>
Subtotal	\$	11,774,572

General Services Operating Fund Revenue

Business Registration/Information.....	\$	191,084
Central Indexing System		408,361
Licensing		<u>2,369</u>
Subtotal	\$	601,814
Combined Subtotals		<u>\$ 12,376,386</u>
Public Printing (see Chapter 12)	\$	8,159
Subtotal		<u>8,159</u>
Gross Revenue.....		<u><u>\$ 12,384,545</u></u>

Chapter Six (C)

Expenditures

	Adjusted Appropriation	Expenditures	Balance Remaining	Unspent Percentage of Subtotal # 1
<u>Subdivision 1</u>				
Salaries.....	\$ 4,089,343	\$ 3,939,755	\$ 149,588	4%
Operating Expenses	5,797,515	4,343,000	1,454,515	25%
Petition Review.....	23,000	22,369	631	3%
Election Reform.....	6,206,812	2,263,394	3,943,418	64%
Technology Carryover	78,000	78,000	0	0%
Subtotal	<u>\$ 16,194,670</u>	<u>\$ 10,646,518</u>	<u>\$ 5,548,152</u>	
Expenditures by Funding Source				
General Funds.....	9,109,160	7,758,124	1,351,036	15%
Special Funds.....	1,278,698	983,478	295,220	23%
Federal Funds	<u>5,806,812</u>	<u>1,904,917</u>	<u>3,901,895</u>	67%
Subtotal	<u>\$ 16,194,670</u>	<u>\$ 10,646,519</u>	<u>\$ 5,548,151</u>	
<u>Subdivision 2 – General Funds</u>				
Public Printing (See Chapter 12)...	<u>\$ 310,000</u>	<u>\$ 261,500</u>	<u>\$ 48,500</u>	16%
Subdivisions 1 and 2				
Gross Total Expenditures	<u>\$ 16,504,670</u>	<u>\$ 10,908,018</u>	<u>\$ 5,596,652</u>	

Funds Returned to State's General Fund

On June 30, 2013, the agency had a remaining gross total of \$1,351,036 in unexpended general fund appropriated dollars. Of this amount, \$1,351,035 was approved to be carried over to the 2013-2015 biennium to support the Secretary of State's ongoing technology project for general office operations.

The agency's gross total return to the state's general fund from its 2011-2013 appropriation was \$48,501.

Chapter Six (D)

SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES - BIENNIAL HISTORY

	2001-2003	2003-2005	2005-2007	2007-2009	2009-2011	2011-2013
REVENUE – General Fund						
Administration	\$ 787	\$ 78	\$ 5,936	\$ 5,141	\$ 3,575	\$ 100
Business Registration	3,345,569	3,755,522	4,108,520	4,674,201	5,376,656	7,484,382
Central Indexing UCC/CNS..	1,650,205	1,581,727	1,595,530	1,536,360	1,676,308	1,887,220
Licensing	870,743	944,749	1,098,565	1,198,373	1,463,473	2,392,181
Elections.....	1,856	7,032	6,634	18,507	9,887	10,689
Subtotal.....	\$ 5,869,160	\$ 6,289,108	\$ 6,815,185	\$ 7,432,582	\$ 8,529,899	\$ 11,774,572
REVENUE – General Services Operating Fund						
Business Registration/Info ...	\$ 103,198	\$ 115,840	\$ 134,290	\$ 136,085	\$ 133,724	\$ 191,084
Central Indexing	268,260	284,140	318,229	361,863	380,866	408,361
Licensing	410	0	1,926	1,424	1,118	2,369
Elections.....	0	1,325	0	17,125	0	0
Subtotal	\$ 371,868	\$ 401,305	\$ 454,445	\$ 516,497	\$ 515,708	\$ 601,814
Public Printing (General Fund)	36,670	25,832	19,383	15,728	13,153	8,159
Total Revenue	<u>\$ 6,277,698</u>	<u>\$ 6,716,245</u>	<u>\$ 7,289,015</u>	<u>\$ 7,964,807</u>	<u>\$ 9,058,760</u>	<u>\$ 12,384,545</u>
APPROPRIATIONS						
Salaries	\$ 2,120,200	\$ 2,153,618	\$ 2,354,114	\$ 2,716,079	\$ 3,262,138	\$ 4,089,343
Operating Expenses.....	2,148,290	2,070,226	2,174,561	2,981,097	3,274,450	5,797,515
Capital Assets	0	0	15,000	0	0	0
Equipment	8,445	0	0	0	0	0
Petition Review	12,000	8,000	8,000	8,000	8,000	23,000
Central Indexing System	21,000	0	0	0	0	0
Election Reform.....	150,000	9,578,364	9,684,728	5,520,000	8,712,528	6,206,812
BND Loan.....	0	0	0	2,920,000	3,400,698	0
Technology Carryover.....	0	0	0	0	0	78,000
Subtotal.....	\$ 4,459,935	\$ 13,810,208	\$ 14,236,403	\$ 14,145,176	\$ 18,657,814	\$ 16,194,670
Public Printing	502,666	336,000	327,000	303,500	337,000	310,000
Total Appropriations	<u>\$ 4,962,601</u>	<u>\$ 14,146,208</u>	<u>\$ 14,563,403</u>	<u>\$ 14,448,676</u>	<u>\$ 18,994,814</u>	<u>\$ 16,504,670</u>
EXPENDITURES						
Salaries	\$ 2,018,802	\$ 2,121,564	\$ 2,343,512	\$ 2,691,506	\$ 3,240,403	\$ 3,939,755
Operating Expenses.....	11,880,540	2,020,947	2,174,211	2,966,557	2,905,002	4,343,000
Capital Assets	0	0	14,044	0	0	0
Equipment	8,148	0	0	0	0	0
Petition Review	6,127	3,821	4,411	7,795	5,146	22,369
Central Indexing System	21,000	0	0	0	0	0
Election Reform.....	26,636	4,278,705	5,716,341	2,009,364	2,574,673	2,263,394
BND Loan.....	0	0	0	0	0	0
Technology Carryover.....	0	0	0	0	0	78,000
Subtotal	\$ 3,961,253	\$ 8,425,037	\$ 10,252,519	\$ 7,675,222	\$ 8,725,225	\$ 10,646,518
Public Printing	416,832	318,082	243,837	266,465	292,201	261,500
Total Expenditures	<u>\$ 4,378,085</u>	<u>\$ 8,743,119</u>	<u>\$ 10,496,356</u>	<u>\$ 7,941,687</u>	<u>\$ 9,017,426</u>	<u>\$ 10,908,018</u>

Chapter Six (E)

Audit

On May 9, 2013, the Office of the State Auditor transmitted to this office the results of a financial and compliance audit for the two-year period ending June 30, 2012. The State Auditor made the following findings and recommendations (both the questions and the auditor's answers (italicized) are quoted directly from the report):

Responses to Legislative Audit and Fiscal Review Committee (LAFRC) Audit Questions

1. What type of opinion was issued on the financial statements? *Financial statements were not prepared by the Secretary of State in accordance with generally accepted accounting principles so an opinion is not applicable. The agency's transactions were tested and included in the state's basic financial statements on which an unqualified opinion was issued.*
2. Was there compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning? *Yes*
3. Was internal control adequate and functioning effectively? *Yes*
4. Were there any indications of lack of efficiency in financial operations and management of the agency? *No*
5. Has action been taken on findings and recommendations included in prior audit reports? *There were no recommendations included in the prior audit report.*
6. Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses. *No, a management letter was not issued.*

LAFRC Audit Communications

1. Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions. *There were no significant changes in accounting policies, no management conflicts of interest were noted, no contingent liabilities were identified or significant unusual transactions.*
2. Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates. *The Secretary of State's financial statements do not include any significant accounting estimates.*
3. Identify any significant audit adjustments. *Significant audit adjustments were not necessary.*
4. Identify any disagreements with management, whether or not resolved to the auditor's satisfaction relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements. *None.*
5. Identify any serious difficulties encountered in performing the audit. *None.*
6. Identify any major issues discussed with management prior to retention. *This is not applicable for audits conducted by the Office of the State Auditor.*
7. Identify any management consultations with other accountants about auditing and accounting matters. *None.*
8. Identify any high-risk information technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six audit report questions to be addressed by the auditors are directly related to the operations of an information technology system. *ConnectND Finance, Human Resource Management System (HRMS), and the AS400 (Business Registration and Accounting System) are high-risk information technology systems critical to the Secretary of State.*

Chapter Seven

Accounting/Notary Unit

The unit is responsible for the accounting and payroll functions of the agency, the commissioning of notaries public and the issuance of certifications and apostilles (for countries included in the Hague Convention).

Notaries Public

Under N.D.C.C., Chapter 44-06, the Secretary of State commissions notaries public. The term of office for a notary is six years unless sooner revoked by the Secretary of State. Notaries may administer oaths and perform all other duties required by law anywhere within the state. A notary public must be at least 18 years of age, be a United States citizen, and be a state resident, or have a place of employment in North Dakota if he or she is a resident of a county in a bordering state. There were 13,873 notary commissions in effect on June 30, 2013. During the biennium, there were 5,130 new or renewal commissions issued. To educate and maintain contact, the *Notary Notes* newsletter was mailed to the notaries in July 2011 and September 2012.

The 2011 Sixty-second Legislative Assembly adopted HB 1136 (2011 Session Laws, Chapter 334), which created an entirely new chapter in the Century Code related to notarial acts. It was based on a recommended uniform law draft from the National Conference of Commissioners on Uniform State Laws. North Dakota was the first state to adopt it. The bill became effective August 1, 2011.

Apostille

Most often, an apostille is issued by the Secretary of State to confirm the commission of notaries public. This certificate is attached to documents intended for use in foreign countries. It certifies the authenticity of the signature and the capacity in which the person signing the document has acted. During the biennium, the Secretary of State completed 1,010 apostille requests.

Chapter Eight

Administrative/Licensing Unit

This unit has a multitude of responsibilities and duties. They range from filing documents of the legislature to the regulation of boxing and mixed fighting styles. Most of the revenue generated by this unit is from the collection of fees related to the issuance of contractor licenses, registration of charitable organizations, and registration of lobbyists. The details of these functions are as follows:

Commissioner of Combative Sports (formerly State Athletic Commissioner)

According to Chapter 53-01 of the state's Century Code, the Secretary of State is the commissioner of combative sports and administers matters relating to the regulation of boxing, kickboxing, sparring and, as of July 1, 2005, mixed fighting style competition. The Secretary of State may appoint a commission of combative sports to assist and advise the commissioner in the administration of the duties of the position.

The commission of combative sports has nine members. They are appointed by the Secretary of State and have terms of three years. Each year, three members are newly appointed or re-appointed to the board. This process provides for continuity from year-to-year as the members assist and advise the commissioner.

The first state athletic commission was created by the legislature in 1935 with House Bill 213 (1935 Session Laws, Chapter 91). The commission included the Commissioner of Labor and Agriculture, a practicing physician and a practicing attorney appointed by the Governor. Interestingly, the law was specific in stating that not only were the appointees to be citizens of the state, but also of good moral character.

Over the years, the law was changed very little. Then, in 1967, the position of Commissioner of Labor and Agriculture was divided into two separate statewide offices with the Commissioner of Agriculture retaining the duties relating to the athletic commission.

Four years later, in 1971, the Legislative Assembly adopted Senate Bill 2078 and transferred the duties of the athletic commissioner to the Secretary of State and eliminated the three person athletic commission (1971 Session Laws, Chapter 484). However, at the same time, the provisions of the law were such that they did not apply to boxing exhibitions where the net proceeds of the event were devoted to charitable purposes. Consequently, while the law was again modified in 1987 by House Bill 1074 (1987 Session Laws, Chapter 607) and in 1989 by Senate Bill 2184 (1987 Session Laws, Chapter 609), most boxing exhibitions were promoted on behalf of charitable purposes. Therefore, there was no state oversight.

However, that changed in 1991 when major changes were made to the laws governing boxing. In that year, the Fifty-second Legislative Assembly adopted Senate Bill 2411 (1991 Session Laws, Chapter 543), which became effective July 1, 1991. With its passage, the duties of the athletic commissioner became much more defined. The law also allowed for the creation of an athletic advisory board and allowed for a much better response and regulation to the growing boxing activity that was taking place within the state of North Dakota. Since one of the major duties of the athletic commissioner is to ensure the safety of the boxers, the restructured law made those duties easier to administer.

During the 2011 Sixty-second legislative session, SB 2286 was adopted (2011 Session Laws, Chapter 377), which became effective August 1, 2011. The bill changed the title of the position from the State Athletic Commissioner to the Commissioner of Combative Sports, along with changing the name of the Athletic Advisory Board to the Commission of Combative Sports.

Revenue from the issuing of licenses related to the duties of the commissioner is deposited into a special fund as provided for in Section 53-01-09 of the North Dakota Century Code. Licenses are issued to the participants, referees, judges, corner persons, managers, ringside officials, and promoters. The fees collected range from \$10 for a participant to \$100 for a promoter.

During the 2011-2013 biennium, 81 licenses were issued related to the regulation of boxing events.

The following boxing exhibitions were held during the biennium (date, location, and promoter).

January 28, 2012 – Williston, Boris Promotions

April 28, 2012 – Minot, M-NT Native Sports & Entertainment LLC

February 9, 2013 – Fargo, Rapacz Event Promotions LLC

During the 2005 Fifty-ninth legislative session, Senate Bill 2356 (2005 Session Laws, Chapter 464) was adopted, which resulted in a significant addition to the duties of the State Athletic Commissioner (now Commissioner of Combative Sports). The legislation authorized “mixed fighting style competition” and as defined in the law “means an advertised or professionally promoted exhibition or contest for which any type of admission fee is charged and in which the participants who inflict or employ kicks, punches, blows, holds, and other techniques to injure, stun, choke, incapacitate, or disable an opponent. The techniques may include a combination of boxing, kickboxing, wrestling, grappling, or other recognized martial arts.” Although legally described as mixed fighting style, the common vernacular reference is mixed martial arts.

The legislation authorized an advisory board, similar in structure to the boxing advisory board, to advise the Athletic Commissioner specifically on mixed fighting style competition. As adopted in the legislations, these competitions could only occur upon adoption of administrative rules. In order to make sure the rules were the very best they could be, a working group of individuals knowledgeable in the sport and the Secretary of State’s office drafted the rules over a period of several months. The rules, Chapter 72-02.2-02 of the North Dakota Administrative Code, were approved and became effective on October 1, 2006. The first mixed fighting style event under the new law and rules was held on October 7, 2006, in the Bismarck Civic Center.

During the 2011-2013 biennium, 881 licenses were issued related to the regulation of mixed martial arts.

The following mixed fighting styles events were held during the biennium (date, location, and promoter):

September 24, 2011 – Dickinson, Pound Em Productions LLC

October 15, 2011 – Jamestown, Impact Fighting Championship, LLC

October 29, 2011 – Fargo, Impact Fighting Championship, LLC

December 3, 2011 – Bismarck, Impact Fighting Championship, LLC

February 18, 2012 – Fargo, CFX Cage Fighting Xtreme

February 25, 2012 – Valley City, Impact Fighting Championship, LLC

March 31, 2012 – Fargo, MAX Fights LLC

April 14, 2012 – Bismarck, Impact Fighting Championship, LLC

May 19, 2012 – Williston, Ultimate Showdown Association, M.M.A. Fights, Inc

August 25, 2012 – Minot, Golden Cage MMA, LLC

September 8, 2012 – Bismarck, Impact Fighting Championship, LLC

October 13, 2012 – Grand Forks, Dakota Fighting Championships

October 20, 2012 – Jamestown, Impact Fighting Championship, LLC

November 17, 2012 – Fargo, MAX Fights LLC

December 8, 2012 – Bismarck, Impact Fighting Championship, LLC

January 26, 2013 – Fargo, Dakota Fighting Championships

February 2, 2013 – Fort Yates, Dakota Nation’s Young Guns Promotions

March 2, 2013 – Valley City, Impact Fighting Championship, LLC

March 23, 2013 – Fargo, MAX Fights LLC

April 13, 2013 – Bismarck, Impact Fighting Championship, LLC

April 20, 2013 – Fargo, Dakota Fighting Championships

May 5, 2013 – Minot, Golden Cage MMA, LLC

May 18, 2013 – Dickinson, Pound Em Productions LLC

Contractors

According to Section 43-07-02 of the North Dakota Century Code, any person who engages in the business or is acting in the capacity of a contractor within the state is first required to obtain a license from the Secretary of State. This law applies to any single contract or subcontract where the cost, value, or price exceeds the sum of \$2,000. Failure to obtain a contractor's license before commencing contracting related jobs may result in a referral for criminal prosecution to the State's Attorney in the jurisdiction where the violation was committed or action commenced by the North Dakota Attorney General.

By law, a contractor is defined as any person who is engaged in the business of construction, repair, alteration, dismantling, or demolition of bridges, highways, roads, streets, buildings, airports, dams, drainage or irrigation ditches, sewers, water or gas mains, water filters, tanks, towers, oil, gas or water pipelines, and every other type of structure, project, development, or improvement coming within the definition of real or personal property, including the construction, alteration, or repair of property to be held either for sale or rental, and shall include subcontractor, public contractor, and nonresident contractor.

There are four classes of contractor licenses. A holder of a Class A license is not subject to a limitation as to the value of any single contract project. Class B holders cannot have a single contract on a project having a value in excess of \$250,000. For holders of a Class C license, the limit is \$150,000 and Class D licenses are limited to \$50,000. New license application fees are; Class A – \$300; Class B – \$200; Class C – \$150; and Class D – \$50. There were 11,701 contractor licenses in effect on June 30, 2013.

Contractor licenses must be renewed annually by March 1 of each year. Penalties are assessed if the license is not renewed by the due date. If the license is not renewed within ninety days after the renewal date, a contractor must apply again for a new license. Annual renewal fees are; Class A – \$60; Class B – \$40; Class C – \$30; and Class D – \$10.

Charitable Solicitation

Chapter 50-22 of the North Dakota Century Code governs charitable organization soliciting contributions and professional fundraisers. The 2003 Fifty-eighth Legislative Assembly adopted SB 2341 (2003 Session Laws, Chapter 419), which became state law on July 1, 2003, the beginning of the biennium. Working in collaboration with the Attorney General's office, the bill represented a major rewrite and reformatting of the state's law related to charitable solicitation. A major process change was the switch from licensing to the registration of charitable organizations. In addition, the bill gave the Attorney General expanded enforcement tools to pursue violators of the law. Unless a charitable organization or professional fundraiser is first registered with the Secretary of State, the charitable organization or professional fundraiser may not solicit contributions from persons in North Dakota by any means.

Among other requirements, there is an organization registration fee of \$25 and a required financial statement. Each year, the organization must file an annual report, along with a \$10 fee, itemizing, among other categories, revenue, management costs, program services, cost of fundraising, names of professional fundraisers, cost of public education, and employee compensation.

Depending on the violation, a person violating the law is guilty of a Class A misdemeanor or a Class C felony, which are in addition to all other causes of action, remedies, and penalties available to the state.

Duties of the State

The Office of the Secretary of State has the following duties relating to state functions:

- The office records and retains all books, records, deeds, parchments, maps, and papers deposited with the Secretary of State as mandated in the law;
- The Secretary of State attests the official signature of the Governor upon all executive orders, appointments, and other public instruments and then affixes the Great Seal of the State of North Dakota;
- The office maintains a registry of the official acts of the Governor, including proclamations, appointments, executive orders, extraditions, and writs. During the biennium, there were 493 filings of official acts of the Governor;
- The office maintains a record of all conveyances of property made to the state;

- The office files oaths of office and statements of interest of the appointees of the Governor.

Legislative Duties

The Office of the Secretary of State has the following legislative duties:

- Retains two sets of the legislative journals of each house, certifies their receipt, and forwards the additional journals as mandated by legislative rule;
- Receives, records, and stores all books, bills, resolutions, documents, and papers of the legislature as provided for in the law;
- Provides members of the Legislative Assembly with all public documents as provided for in the law, including the North Dakota Century Code and its supplements, session laws of the last legislative session, journals of the last legislative session, the North Dakota Administrative Code and its supplements, and the *North Dakota Blue Book* when it is published;
- Provides members of the Legislative Assembly and legislative committees with copies of any public documents on file with the Secretary of State;
- Distributes laws, resolutions, or other documents of the Legislative Assembly;
- Retains the acts and resolutions of the Legislative Assembly until such time the law allows, then transfers to the State Historical Society;
- Performs such other duties as may be assigned by the Legislative Assembly.

For the 2013 Sixty-third Legislative Assembly, the Secretary of State filed 272 legislative bills originating in the House of Representatives and 233 bills originating in the Senate. The Governor vetoed two House bills and portions of another House bill. Also filed were 24 House Concurrent Resolutions and 17 Senate Concurrent Resolutions, along with a Memorial Resolution from each chamber. The session convened January 8, 2013, and adjourned May 4, 2013.

Lobbyist Registration

According to Section 54-05.1-03 of the North Dakota Century Code, any person who engages in lobbying must first register with the Secretary of State and be given a distinctive lobbyist identification badge. The state's lobbying laws are all inclusive as to who must register as a lobbyist. Any person who, in any manner whatsoever, directly or indirectly, performs any of the following must register as a lobbyist:

- Attempts to secure the passage, amendment, or defeat of any legislation by the Legislative Assembly or the approval or veto of any legislation by the Governor of the state.
- Attempts to influence decisions made by the Legislative Council or by an interim committee of the Legislative Council.

The registration requirement does not apply to the following individuals. All others must register.

- A legislator.
- A private citizen appearing on his or her own behalf.
- An employee, officer, board member, volunteer, or agent of the state or its political subdivisions whether elected or appointed and whether or not compensated, who is acting in that person's official capacity.
- An invited guest of the chairman of the Legislative Council, an interim committee of the Legislative Council, or a standing committee of the Legislative Assembly to appear before the council, interim committee, or standing committee for the purpose of providing information.
- An individual who appears before a legislative committee for the sole purpose of presenting testimony on behalf of a trade or professional organization or a business or industry if the individual is introduced to the committee by the registered lobbyist for the trade or professional organization or the business or industry.

Each individual registered lobbyist must also file a detailed report, including a statement as to each expenditure, if any, of sixty dollars or more expended on any single occasion on any individual, including the spouse or other family member of a member of the legislative assembly or the governor, in carrying out the lobbyist's work or include a statement that no reportable expenditures were made during the reporting period. There is no filing fee if the report is filed after July 1 and on or before August 1. After August 1, a \$25 late filing fee is assessed if the report is filed on or before October 1. For reports filed after October 1, the late filing penalty increases to \$50.

When registering as a lobbyist, the registrant must give his or her full name, address, and the name and address of each person or persons, corporations, associations, groups, or organizations on whose behalf he or she will appear. The registrant must also provide a letter of authorization from those he or she represents.

There were 162 lobbyists registered for the registration year July 1, 2011 to June 30, 2012, representing 288 organizations. From July 1, 2012 through June 30, 2013, there were 574 lobbyists registered representing 942 organizations. More lobbyists are registered during the twelve-month registration cycle that includes a legislative session.

Miscellaneous Duties

Athlete Agents: During the 2003 Legislative Assembly, SB 2157 (2003 Session Laws, Chapter 81) was adopted. This bill enacted the Uniform Athlete Agents Act, which comprises Chapter 9-15.1 of the North Dakota Century Code. By law, an athlete agent is an individual who enters an agency contract with a student-athlete or recruits or solicits a student-athlete to enter an agency contract. An athlete agent includes an individual who represents to the public that the individual is an athlete agent, but does not include a spouse, parent, sibling, grandparent, or guardian of the student-athlete or an individual acting solely on behalf of a professional sports team or professional sports organization. Athlete agents must register with the Secretary of State. As of June 30, 2013, there was one athlete agent registered with this office.

Facsimile Signatures: Each state official is required to file with the office his or her signature, certified by that officer under oath, for facsimile purposes in official state business.

International Wills: The office registers and preserves international wills of citizens for later execution and disposition according to law. N.D.C.C. § 30.1-08.2-09.

Public Meetings: As mandated by N.D.C.C. § 44-04-20, the agency maintains a file of the notices for public meetings held by state agencies, boards, and departments. To provide better access for the public and other interested parties, funding was provided in the Secretary of State's 2011 appropriation to make the information available on the agency's website. As a result, the Secretary of State's office and the state's Information Technology Department (ITD) deployed the North Dakota Public Meeting Notices web application in February 2013. This application allows state agencies, commissions, boards and other entities subject to the open meetings and open records laws direct access to post, edit and cancel public meeting notices online. By doing so, they comply with the requirements of state law and eliminate the need to file paper copies of such notices. The web application also allows the public and media online access to search and subscribe to public meeting notices. The North Dakota Public Meeting Notices web application is available at <https://intranetapps.nd.gov/sos/ndpmn/mainmenu.htm>. The link is also available on the ND.gov (www.nd.gov) and Secretary of State (www.nd.gov/sos) websites.

Service of Process: The agency completes service of process or legal papers when the following business organizations fail to appoint or maintain a registered office or registered agent: domestic and foreign corporations, nonprofit corporations, cooperative associations, limited partnerships, limited liability partnerships, limited liability limited partnerships, and real estate investment trusts.

The Secretary of State also acts as agent for service of process for out-of-state contractors (N.D.C.C. § 43-07-19), amusements (N.D.C.C. § 53-05-04), and notaries living in county of a bordering state (N.D.C.C. § 44-06.1-20(2)(c)). The office maintains a record of all processes, demands, or notices.

Chapter Nine

Central Indexing Unit

The Central Indexing System (CIS)

The 1989 Legislative Assembly first studied the Central Indexing System (CIS) after it adopted House Concurrent Resolution 3057 (1989 Session Laws, Chapter 840). The resolution directed the Legislative Council to study state laws relating to state and local filings of liens, security documents, financing statements, and continuation statements.

The study included representatives from livestock auction yards, bankers, other lenders, grain dealers, the North Dakota Association of Counties, the state Information Services Division (now known as the Information Technology Department), and the office of the Secretary of State. The study resulted in the adoption of Senate Bill 2024 (1991 Session Laws, Chapter 449) by the 1991 Legislative Assembly.

The new law mandated the Secretary of State to develop and implement a computerized system, which would store data in a central location for the various documents filed with the Secretary of State or in the office of the county recorder (formerly known as register of deeds – change effective August 1, 2001) located in one of the state's fifty-three counties.

The resulting CIS is not a central filing system. Rather, it is a filing system with a centralized computer database, which allows for the filing and the search of records through a central indexing system. It eliminated the need for multiple or duplicate filings having to be made in several counties in order to perfect a lien. The original documents are retained in the office where the filing was made.

On July 1, 1996, state tax liens were also filed in the CIS and are now perfected statewide as well.

The CIS includes six separate databases in which filing information is maintained and searched. They are the Uniform Commercial Code (UCC) Index; the Farm Products Central Notice (CNS) Index; the Federal Lien Index; the Statutory Lien Index; the Statutory Lien Notice Index; and the State Tax Lien Index.

Central Indexing System – Searches

In addition to allowing the filing of various lien documents in any one of the fifty-four filing locations, the CIS is also of benefit to those persons who need to search the database in order to determine if any liens are recorded against a certain individual or business entity. The filing offices provide this service for a fee. When the system was first implemented, the requesters of such information had to contact one of the filing offices to request the information they were seeking. Beginning April 1, 1998, a programming change became effective allowing subscribers direct access through the Internet to conduct a search of the database for liens.

By paying a one-time registration fee, an annual fee, and a fee for each search, the subscriber is allowed access through the Secretary of State's website at www.nd.gov/sos 24 hours a day, seven days a week. The subscriber is able to select which filing location receives credit for the search fee.

Central Indexing System – Direct Access Filing

Beginning in September 2002, another service was added, which allows subscribers the ability to file Uniform Commercial Code (UCC) documents and Central Notice System (CIS) filings directly into the database through the Internet 24 hours a day, seven days a week. As with searches, subscribers pay a one-time registration fee, an annual fee, and filing fee for each filing submitted. They can also select which one of the fifty-four filing locations receives credit for the filing fee.

Uniform Commercial Code (UCC)

The agency's Central Indexing System had its beginnings in 1965 with the adoption of the Uniform Commercial Code (UCC) law by the Legislative Assembly. Senate Bill 60 contained 257 pages and, because of its length, it was not published in the 1965 Session Laws book. The law became effective on July 1, 1966.

The adopted law (N.D.C.C., Chapter 41-09) allowed the Secretary of State to review and process UCC filings and related lien documents. These documents are filed to protect the collateral of secured parties. UCC documents are primarily used to provide proof of collateral on a variety of personal property. The

filing is effective for a period of five years and may be continued within six months prior to the expiration date for another five years. A filing can be amended, assigned, or have part of the collateral released by filing an associated filing. Documents terminating the security lien are filed when the debt is paid in full. Federal tax liens are also filed as UCC documents.

In 1991, the UCC law was substantially revised and updated by the Legislative Assembly with the adoption of Senate Bill 2100 (1991 Session Laws, Chapter 448). The 2001 Legislative Assembly made another major revision to the state's UCC laws when it adopted House Bill 1105 (2001 Session Laws, Chapter 361). This 97-page bill was introduced at the request of the Commission on Uniform State Laws. Similar legislation was introduced and adopted in all 50 states. The new law changed the requirements for financing statements and the responsibility of filing officers in regards to those documents.

The 2011 Legislative Assembly adopted HB 1137 (2011 Session Laws, Chapter 304). It was based on a uniform law draft from the National Conference of Commissioners on Uniform State Laws. The new law requires the debtor name to be reflected on the lien document identical to how it appears on the debtor's state issued driver's license or identity card. In the case of an organization, the name reflected on the lien document must be identical to the name as it appears in the record of the jurisdiction of organization. The bill has a delayed effective date of July 1, 2013.

Another bill adopted by the legislature was SB 2249. It eliminated the requirement that certain lien filings, such as UCC documents, include the Social Security Number (SSN) or a Federal Employer Identification Number (FEIN). This was a significant change since these numbers were used in the system since the inception of the CIS. It allowed for an accurate search of the names of debtors. However, North Dakota was only one of two states to use the SSN/FEIN for filing and search purposes. Since the information field was being eliminated from the national UCC financing statement and to minimize the possibility of identity theft, it became imperative that the state's laws be changed.

A major change in filing and searching procedures occurred in the 2013 legislative session with the passage of HB 1136 (2013 Session Laws, Chapter 257). This bill requires that any statement filed under the Uniform Commercial Code central filing database, the central notice system or the statutory lien database be electronically filed in the CIS in a format established by the Secretary of State using a secure web-based application. The bill also reinstated the requirement of using the social security number/internal revenue service taxpayer identification number on certain lien filings. The sections of the bill that relate to these requirements have a delayed effective date of August 1, 2015. However, if the Secretary of State makes a report to the legislative management committee and to the information technology committee certifying that the electronic filing system necessary for these requirements is ready for implementation, these sections become effective 90 days after that certification and before the August 1, 2015, effective date.

Central Notice System (CNS)

The Central Notice System gives notice of perfected liens filed against the farm products of certain debtors.

In 1985, the United States Congress first debated the provisions of the Food Security Act, which was a part of that year's farm bill. The bill included several provisions and language taken from Article 9 of the UCC law. This was a unique subject for the federal government because it was an area of law considered to be in the realm of state responsibility. The "farm products rule" allowed a creditor, with a security interest in a farmer's crops or livestock, to seek payment from the purchaser of those commodities if the farmer did not pay the creditor. The act approved by Congress allowed states the choice of two options. One option was to create a central filing or notice system. This option, the Central Notice System (CNS) was first discussed by the 1983 Legislature Assembly and ultimately adopted by the 1985 session. On December 16, 1985, the Packers and Stockyards Administration of the United States Department of Agriculture approved the North Dakota CNS as meeting the requirements of the federal law. It is believed that North Dakota may have been as early as the third state in the nation in having its program approved.

Since 1985, the Secretary of State's office has provided subscribers with a Central Notice System Farm Products list, which names the individuals who have given a security interest in a crop, product, or livestock to a lender. To begin with, the list was only made available on a paper printout or microfiche. Then, in July 1998, the information was also made available to customers on a compact disc (CD), which

was well received by subscribers. The same information, on July 1, 1999, became available online through the agency's Central Indexing System direct access search option.

Although SB 2249 eliminated the SSN/FEIN from certain lien documents, federal law still requires them to file liens in the Central Notice System. Therefore, in 2008, to protect the identity of individuals and to match state law regarding the redaction of social security numbers (SSN) and federal identification numbers (FIN), the Secretary of State pursued the amendment of Section 1324 of the Federal Food Security Act of 1985. The purpose of the amendment was to change existing federal law requiring the revealing of the SSN and FIN identifier on the CNS master list distributed to subscribers in the form of electronic media. As explained in the previous paragraph, the state had been distributing a CD master list since 1998. With the assistance of Senator Kent Conrad and Secretary of Agriculture, Ed Schafer, an amendment was successfully included in the 2008 Federal Farm Bill, (H.R. 6124, Section 14215, Central Filing System). It allowed for the encryption of the SSN and the FIN on electronic media while still allowing for a search to be conducted by such numbers. Searching by the SSN and the FIN increases accuracy for identifying the correct party while still providing debtor secrecy. The bill became public law on June 18, 2008. The agency began distributing the new encrypted CD in October 2008.

With the passage of HB 1136, as referenced in the previous section on the UCC, secured parties will also enter CNS liens documents electronically in a secure web-based application, as well as conducting searches in a similar manner.

Agricultural Statutory Liens (SLN)

In 1987, the Legislative Assembly authorized the use of an agricultural processor's lien/notice, an agricultural supplier's lien/notice, and agricultural agister's lien/notice. Any person entitled to a lien by statute or otherwise is authorized to file a verified statement with the county recorder (formerly known as register of deeds) or the Secretary of State's office, which together represent the state's 54 filing locations.

Within ninety days, any agricultural processor may file a lien on crops or agricultural products processed by threshing, combining, drying, or harvesting. Agricultural suppliers are allowed to file liens on the crop or product produced with supplied seed, petroleum products, fertilizer, farm chemical, insecticide, feed, hay, pasturage, veterinary services, or in the delivery or applying of such supplies.

Individuals entrusted with the animals by the owner for feeding, herding, pasturing, or ranching may file an agister's lien upon the animals and are authorized to retain possession of the animals until the amount is paid.

If lienholders intend to impose liability for a lien against a crop or livestock buyer, the lienholder must file a statutory lien notice document in the Central Indexing System. Such liens take precedence over UCC liens (N.D.C.C. § 54-09-10).

As with the CNS, the Secretary of State provides a compact disc listing of these liens. This process will also change when the CIS authorized by HB 1136, as previously referenced, becomes law.

Chapter Ten

Business Information Unit and Business Registration Unit

The responsibilities of the Business Information Unit and Business Registration Unit are diversified and involve concentrated workloads at certain periods of the year. Revenue from these units is generated from a variety of fees charged for filings, amendments, reports, lists, and registrations.

Listed below are the forty-eight types of entities for which records are filed and maintained by the Business Information Unit and Business Registration Unit. The numbers on file, at the end of the biennium for most of the entities, are listed in the parenthesis following the name of the entity.

- | | |
|---|---|
| 1. Airport Authorities | 25. Limited Liability Companies Foreign (8,077) |
| 2. Churches (1,435) | 26. Limited Liability Companies Foreign Professional (81) |
| 3. City Home Rule Charters (117) | 27. Limited Liability Companies Nonprofit (15) |
| 4. Cooperatives Domestic Associations (399) | 28. Limited Liability Partnerships Domestic (3,097) |
| 5. Cooperatives Electric Associations (6) | 29. Limited Liability Partnerships Foreign (94) |
| 6. Cooperatives Foreign Associations (95) | 30. Limited Liability Partnerships Domestic Professional (19) |
| 7. Commercial Registered Agent (16) | 31. Limited Liability Partnerships Foreign Professional (14) |
| 8. Corporations Certified Nonprofit Development (8) | 32. Limited Partnerships Domestic & Foreign (1,690) |
| 9. Corporations Domestic Business (13,785) | 33. Limited Liability Limited Partnerships – Domestic and Foreign (1,017) |
| 10. Corporations Domestic Nonprofit (3,070) | 34. Insurance Companies (40) |
| 11. Corporations Domestic Professional (1,169) | 35. Irrigation Districts (23) |
| 12. Corporations Domestic Publicly Traded (1) | 36. Municipal Power Agencies |
| 13. Corporations Farm (837) | 37. Partnership Fictitious Name Certificates (1,945) |
| 14. Corporations Foreign Business (16,805) | 38. Partnership Statement – General |
| 15. Corporations Foreign Nonprofit (3,070) | 39. Professional Employer Organizations (54) |
| 16. Corporations Foreign Professional (301) | 40. Reserved Names |
| 17. Corporations Mutual Aid (12) | 41. Special Registered Agent Records |
| 18. County Home Rule Charters (5) | 42. Soil Conservation Districts (56) |
| 19. Credit Unions (27) | 43. State Banks (85) |
| 20. Fiduciaries | 44. Trademarks (1,460) |
| 21. Grazing Associations (9) | 45. Trade Names (26,851) |
| 22. Limited Liability Companies Domestic (15,723) | 46. Vector Control Districts |
| 23. Limited Liability Companies Domestic Professional (208) | 47. Water Resource Districts (71) |
| 24. Limited Liability Companies Farm (263) | |

The following is a partial listing of some of the entities along with a brief description:

Commercial Registered Agents Act

The 2007 Legislative Assembly adopted the North Dakota Registered Agents Act with the passage of Senate Bill 2153 (2007 Session Laws, Chapter 99), which became effective July 1, 2008. Its adoption was promoted nationwide with North Dakota having the distinction of being the first state to adopt it in the United States. The Act authorizes “commercial registered agents” and places the laws related to registered agents for every type of business entity registered in the Secretary of State’s office into one chapter of the Century Code (Chapter 10-01.1). As a result and regardless of the type of business entity

structure, it provides uniform procedures and a single reference source without having to consult individual business entity chapters for registered agent provisions.

Corporation – Domestic

State law legally recognizes a corporation as an entity having its own rights, privileges, and liabilities that are distinct from the shareholders or members of the corporation. The existence of the corporation begins when articles of incorporation are approved for filing with the Secretary of State or later on a date specified in the articles of incorporation. Corporations are required to file with the Secretary of State an annual report, which is due August 1 of each year.

Corporation – Domestic Publicly Traded

The 60th Legislative Assembly of the State of North Dakota adopted House Bill 1340 (2007 Session Laws, Chapter 102) enabling the North Dakota Publicly Traded Corporations Act, N.D.C.C., Chapter 10-35. This Act only applies to publicly traded corporations created after July 1, 2007, and only if the publicly traded corporation specifically chooses the option. A publicly traded corporation need not incorporate under the provisions of this Act; it may incorporate under, and only be subject to, the provisions of the Business Corporation Act, N.D.C.C. Chapter 10-19.1. In other words, the incorporators have a choice between the two chapters, as to which meets their specific requirements.

Corporation – Foreign

Corporations incorporated in other states or countries are considered foreign corporations. These foreign corporations must first obtain a certificate of authority from the Secretary of State before transacting business in the state of North Dakota, or before obtaining any license or permit prescribed by North Dakota law. To maintain their status, they must file with the Secretary of State an annual report, which is due May 15 of each year.

Fiduciary

A bank or trust company organized and doing business under the laws of any state or territory of the United States may be appointed to serve as a trustee in North Dakota. The bank or trust company may be appointed as trustee for a corporate or personal trust, executor, administrator, or guardian for a minor or an incompetent person. The appointment may be by will, deed, court order, decree, or otherwise. Before qualifying or serving in North Dakota in a trust or fiduciary capacity, the bank or trust company must file certain documents with the Secretary of State.

Limited Liability Company – Domestic and Foreign

Authorized by legislative action in 1993, a limited liability company (LLC) is an entity having its own rights, privileges, and liabilities distinct from the members. Structurally, the limited liability company combines the characteristics of a partnership and a corporation.

The existence of a limited liability company begins when articles of organization have been approved for filing with the Secretary of State or later on a date specified in the articles of organization. As with corporations, limited liability companies must file annual reports with the Secretary of State.

Limited Liability Company Nonprofit – Domestic and Foreign

The 2009 Legislative Assembly adopted House Bill 1298 (2009 Session Laws, Chapter 106), which included provisions establishing Century Code Chapter 10-36, the Nonprofit Limited Liability Company Act. The nonprofit limited liability company has attributes similar to those of a nonprofit corporation and similar to those of a limited liability company organized for profit in accordance with Century Code Chapter 10-32. Only organizations existing for a nonprofit purpose are allowed to be its members.

The existence of the nonprofit limited liability company begins when articles of organization are filed with the Secretary of State or later on a date specified in the articles of organization. As with all other entities filed with the Secretary of State, the nonprofit limited liability company is required to file an annual report.

Limited Partnership – Domestic and Foreign

Limited partnerships are created when documents are filed with the Secretary of State. State law legally recognizes a limited partnership as an entity formed by two or more persons having one or more general partners, and one or more limited partners. The general partners have management powers and are responsible for all partnership obligations. Although limited partners may not participate in the day-to-day management operations, they share the liabilities and profits in proportionate share to their contributions.

Limited partnerships may transact any business in North Dakota except banking and insurance. Farming is only allowable if any corporations that may be partners thereof comply with the provisions of North Dakota farming laws. Foreign limited partnerships, which are organized under the laws of other states or countries, must register with the Secretary of State before transacting business in North Dakota.

Both domestic and foreign limited partnerships must file with the Secretary of State an annual report, which is due April 1 of each year.

Limited Liability Limited Partnership – Domestic and Foreign

The Limited Liability Limited Partnership (LLLP) is identical to the traditional limited partnership except that all partners, including the general partner, have limited liability. An LLLP is formed at the time of filing the LLLP registration with the Secretary of State or later on a date specified in the registration. An LLLP organized under the laws of other states or countries must register with the Secretary of State before transacting business in North Dakota. To maintain their status, they must file with the Secretary of State an annual report, which is due April 1 of each year.

Limited Liability Partnership – Domestic and Foreign

A limited liability partnership (LLP) is an ordinary general partnership acquiring limited liability status upon filing a one-page registration with the Secretary of State. An LLP established under another state or country may register with the Secretary of State as a foreign limited liability partnership. Both domestic and foreign LLPs must file with the Secretary of State an annual report, which is due April 1 of each year.

Partnership – Fictitious Name Certificate

A fictitious partnership name is a name used by a partnership that does not include the names of the partners. A partnership identified by a fictitious name must file a fictitious name certificate with the Secretary of State. The certificate must be renewed every five years from the date of the initial filing.

Professional Employer Organization (PEO) License

Established by legislative action in 2007, a professional employer organization is a person that is a co-employer and is engaged in the business of providing professional employer services. After October 1, 2007, a person may not provide, advertise, or otherwise hold itself out as providing professional employer services unless the person has obtained a Professional Employer Organization License from the Secretary of State.

Real Estate Investment Trust

Established by legislative action in 1997, a real estate investment trust is an unincorporated entity. This registration is required of real estate investment trusts established in North Dakota and those established in another state and transacting business in North Dakota. A real estate investment trust is a trust or association formed to acquire, hold, manage, administer, control, invest, or dispose property by trustees for the benefit of any person who may become a shareholder. They must renew their registration every five years from the date of the initial filing.

Special Registered Agent Record

Corporations, which are created by federal law, are often empowered to operate in every state without filing for authority from a state agency. However, in some cases, federal law requires the corporation to maintain a registered agent in the states in which it operates. A record of such registered agent must be filed with the Secretary of State.

Trademark/Service Mark

A trademark or service mark is a word, symbol, device, or any combination thereof adopted and used by a person or business to distinguish goods or services made or sold from those goods or services made or sold by someone else. The trademark or service mark may be registered with the Secretary of State to establish exclusive right to the mark in North Dakota. The duration of the registration is ten years at which time the registration may be renewed.

Trade Name

According to state law, N.D.C.C. § 47-25-01, a trade name is defined as a name assumed to identify the business or activities of an individual or organization and which does not include in the name the following: (1) the true name of the organization using the name; (2) the first name and surname of each individual using the business name; or (3) the surname of each individual, repeating a surname if more than one owner has the same surname.

Additionally, N.D.C.C. § 47-25-02 states, "A person or organization may not engage in business in this state under a trade name until the trade name is registered with the secretary of state." A trade name registered with the Secretary of State is protected for five years and is renewable. The trade name registration affords exclusive right to that name so no other business may file or use a name the same as, or deceptively similar. It also creates a public record from which one can identify the principals of a business. The registration fee is \$25.

Chapter Eleven

Elections Unit

According to the North Dakota Century Code, Section 16.1-01-01(1), the Secretary of State is mandated to be the supervisor of elections. In carrying out these duties, the Secretary of State may employ additional personnel. Each county in the state is also required to have a county administrator of elections. By state law (N.D.C.C. § 16.1-01-01(4)), that individual is the County Auditor. The County Auditor is then responsible to the Secretary of State for the proper administration within his or her county of the state laws, rules and regulations related to election procedures.

The general mandate of election law is to maintain the integrity of the election process and always protect the rights of the people as provided for in the constitution and laws of the state of North Dakota. The relatively small revenues generated by this division are primarily derived from filing fees assessed for reports and registrations, and for copies of the public records.

In the supervisory role, the Secretary of State has the power to examine upon his or her request, or the request of any election official, any election ballot or other material, machine, or device used in connection with any election for determining compliance with the law.

The following is a partial list of duties for the Secretary of State administering election law:

1. Develop and implement uniform training programs for all election officials in the state.
2. Prepare information for voters on voting procedures.
3. Publish and distribute an election calendar, a manual on election procedures, and a map of all legislative districts.
4. Convene a state election conference of county auditors at the beginning of each election year and whenever deemed necessary by the Secretary of State to discuss uniform implementations of state election policies.
5. Prescribe the form of all ballots and the form and wording of ballots on state referendum questions, issues, and constitutional amendments.
6. Investigate or cause to be investigated the nonperformance of duties or violations of election laws by election officers.
7. Require such reports from county auditors on election matters as deemed necessary.
8. Convene the state canvassing board and certify results of statewide elections.
9. Prepare and publish reports whenever deemed necessary on the conduct and costs of voting in the state, including a tabulation of election returns and such other information and statistics as deemed appropriate.
10. Establish standards for voting precincts and polling locations, numbering precincts, precinct maps, maintaining and updating poll books, and forms and supplies, including but not limited to, ballots, pollbooks, and reports.
11. Develop and conduct a test election for the state's voting system prior to each statewide election utilizing the votes cast according to certain logic and accuracy requirements.
12. Prescribe the order in which each political subdivision will appear on an election ballot.
13. Certify to the county auditors the names of state, district, and county officials to be nominated or elected in the primary, general, or special elections.
14. Receive and file on behalf of candidates for state and congressional positions their nominating petitions, certificates of nomination or certificates of endorsement.
15. Provide certificates of nomination and certificates of election.
16. File oaths of office for state, judicial, and legislative officeholders.
17. Examine and certify for use the voting system or counting machines authorized by law.
18. File campaign finance disclosure reports for state, legislative, and district candidates, political action committees, political parties, and measures committees.
19. File oaths of office and statements of interest for the appointees of the Governor.
20. Provide public access to federal election reports of candidates for President of the United States and for congressional office.
21. Create and maintain, in conjunction with the county auditors, North Dakota's Central Voter File.

Help America Vote Act of 2002 (HAVA)

In October 2002, the President signed the Help America Vote Act of 2002 (HAVA) into law. To make the necessary changes in the North Dakota law to implement HAVA, the 2003 Legislative Assembly passed Senate Bill 2409 (2003 Session Laws, Chapter 2409). Updates and changes subsequently have been made in various additional bills in subsequent legislative sessions.

The first HAVA grant of \$5,000,000 was received in April 2003. This was a direct grant to the state without a requirement for a state match. In July 2004, the state received a second grant of \$4,150,000. The match for the second grant was split 50/50 between the counties and the state. The state's share was appropriated from unspent funds from the Secretary of State's 2001-2003 general fund appropriation.

In May 2005, the state received a third grant of \$7,446,803. The match for the third grant consisted of a \$257,970 in-kind contribution approved by the Election Assistance Commission. The credit was given for the state's expenditures for the Secretary of State's Election Management System with the remaining portion of the match paid by the state's counties. A fourth grant of \$575,000 was received in September 2008. The required state match of \$30,263 was funded from the state's contingency fund approved by the Emergency Commission on March 14, 2008. The 2009 Legislative Assembly appropriated funds of \$26,316 for the state's share of a fifth grant of \$500,000, which the state received in July 2009.

In 2010, Congress appropriated an additional amount, as a sixth grant, in the Omnibus Appropriations Act for Fiscal Year 2010, which resulted in North Dakota becoming eligible for an additional \$350,000 for the HAVA election fund. In order to secure it, the state was required to provide a 5% match. This match was obtained when the Emergency Commission met on March 4, 2010, and authorized the amount of \$18,421 from the state's contingency fund to be used for this purpose. The grant was received in April 2010.

In 2011, North Dakota was appropriated an additional amount in the 2011 Requirements Payments under Section 251 of the Help America Vote Act, which resulted in North Dakota receiving an additional \$6,454 for the HAVA election fund. In order to secure it, the state was required to provide a 5% match. This was achieved using current appropriation in the State's election fund in the amount of \$340.

According to the HAVA legislation passed by Congress in 2002, North Dakota is due \$20,000,000. As of the end of the 2011-2013 biennium, the state had received \$18,028,257 and is still due \$1,971,743.

During the 2005-2007 biennium, the Secretary of State and a committee comprised of individuals from political subdivisions, advocates from the disabilities communities, political parties, and other interested groups continued to implement the comprehensive state plan required by HAVA for the improvement of elections in the state of North Dakota. The federal funding received was used to finalize the purchase of new voting equipment for every polling location, develop educational materials for voters, election administrators, and poll workers, improve the accessibility of polling locations, and develop common procedures for election administration across the state. Additionally, a portion of the federal funds was used to develop the Central Voter File (N.D.C.C. Chapter 16.1-02), which is a component of the Election Administration System created to standardize election administration across the state. The deposited funds remaining in the federally mandated election fund (HAVA – 107th Congress, Public Law 107-252, Section 245(b)) will be used to supplement the cost of elections in future years. Interest generated by the deposited funds is allowed to remain in the election fund for such purposes.

Initiative and Referendum

Article III, Section 1, of the North Dakota Constitution states the legislative power of this state shall be vested in a legislative assembly consisting of a Senate and a House of Representatives. The people, however, reserve the power to propose and enact laws and constitutional changes/amendments by the initiative, to approve or reject legislative acts, or parts thereof, by the referendum, and to recall certain elected officials. Laws may be enacted to facilitate and safeguard, but not to hamper, restrict, or impair these powers.

Sections 2 through 6 of Article III provide instructions to the Secretary of State regarding the initiative and referendum process. A pamphlet entitled *Initiating and Referring Law in North Dakota* published by the Secretary of State is available upon request.

Since statehood in 1889 and through the 2012 election cycle, North Dakota's voters have voted on 495 measures placed on the ballot for their consideration. These have included constitutional measures placed by legislative action, initiated constitutional measures, initiated statutory measures, and referred measures.

The majority of measures (236) appearing on the ballot since statehood were constitutional amendments placed there by legislative action. Through the date of this report, the voters have been in favor of 135 (57%) of the measures and have disapproved of 101 (43%) of them.

The second highest in number (137) have been initiated statutory measures placed on the ballot through the circulation of petitions by a sponsoring committee. As of November 2012, the voters had approved 58 (42%) of the measures and had rejected 79 (58%) of them.

Sponsoring committees have been successful in placing 48 initiated constitutional measures on the ballot. As of November 2012, the voters had approved 27 (56%) of them and denied 21 (44%) of them.

The actions of the Legislative Assembly have been referred to a vote of the people 74 times. As of November 2012, the voters rejected legislative action 47 (64%) times and upheld legislative decisions 27 (36%) times.

As the result of the recommendations of the 1972 Constitutional Convention, a special election was held on April 28, 1972, to consider the adoption of a new state constitution. There was a main "proposition" listed on the ballot to adopt the constitution and four alternative propositions if the proposed constitution was approved. However, it was defeated by a vote of 107,643 (63%) to 64,073 (37%).

The following measures were placed on the ballot by the 2011 Legislative Assembly and voted on during the 2012 election cycle.

Constitutional Amendment

Related to: Legislative Assembly appointments

HCR 3047 filed with Secretary of State: April 20, 2011

Placed on June 12, 2012 ballot as Constitutional Measure No. 1

The voters approved the measure 96,951 (60.48%) to 63,350 (39.52%).

Constitutional Amendment

Related to: Elimination of annual poll tax and outdated language

SCR 4006 filed with Secretary of State: April 15, 2011

Placed on November 6, 2012 ballot as Constitutional Measure No. 1

The voters approved the measure 206,178 (71.42%) to 82,518 (28.58%).

Constitutional Amendment

Related to: Oaths of office for elected and appointed officials

HCR 3009 filed with Secretary of State: April 20, 2011

Placed on November 6, 2012 ballot as Constitutional Measure No. 2

The voters approved the measure 259,541 (88.74%) to 32,926 (11.26%).

During the biennium, the formats of nine petitions were approved for circulation. A sponsoring committee is allowed one year from the date of the approval of the petition to secure signatures and submit the petitions to the Secretary of State.

The following petitions were timely submitted to appear on the June 12, 2012 ballot:

Initiated Constitutional Measure

Related to: Elimination of property taxes and replacement of lost revenue

Petition approved for circulation: March 29, 2010

Approved for placement on June 12, 2012 ballot as Measure No. 2: April 29, 2011

The voters rejected the measure 131,903 (76.54%) to 40,438 (23.46%)

Initiated Constitutional Measure

Related to: Government prohibited from burdening the exercise of religious liberty
Petition approved for circulation: April 30, 2010
Approved for placement on June 12, 2012 ballot as Measure No. 3: May 25, 2011
The voters rejected the measure 107,831 (64.02%) to 60,611 (35.98%)

Referendum Measure

Related to: University of North Dakota athletic nickname and logo
Petition approved for circulation: December 13, 2011
Approved for placement on June 12, 2012 ballot as Measure No. 4: March 13, 2012
The voters approved the measure 113,865 (67.34%) to 55,225 (32.66%).

The following petitions were timely submitted to appear on the November 6, 2012 ballot:

Initiated Constitutional Measure

Related to: Practices of farming and ranching
Petition approved for circulation: August 16, 2011
Approved for placement on the ballot as Constitutional Measure No. 3: September 4, 2012
The voters approved the measure 201,948 (66.90%) to 99,935 (33.10%).

Initiated Statutory Measure

Related to: Prohibiting smoking in public places and worksites
Petition approved for circulation: June 22, 2012
Approved for placement on the ballot as Statutory Measure No. 4: September 4, 2012
The voters approved the measure 209,488 (66.67%) to 104,730 (33.33%)

Initiated Statutory Measure

Related to: Prevention of animal cruelty
Petition approved for circulation: March 27, 2012
Approved for placement on the ballot as Statutory Measure No. 5: September 4, 2012
The voters rejected the measure 206,547 (65.37%) to 109,401 (34.63%)

Number of Statewide Elections and Voter Turnout

During the biennium, two statewide elections were held. The first one, often referred to as the primary election, was held on June 12, 2012, with 426 precincts and a voter turnout of 32.90%. The second one was the general election held on November 6, 2012, with 426 precincts and a voter turnout of 61.11%.

The total cost for conducting the two statewide elections in 2012 was approximately \$2,399,881.

Statewide Election (June Primary) – June 12, 2012

Although it is the “final” election for city positions, measures, and school board elections held in conjunction with this election, the election held in June is commonly known as the Primary Election. Appearing on the ballot were a number of offices representing various levels of congressional, statewide, district, county, and local government. They were:

Federal Offices

President of the United States	4-year term
United States Senator	6-year term
Representative in Congress	2-year term

Statewide Offices (Party)

Governor and Lieutenant Governor	4-year term
State Auditor	4-year term
State Treasurer	4-year term
Insurance Commissioner	4-year term
Public Service Commissioner	6-year term

Statewide Offices (No Party)

Superintendent of Public Instruction	4-year term
Justice of the Supreme Court	10-year term

Judicial District Offices

Judges of the District Courts	6-year term
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State Legislative Seats (Party)

50 seats in the ND House of Representatives (even-numbered districts)	4-year term
25 seats in the ND Senate (even-numbered districts)	4-year term

County Office (No Party)

County Commissioners	4-year term
Director, Southwest Water Authority	4-year term
Supervisor, Soil Conservation District	6-year term
Director, Garrison Diversion Conservancy District	4-year term

City Offices

Positions varied depending on form of governance.

In the primary election, North Dakota voters voted on four ballot measures. One was placed on the ballot by the 2011 Legislative Assembly and three were placed on the ballot by initiated action (see previous Initiative and Referendum section). The measures and the results of the vote are summarized as follows:

<u>TITLE OF MEASURE</u>	<u>RESULT</u>	<u>YES</u>	<u>NO</u>
Constitutional Measure No. 1 This measure pertained to the Legislative Assembly appointments (2011 Session Laws, Chapter 519).	Accepted	96,951	63,350
Initiated Statutory Measure No. 2 This initiated measure pertained to the elimination of property taxes and replacement of lost revenue.	Rejected	40,438	131,903
Initiated Statutory Measure No. 3 This initiated measure pertained to government prohibited from burdening the exercise of religious liberty.	Rejected	60,611	107,831
Referendum Measure No. 4 This referred measure pertained to the University of North Dakota athletic nickname and logo.	Accepted	113,865	55,225

Statewide Election (General Election) – November 6, 2012

Appearing on the November General Election ballot were several offices representing various levels of federal, statewide, district, county, and local government. They were:

Federal Offices

President of the United States	4-year term
United States Senator	6-year term
Representative in Congress	2-year term

Statewide Offices (Party)

Governor and Lieutenant Governor	4-year term
State Auditor	4-year term
State Treasurer	4-year term
Insurance Commissioner	4-year term
Public Service Commissioner	6-year term

Statewide Offices (No Party)

Superintendent of Public Instruction	4-year term
Justice of the Supreme Court	10-year term

Judicial District Offices

Judges of the District Courts	6-year term
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State Legislative Seats (Party)

50 seats in the ND House of Representatives (even-numbered districts)	4-year term
25 seats in the ND Senate (even-numbered districts)	4-year term

County Offices (No Party)

County Commissioners	4-year term
Director, Southwest Water Authority	4-year term
Supervisor, Soil Conservation District	6-year term
Director, Garrison Diversion Conservancy District	4-year term

In the general election, North Dakota voters voted on five ballot measures. Two were placed on the ballot by the 2011 Legislative Assembly and three were placed on the ballot by initiated action (see previous Initiative and Referendum section). The measures and the results of the vote are summarized as follows:

<u>TITLE OF MEASURE</u>	<u>RESULT</u>	<u>YES</u>	<u>NO</u>
Constitutional Measure No. 1 This measure pertained to the elimination of annual poll tax and outdated language (2011 Session Laws, Chapter 520).	Accepted	206,178	82,518
Constitutional Measure No. 2 This measure pertained to the oaths of office for elected and appointed officials (2011 Session Laws, Chapter 521).	Accepted	259,541	32,926
Initiated Statutory Measure No. 3 This initiated measure pertained to practices of farming and ranching.	Accepted	201,948	99,935
Initiated Statutory Measure No. 4 This initiated measure pertained to prohibiting smoking in public places and worksites.	Accepted	209,488	104,730
Initiated Statutory Measure No. 5 This initiated measure pertained to the prevention of animal cruelty.	Rejected	109,401	206,547

Election Results and Reports

Beginning with the 2000 election cycles through the 2012 election cycles, county-by-county election results have been made available in the Elections section of the Secretary of State's website at www.nd.gov/sos. County-by-county precinct election results for 2004 through 2012 are available from the Elections Unit of the Secretary of State's Office. For precinct election results prior to 2004, the information is available from the County Auditors in each of the state's fifty-three counties.

Beginning in 2012, copies of the Secretary of State's election abstract of votes dating back to statehood have been available at no cost in the Elections section of the Secretary of State's website. The abstracts may be searched individually by candidate, party, contest or other keywords entered by the individual viewing the abstract.

All of the various records and filings of the Elections Unit are considered public information. Copies of these records are available at a cost of \$0.50 per page. They may include, but are not limited to, Oaths of Office; Statements of Interest; Certificates of Endorsement; Petition/Certificates of Nomination; Affidavits of Candidacy; Certificates of Write-in Candidacy; Political Committee Registrations; Campaign Contribution Statements of Candidates, Political Parties, District Political Committees, and Measure Committees; and filings and disclosure reports of federal candidates and various committees, including Political Action Committees (PAC).

Campaign Finance Disclosure Reports

Beginning in 2001, copies of the campaign finance disclosure reports filed by political parties, statewide candidates (except federal), legislative candidates, district judicial candidates, political action committees, and measure committees are available on the agency's website at www.nd.gov/sos/campfinance/.

The 2013 Legislative Assembly adopted SB 2299 (2013 Session Laws, Chapter 172). This new law requires any statement required by NDCC Chapter 16.1-08.1 to be electronically filed with this office in a format established by the Secretary of State. The section of the bill that relates to this requirement has a delayed effective date of May 1, 2014.

Election Statistics

Chapter 13(D) of this report contains a listing of the statewide elections held since 1980 along with the voter turnout, number of precincts, and expenses.

ND VOICES (North Dakota VOting Information and Central Election Systems)

In the fall of 2009, the Secretary of State's office began development of a new election administration system tailored to the specific election laws of North Dakota. This new system, called ND VOICES, coordinates the election efforts of the state and all fifty-three counties through nearly every step of the election process. It was conceived because of the passage of the federal Help America Vote Act of 2002 (HAVA). To fulfill the requirements of HAVA, the state needed an efficient means by which to coordinate and manage elections throughout the state in partnership with the state's counties.

ND VOICES is used to develop the ballot production process by adding contests and candidates that will appear on the ballot. The Secretary of State's elections staff adds statewide, judicial, and legislative contests, candidates, and measures to the system, which then appear in the respective counties' voting management systems. Counties then add their local contests, candidates, and measures. Sample ballots are created by ND VOICES, which are available for viewing by the public on the Secretary of State's Voter Information Portal webpage at vip.sos.nd.gov.

Another version of the sample ballots is used to comply with federal law related to sending ballots to military and overseas voters. The Military and Overseas Voter Empowerment Act of 2009 mandates ballots be available for military and overseas voters forty-five days prior to an election, which is an earlier date than absentee ballots can be and are available to the public prior to an election.

Using ND VOICES, the information relating to contests, candidates, and measures is exported for ballot creation and programming of memory cards for the optical scan ballot counters used in all polling places.

Every polling location has an AutoMARK, an assistive-technology ballot marking device, for use by persons with disabilities. Through a special feature offered in ND VOICES, candidates are provided instructions on recording the pronunciation of their name. The recorded name file is then associated with the candidate's name when it is programmed into the AutoMARK. It assures that the candidate's name will be correctly spoken to those voters using the AutoMARK who are unable to read a printed ballot. In addition, the feature is helpful for election officials who have a short timeline for ballot production.

After polling locations close on election day, the results are uploaded from the counties' voting equipment into ND VOICES. The results are then automatically available on the Secretary of State's website for viewing. Viewers are able to track individual contests, see a statewide map showing which candidate received the most votes in a county, and view results down to the precinct level.

In the days following the election, county election officials generate reports from ND VOICES for review by county election canvassing boards and to submit a county certified election result abstract to the Secretary of State for the State Canvassing Board. Both county and state election officials also use ND VOICES to create certificates of nomination or election for county, district, and statewide candidates.

During its inaugural season during the 2010 election cycle, ND VOICES was well received by the public and the media. It was a single cyber destination to obtain voting information and timely election results from every area of the state. For election officials, it became a valuable and time saving tool for administering elections.

On the day of the November 6, 2012 election, the election results website had 374,262 page views, 132,721 of which were unique page views. On the day following the November 6, 2012 election, the election results website had 250,558 page views, 155,376 of which were unique page views. Therefore, the combined total of page views for the day of and the day after the 2012 general election was 624,820 (288,097 unique page views).

DIVISION ACCOMPLISHMENTS DURING THE BIENNIUM

Voter Identification

For the past twelve statewide elections beginning in 2004, state law has required that individuals be requested to provide identification (ID) at a polling location. If the individual was able to provide the appropriate ID, he or she was given a ballot. The ID shown had to include the voter's name, residential address, and birthdate. The law allowed several options for acceptable IDs providing it contained these three required pieces of information. Over 90% of the voters provided their North Dakota driver's license as their ID.

During the 2013 Legislative Assembly, HB 1332 (2013 Session Laws, Chapter 167) was passed and signed into law by the Governor. This bill retained the same three ID information requirements and the many acceptable ID options that have been in law since the beginning (e.g., driver's license, tribal ID). In addition, the bill authorized the North Dakota Department of Transportation to issue an ID card at no cost to any resident of the state who does not have a driver's license.

The Secretary of State's office also initiated contact with groups and institutions to ensure that all eligible voters will have acceptable ID options available to them for voting purposes. For example, working on an ID certificate for students provided by the state's institutions of higher learning, a continuum care ID certificate provided by the facility, and an absentee/mail ballot attester certification for North Dakota residents who do not have an ID and are unable to travel to a Department of Transportation office to obtain a free non-driver's ID. The legislation did not require the voter to have a photo ID.

Perhaps the most significant change with the legislation was the elimination of the voter's affidavit. Under the previous law, if a voter did not provide an acceptable ID at the polling location, the voter was allowed to complete a voter's affidavit on which the voter entered his or her name, residential address, and birthdate sworn to be true under penalty of law. After completing the voter's affidavit, the voter was

supplied with a ballot, allowed to vote, and the ballot was deposited into the same ballot box as ballots cast by every other voter in the polling place. If it was later learned that a voter falsely provided the required information, it was no longer possible to retrieve the ballot to subtract the counted votes of the ineligible voter. In addition, the follow up system was inadequate and therefore, the integrity of the affidavits was often questioned.

During the 2012 general election, 10,519 or 3% of the voters statewide executed affidavits to be allowed to vote. Of that total, 6,758 or 64% of the affidavits were executed in the counties of Cass (4,589) and Grand Forks (2,169) where the state's largest universities are located.

The legislation also eliminated the option of a poll worker verifying a voter that did not have the required ID, if the poll worker personally knew the voter. The new law requires every voter to provide ID before he or she is given a ballot. The intent of the legislation was to ensure that only qualified individuals (electors) are provided with a ballot to cast.

Chapter Twelve

Legislation Adopted by 2013 Legislative Assembly – Agency Related

General Office – Appropriations

House Bill 1002 (2013 Session Laws, Chapter 2) effective July 1, 2013
Agency Appropriation

Accounting/Notary Unit

House Bill 1207 (2013 Session Laws, Chapter 340) effective August 1, 2013
Related to notaries public

Central Indexing System Unit

House Bill 1136 (2013 Session Laws, Chapter 257) effective August 1, 2015
Related to the central indexing system and electronic filing of documents (also, referenced in Section 42 of HB 1015)

Business Registration/Information Unit

House Bill 1340 (2013 Session Laws, Chapter 402) effective July 1, 2013
Related to confidential information and fees for obtaining data lists

Senate Bill 2144 (2013 Session Laws, Chapter 90) effective July 1, 2013
Related to ownership in a professional organization

Senate Bill 2152 (2013 Session Laws, Chapter 91) effective July 1, 2013
Related to ownership in a professional organization

Senate Bill 2266 (2013 Session Laws, Chapter 89) effective August 1, 2013
Related to the filing of business entities

Elections Unit

House Bill 1332 (2013 Session Laws, Chapter 167) effective August 1, 2013
Related to identification requirements for voters

House Bill 1361 (2013 Session Laws, Chapter 169) effective August 1, 2013
Related to polling locations

House Bill 1371 (2013 Session Laws, Chapter 94) effective August 1, 2013
Related to county elections

House Bill 1372 (2013 Session Laws, Chapter 165) effective August 1, 2013
Related to filed petitions

House Bill 1391 (2013 Session Laws, Chapter 312) effective August 1, 2013
Related to city council elections

House Bill 1397 (2013 Session Laws, Chapter 166) effective August 1, 2013
Related to petitions and election offenses

House Bill 1401 (2013 Session Laws, Chapter 148) effective August 1, 2013
Related to the canvassing of election results

House Bill 1402 (2013 Session Laws, Chapter 164) effective August 1, 2013
Related to the petitions and the printing of names

Senate Bill 2076 (2013 Session Laws, Chapter 240) effective August 1, 2013
Related to judgeships

Senate Bill 2213 (2013 Session Laws, Chapter 173) effective August 1, 2013
Related to electioneering

Senate Bill 2216 (2013 Session Laws, Chapter 147) effective August 1, 2013
Related to school board elections

Senate Bill 2255 (2013 Session Laws, Chapter 171) effective August 1, 2013
Related to campaign contributions

Senate Bill 2299 (2013 Session Laws, Chapter 172) effective August 1, 2013
Related to campaign contributions

Senate Bill 2318 (2013 Session Laws, Chapter 175) effective August 1, 2013
Related to legislative candidates and nominating petitions

Senate Bill 2347 (2013 Session Laws, Chapter 170) effective August 1, 2013
Related to emergency authority for elections

Senate Bill 2369 (2013 Session Laws, Chapter 168) effective August 1, 2013
Related to political parties

Senate Bill 2374 (2013 Session Laws, Chapter 176) effective August 1, 2013
Related to filing deadline for elections

House Concurrent Resolution No. 3034 (2013 Session Laws, Chapter 518)
Related to the filing deadline for statewide petitions

Chapter Thirteen

Public Printing

Public printing relates to publishing the hardbound copies of the North Dakota Century Code (N.D.C.C.) and the state's constitution; N.D.C.C. replacement volumes; N.D.C.C. supplements; the laws of North Dakota as passed by each legislative assembly (commonly known as session laws); the North Dakota Administrative Code and its monthly supplements; the bound copies of the House and Senate journals; binding one set of the enrolled copies of the bills passed by each Legislative Assembly; and a limited number of other publications.

Early in the state's history, the Secretary of State had a very active role as it related to these publications. However, since the establishment in 1945 of the predecessor to today's Legislative Council, the role of the Secretary of State has evolved to that of a distributor of these publications. Now, according to various provisions of Chapter 46-03 of the North Dakota Century Code, the Legislative Council establishes the editorial content, specifications, and contractual arrangements for most of these publications. Nevertheless, even with the Secretary of State's minimal involvement with the contractual process, the legislature appropriates the funding for Public Printing expenditures to the Secretary of State's budget from which they are paid.

In fulfilling the distribution duties provided in state law, the Secretary of State distributes, without cost, the various Public Printing publications to the state's constitutional officers, justices of the supreme court, judges of district courts, state departments, state boards, state agencies, officers of the legislative assembly, county officers, libraries, and schools as directed. Some of the publications are sold to federally funded agencies and direct to the public. Still other copies of the publications are used primarily for archival purposes.

Historically, the appropriation for Public Printing was included in a separate subdivision of the Secretary of State's budget having its own identity. However, beginning with the 1991-1993 biennium, the Legislative Assembly included Public Printing in the Secretary of State's general fund appropriation also used for the agency's general office operations. Unfortunately, the inclusion proved to be very misleading in any analysis of the Secretary of State's budget because it intertwined those portions of the appropriation over which the Secretary of State had direct control for the operations of the agency and those portions of the budget (public printing) where the Secretary of State had very limited control in how the funds were spent.

Fortunately, the 1995 Legislative Assembly acknowledged and recognized the problem. Therefore, beginning again with the 1995-1997 biennium, the Legislative Assembly once again provided Public Printing with its own distinct subdivision within the Secretary of State's budget. Accordingly, the appropriation for Public Printing in this biennial report (Chapter 6 (A)) is separated from those line items that relate directly to the agency's office operations, which are under the direct control of the Secretary of State.

Due to the fact that the Legislative Assembly meets in the last quarter of the biennium and because of the publishing time lines, a sizeable portion of the funds appropriated for Public Printing are expended during the first quarter of the biennium immediately following the one in which the laws were originated.

Chapter Fourteen (A) (Part 1)

Administrative/Licensing Unit

Biennial Statistics

ADMINISTRATIVE

Legislative Bills and Resolutions Filed during Biennium

House Bills	272
House Concurrent Resolutions	24
House Bills Filed with Line Veto	1
House Memorial Resolutions	1
Senate Bills	233
Senate Concurrent Resolutions	17
Senate Memorial Resolutions	1
Senate Bills Filed with Line Veto	0

LICENSING

Contractor licenses

Class A new licenses issued	3,180
Class B new licenses issued	715
Class C new licenses issued	813
Class D new licenses issued	9,199
Total Licenses (effective on June 30, 2011)	8,824
Total Licenses (effective on June 30, 2012)	10,876
Total Licenses (effective on June 30, 2013)	11,701
Class A Renewals	9,199
Class B Renewals	1,885
Class C Renewals	2,068
Class D Renewals	5,890
Class A Penalty	1,081
Class B Penalty	259
Class C Penalty	291
Class D Penalty	957

Lobbyists

Registered 2011/2012	162
Registered 2012/2013	574

Athletic Commission Licenses (issued)

Timekeepers	2
Professional Boxers	37
Referees	2
Judges	4
Corner Persons	33
Promoter	3
Managers	0

Mixed Martial Arts Licenses (issued)

Timekeepers	7
Professional Boxers	307
Referees	13
Judges	27
Corner Persons	504
Promoter	14
Managers	9

Charitable Solicitation

Organizations (licensed)	1,147
Professional Fund-raisers (licensed)	196

Home Inspectors (issued)	
New Licenses.....	43
Renewals	81
Notary Commissions (issued)	5,130
Total Commissions (effective on June 30, 2013).....	13,873
Notary Name Changes.....	214
Notary Certifications Issued	505
Apostille (issued).....	1,010
Governor's Official Acts (filed).....	493

Chapter Fourteen (A) (Part 2)

Administrative/Licensing Unit

Seven Biennial Histories

	2001	2003	2005	2007	2009	2011	2013
<u>ADMINISTRATIVE</u>							
Legislative Actions							
House Bills.....	297	288	344	303	322	272	274
House Concurrent Resolutions	51	58	40	44	39	85	24
House Resolutions	2	0	0	0	1	0	0
House Memorial Resolutions .	1	1	1	1	1	1	1
Senate Bills.....	297	286	225	264	308	242	233
Senate Concurrent Resolutions	41	27	31	33	25	21	17
Senate Resolutions	0	0	0	0	2	0	0
Senate Memorial Resolutions	1	1	1	1	4	1	1
<u>LICENSING</u>							
<u>Contractors *</u>							
Class A	432	484	541	725	889	1,407	3,180
Class B	216	196	294	320	259	376	715
Class C	232	202	303	294	341	443	813
Class D	807	1,069	1,081	1,079	1,162	1,411	9,199
* These totals only represent the number of new contractor licenses issued during the biennium.							
Licenses (effective June 30, 2013)	5,327	5,587	6,557	7,011	7,366	8,824	11,701
<u>Home Inspectors</u>							
New Licenses	0	0	0	0	0	29	43
Renewals.....	0	0	0	0	0	78	81
<u>Lobbyists (for biennium).....</u>	873	903	897	827	788	666	736
<u>Charitable Solicitations</u>	772	914	893	1,083	1,077	1,238	1,147
Professional Fundraisers.....	197	232	228	207	210	201	196
<u>Notary Commissions</u>	3,954	3,968	4,151	4,376	4,467	4,464	5,130
Total.....	11,211	11,839	12,011	12,168	12,330	13,125	13,873
Name Changes	123	158	191	196	201	173	214
Notary Certificates.....	414	668	885	1,292	665	523	505
<u>Apostilles (issued).....</u>	589	805	1,448	1,185	1,191	938	1,010
<u>Governor's Official Acts (filed)</u>	512	502	436	675	497	535	493

Chapter Fourteen (B) (Part 1)

Central Indexing Unit

Biennial Statistics

Uniform Commercial Code and Central Notice System

CENTRAL INDEXING SYSTEM (CIS)

Original Filings	61,308
Associated Filings	26,063
Terminated Filings.....	39,007
Direct Filings	26,386
Searches (Total).....	75,526
Direct Access Searches	40,102
 Total Filings in CIS as of June 30, 2013	 306,051
 Net Transactions with Secretary of State	
Original Filings	31,117
Associated Filings	9,476
Terminations	17,109
Direct Filings	5,169
Searches (Total).....	16,910
Direct Access Searches	5,743
 Net Transaction with County Recorders	
Original Filings	30,191
Associated Filings	16,587
Terminations	21,898
Direct Filings	21,217
Searches (Total).....	58,616
Direct Access Searches	34,359

FARM PRODUCT SUBSCRIBERS

Microfiche Lists	0
Compact Discs	256
Total Subscribers	256

STATISTICAL ANALYSIS BY TYPES OF FILINGS

CENTRAL INDEXING SYSTEM

Uniform Commercial Code (UCC).....	78,287
Central Notice System (CNS)	551
Combined UCC/CNS	14,842
Statutory Lien/Notices	2,326
Federal Liens	2,506
State Tax Liens	7,022
Total Filings.....	105,534
 Net Filings with Secretary of State	
Uniform Commercial Code (UCC).....	40,370
Central Notice System (CNS)	350
Combined UCC/CNS	1,409
Statutory Lien/Notices	438
Federal Liens	466
Total Filings.....	43,033
 Net Filings with County Recorders	
Uniform Commercial Code (UCC).....	37,917
Central Notice System (CNS)	201
Combined UCC/CNS	13,433
Statutory Lien/Notices	1,888
Federal Liens	2,040
Total Filings.....	55,479

Chapter Fourteen (B) (Part 2)

Central Indexing Unit

Seven Biennial Histories

Uniform Commercial Code and Central Notice System

(Biennial history represents only the documents filed with the Secretary of State.)

	2001	2003	2005	2007	2009	2011	2013
Uniform Commercial Code Filings (UCC)	21,833	29,332	33,204	29,635	31,381	32,399	40,370
Central Notice System Filings (CNS)	1,355	649	466	775	405	540	350
Combined UCC/CNS Filings	1,736	1,787	1,517	1,134	1,045	749	1,409
Statutory Lien/Notices	941	1,271	1,470	1,368	928	621	438
Federal Liens	154	167	225	356	402	416	466
State Tax Liens	3,265	3,693	6,323	5,223	5,703	6,684	7,022

Chapter Fourteen (C) (Part 1)

Business Registration/Information Units

Biennial Statistics

(Totals in effect on June 30, 2013)

Domestic Corporations

Profit Corporations.....	13,785
Publicly Traded Corporations.....	0
Cooperatives (reporting).....	399
Nonprofit Corporations	6,297
Churches	1,435
Banks.....	75
Credit Unions.....	26
Professional Corporations	1,169
Farm Corporations.....	837

Foreign Corporations

Profit Corporations.....	23,694
Cooperatives	95
Nonprofit	3,070
Professional Corporations	301

Limited Liability Companies

Domestic.....	16,783
Domestic Professional.....	221
Domestic Farm	270
Foreign	10,010
Foreign Professional.....	81

Limited Liability Partnerships

Domestic.....	3,097
Domestic Professional.....	19
Foreign	94
Foreign Professional.....	14

Limited Partnerships (Domestic & Foreign)..... 1,690

Limited Liability Limited Partnerships
(Domestic and Foreign)..... 1,017

Partnership Fictitious Name Certificates 1,945

Trademarks 1,460

Trade Names 26,851

Chapter Fourteen (C) (Part 2)

Business Registration/Information Units

Seven Biennial Histories

	2001	2003	2005	2007	2009	2011	2013
Domestic (in-state)							
Chartered Corporations							
For Profit Corporations	11,675	12,284	12,849	13,211	13,283	13,330	13,785
New Registrations	1,773	1,788	2,033	1,832	1,689	1,537	1,997
Merged Out of Existence.	53	63	61	92	44	33	62
Dissolved	1,380	1,411	1,399	1,420	1,509	1,450	1,483
Publicly Traded Corporation	0	0	0	0	1	0	0
Cooperatives.....	387	376	354	325	318	261	399
New Registrations	10	6	7	5	11	6	5
Merged Out of Existence.	9	6	10	8	4	10	4
Dissolved	36	25	20	25	14	19	17
Nonprofit Corporations	5,180	5,610	5,721	5,795	5,925	6,072	6,297
New Registrations	385	387	394	399	433	445	517
Merged Out of Existence.	6	2	1	9	9	2	5
Dissolved	3,789	770	289	334	305	302	374
Churches (nonprofit corps)....	1,370	1,419	1,388	1,372	1,361	1,356	1,435
New Registrations	26	18	28	22	23	32	35
Merged Out of Existence.	0	3	22	5	3	0	0
Dissolved	1,699	94	36	37	32	36	27
State Banks	92	89	84	82	79	77	75
New Registrations	0	0	1	1	1	0	1
Merged Out of Existence.	4	3	5	3	4	1	1
Dissolved	0	0	0	1	0	1	1
Credit Unions	42	40	39	36	34	29	26
New Registrations	0	0	0	0	0	0	0
Merged Out of Existence.	3	2	1	4	2	5	3
Dissolved	1	0	0	0	0	0	0
Professional Corporations	698	756	825	876	945	971	1,169
New Registrations	101	122	120	107	114	101	73
Merged Out of Existence.	2	0	0	0	0	0	2
Dissolved	48	59	50	56	47	73	57
Farm	623	665	688	703	712	756	837
New Registrations	52	69	56	35	61	43	58
Merged Out of Existence.	0	0	0	0	1	0	0
Dissolved	29	26	30	21	22	31	22

	2001	2003	2005	2007	2009	2011	2013
Foreign (out-of-state)							
Chartered Corporations							
For Profit Corporations	10,575	10,764	11,304	11,903	11,815	14,072	23,694
New Registrations	2,873	2,547	2,618	2,483	2,753	3,546	4,758
Merged Out of Existence.	228	201	165	152	189	193	62
Withdrawn or Revoked	1,899	2,081	1,909	1,968	1,878	1,856	2,130
Retired by Conversion	0	0	0	0	4	2	4
Cooperatives	67	73	71	70	75	73	95
New Registrations	12	13	5	8	11	6	6
Merged Out of Existence.	1	0	0	2	0	1	4
Withdrawn or Revoked	2	9	6	8	3	7	7
Nonprofit Corporations	872	1,145	1,371	1,716	2,005	2,310	3,070
New Registrations	253	318	339	444	433	532	630
Merged Out of Existence.	2	2	0	3	2	2	2
Withdrawn or Revoked	138	170	111	334	158	231	199
Limited Liability Companies (LLC)							
Domestic (in-state) LLC	1,542	2,220	3,362	4,833	6,818	9,732	16,783
New Registrations	676	980	1,608	2,044	2,897	4,292	8,289
Merged Out of Existence.	3	5	5	6	5	27	18
Dissolved	192	307	438	667	942	1,369	2,303
Retired by Conversion	0	0	0	2	1	1	3
Domestic Professional LLC ...	11	19	35	65	98	138	221
New Registrations	7	13	17	30	41	50	92
Merged Out of Existence.	0	0	0	0	0	0	0
Dissolved	1	3	1	4	10	11	22
Domestic Farm LLC	49	60	76	94	131	190	270
New Registrations	19	14	21	21	47	81	95
Merged Out of Existence.	0	0	0	0	0	0	0
Dissolved	1	7	6	5	13	23	21
Retired by Conversion	0	0	0	1	1	0	0
Foreign (out-of-state) LLC	939	1,497	2,049	2,975	3,917	5,311	10,010
New Registrations	588	780	959	1,288	1,599	2,186	4,617
Merged Out of Existence.	7	13	18	32	40	50	45
Withdrawn or Revoked	146	222	374	410	698	23	1,272
Retired by Conversion	0	0	0	0	4	2	1
Foreign Professional	1	4	9	10	25	33	81
(out-of-state) LLC							
New Registrations	1	5	5	2	15	16	45
Merged Out of Existence.	0	0	0	0	0	0	0
Withdrawn or Revoked	0	0	1	3	0	8	5

	2001	2003	2005	2007	2009	2011	2013
Limited Liability Partnerships (LLP)							
Domestic LLP	1,063	1,416	1,767	2,092	2,536	2,764	3,097
New Registrations	528	586	646	677	653	509	728
Merged Out of Existence	0	1	2	0	0	2	1
Dissolved/Cancelled	140	203	249	343	400	353	382
Domestic Professional LLP ...	15	20	20	25	26	22	19
New Registrations	5	4	2	7	1	0	1
Merged Out of Existence	0	0	0	0	0	0	0
Dissolved/Cancelled	6	2	2	2	0	4	4
Foreign LLP	29	49	42	44	22	76	94
New Registrations	15	14	27	66	23	18	31
Merged Out of Existence	0	0	0	1	0	0	1
Withdrawn or Revoked	6	6	10	17	4	10	12
Foreign Professional LLP	8	9	9	9	14	15	14
New Registrations	2	3	0	1	2	0	2
Merged Out of Existence	0	0	0	0	0	0	0
Withdrawn or Revoked	0	0	1	0	1	1	2
Other – Domestic and Foreign (out-of-state)							
Limited Partnerships	1,566	1,528	1,374	1,332	1,580	1,602	1,690
New Registrations	436	341	237	291	254	465	305
Merged Out of Existence	1	2	3	4	8	4	8
Withdrawn or Revoked	227	360	385	239	256	201	171
Limited Liability Limited Partnerships	175	309	384	452	672	774	1,017
New Registrations	175	136	122	106	169	10	309
Merged Out of Existence	0	0	0	0	1	1	2
Withdrawn or Revoked	1	19	84	47	42	67	69
Partnership Fictitious Names	1,799	1,543	1,654	1,760	1,774	1,777	1,945
New Registrations	443	447	525	575	616	546	621
Cancelled/Expired	603	705	388	426	540	492	400
Trademarks	1,497	1,454	1,493	1,511	1,505	1,458	1,460
New Registrations	311	196	250	207	188	225	175
Cancelled/Expired	165	175	210	188	192	272	173
Trade Names	12,669	14,686	16,666	18,877	20,797	22,749	26,851
New Registrations	4,610	4,447	5,189	5,930	7,396	6,796	9,029

Chapter Fourteen (D)

Elections Unit

1980 – 2012 Histories

YEARTYPE	NUMBER OF PRECINCTS	VOTES CAST	POPULATION OF STATE *	ELIGIBLE VOTERS	ABSENTEE VOTERS	PERCENT TURNOUT	ELECTION EXPENSES	COST PER VOTE
1980 P	1,239	139,594	652,717	462,760	NA	30	596,547	4.27
1980 G	1,235	314,525	652,717	462,760	NA	68	752,387	2.39
1982 P	1,229	103,875	670,000	461,700	NA	22	612,419	5.90
1982 G	1,232	272,876	675,000	461,700	NA	64	598,335	2.19
1984 P	1,191	99,230	675,000	470,500	2,684	21	612,329	6.17
1984 G	1,193	324,179	675,000	470,500	19,840	69	667,936	2.06
1986 P	1,166	133,465	684,900	464,100	3,353	29	642,904	4.82
1986 G	1,158	295,277	684,900	464,100	6,371	64	631,640	2.14
1987 S	1,121	123,539	684,900	484,100	1,440	26	359,159	2.91
1988 P	1,096	111,263	667,093	483,000	2,934	23	645,948	5.81
1988 G	1,090	309,100	667,093	483,000	23,508	64	676,336	2.19
1989 S	1,034	257,171	667,093	483,000	10,975	53	517,696	2.01
1990 P	975	133,911	638,800	463,415	NA	29	640,128	4.78
1990 G	991	240,301	638,800	463,415	NA	52	678,340	2.82
1992 P	804	146,867	636,800	463,415	6,810	32	717,090	4.88
1992 G	782	315,199	636,800	463,415	24,369	68	752,128	2.39
1992 S	782	164,165	636,800	461,500	12,986	35	393,988	2.40
1994 P	740	139,961	635,000	463,000	6,771	30	675,862	4.83
1994 G	739	241,255	635,000	463,000	14,857	52	633,877	2.63
1996 PP	53	72,530	641,000	473,000	NA	15	202,716	2.79
1996 P	705	123,131	641,000	473,000	5,926	26	951,580	7.73
1996 G	717	271,861	641,000	473,000	17,970	57	685,452	2.52
1998 P	700	991,576	641,000	474,896	4,315	21	696,188	7.02
1998 G	702	217,584	640,883	475,860	18,263	46	658,785	3.03
2000 P	693	94,306	633,666	473,574	5,102	20	851,473	9.02
2000 G	696	292,249	633,666	473,574	37,632	62	731,220	2.50
2002 P	663	128,519	642,200	481,351	8,194	27	774,285	8.87
2002 G	666	237,224	642,200	481,351	34,816	49	714,212	5.06
2004 P	604	92,209	633,837	487,010	6,019	19	786,146	8.53
2004 G	607	316,049	633,837	487,010	51,116	65	751,160	2.38
2006 P	565	111,325	634,366	495,411	8,702	22	826,998	11.55
2006 G	567	220,479	634,366	495,411	34,073	45	876,318	6.31
2008 P	528	102,886	639,715	496,906	14,846 ¹ 5,966 ²	20	1,036,309	17.92
2008 G	528	321,133	639,715	496,906	30,690 ³ 46,534 ⁴	64	1,024,420	5.55
2010 P	505	102,066	646,844	502,873	20,831 ¹ 4,910 ²	20	1,018,814	9.98

2010	G	505	240,876	646,844	502,873	32,812 ¹ 32,603 ²	47	924,816	3.84
2012	P	426	175,303	672,591	532,776	27,983 ¹ 12,990 ²	33	1,352,114	7.71
2012	G	426	325,862	672,591	532,776	39,772 ¹ 55,800 ²	61	1,047,767	3.22

Key: G = General Election; P = Primary Election; PP = Presidential Primary; Election S = Special Election

* Population estimates calculated by the North Dakota Census Data Center

¹Ballots cast in vote-by-mail counties; ²Ballots cast in non-vote-by-mail counties

Chapter Fifteen

Publications, Books and Pamphlets

The following publications and laws are available from the Office of the Secretary of State:

Accounting/Notary Unit

- Notary Public Laws

Administrative/Licensing Unit

- Charitable Solicitation and Professional Fundraiser Laws
- Contractor Licensing Laws
- Lobbyist Laws
- Home Inspectors Laws
- Administrative Code - complete set and Supplements
- Administrative Code – Annual Supplement

Business Unit

Pamphlets

- Limited Liability Company Articles of Organization
- Consolidated Registration for New Businesses
- Business Entity Descriptions

Copies of the Law for the following entities:

- Cooperative Association Act
- Commercial Registered Agents Act
- Corporation Act – Business
- Corporation Act – Farm
- Corporation Act – Publicly Traded
- Fictitious Partnership Name
- Limited Liability Company Act
- Limited Liability Company – Farm
- Limited Liability Company Act – Nonprofit
- Limited Partnership Act
- Limited Liability Limited Partnership
- Limited Liability Partnership
- Partnership Fictitious Name Certificates
- Professional Employer Organizations
- Professional Associations Act
- Real Estate Investment Trust
- Trade Name
- Trademark

Central Indexing Unit

None

Elections Unit

- *Campaign Finance and Disclosure Requirements*
- *College Student Voters*
- *Election Abstracts (1914 to 2012 elections, limited supply – also on website)*
- *Election Officials' Manual*
- *Helpful Campaign Practices*
- *Initiating and Referring Law in North Dakota*
- *North Dakota Election Calendar*
- *North Dakota Election Laws*
- *North Dakota.... The Only State Without Voter Registration*
- *Political Party Organization and Related Statutes*
- *Poll Challengers, Poll Checkers, and Election Observers*
- *Recalling an Elected Official of the State or a Political Subdivision*
- *North Dakota Secretary of State Recount Guidelines*
- *Running for City Office*
- *Running for County and Multi-County District Office*
- *Running for Non-Partisan Statewide Executive Office*
- *Running for Partisan Statewide Executive Office*
- *Running for President and Vice President of the United States*
- *Running for School District Office*
- *Running for Statewide and District Judicial Office*
- *Running for the ND Legislature*
- *Running for U.S. Congress*

North Dakota Blue Book

The following editions are available for viewing and searching on the Secretary of State's website:

- *2013-2015 North Dakota Blue Book*
- *2011-2013 North Dakota Blue Book*
- *2009-2011 North Dakota Blue Book*
- *2007-2009 North Dakota Blue Book*
- *2005-2007 North Dakota Blue Book*
- *2003-2005 North Dakota Blue Book*
- *2001-2003 North Dakota Blue Book*
- *1999-2001 North Dakota Blue Book*
- *1997-1999 North Dakota Blue Book*
- *1995-1997 North Dakota Blue Book*
- *1889-1989 North Dakota Centennial Blue Book*

Chapter Sixteen

How to Obtain Information or Assistance

Information or answers to questions regarding the Office of the Secretary of State and its numerous functions is available through one of the following sources. All inquiries and comments are welcomed.

MAILING ADDRESS

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

TELEPHONE AND EMAIL

GENERAL OFFICE

Telephone Number (701) 328-2900
Toll Free (800) 352-0867, ext. 328-2900
Fax (701) 328-2992
Email Address: sos@nd.gov

ACCOUNTING/NOTARY UNIT

Telephone (701) 328-2901
Toll Free (800) 352-0867, ext. 328-2901
Fax (701) 328-0107
Email Address: sosaccnot@nd.gov

ADMINISTRATIVE/LICENSING UNIT

Telephone (701) 328-3665
Toll Free (800) 352-0867, ext. 328-3665
Fax (701) 328-1610
Email Address: sosadlic@nd.gov

BUSINESS INFORMATION/ REGISTRATION UNIT

Telephone (701) 328-4284
Toll Free (800) 352-0867, ext. 328-4284
Information Fax (701) 328-0106
Registration Fax (701) 328-2992
Email Address: sosbir@nd.gov

CENTRAL INDEXING UNIT

Telephone (701) 328-3662
Toll Free (800) 352-0867, ext. 328-3662
Fax (701) 328-4214
Email Address: sosci@nd.gov

ELECTIONS UNIT

Telephone (701) 328-4146
Toll Free (800) 352-0867, ext. 328-4146
Fax (701) 328-3413
Email Address: soselect@nd.gov

INTERNET WEBSITE

www.nd.gov/sos

NOTE

Although information filed in the office of Secretary of State is public information, the law does prescribe fees for some copies and services (N.D.C.C. § 54-09-04).