

SIXTY-THIRD BIENNIAL REPORT

July 1, 2017 - June 30, 2019



SECRETARY OF STATE
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Table of Contents

| | |
|--|-----------|
| ACKNOWLEDGMENTS | 1 |
| AFFIDAVIT OF SECRETARY OF STATE | 2 |
| Chapter One – CONSTITUTIONAL, STATUTORY, AND LEGISLATIVE AUTHORITY | 3 |
| Chapter Two – TERM OF OFFICE AND LISTING OF SECRETARIES..... | 4 |
| Chapter Three – DUTIES OF OFFICE | 5 |
| Chapter Four – MISSION STATEMENT | 6 |
| Chapter Five (A) – ORGANIZATION OF OFFICE..... | 7 |
| Chapter Five (B) – PERSONNEL IN THE OFFICE OF THE SECRETARY OF STATE | 8 |
| Chapter Six (A) – APPROPRIATIONS | 9 |
| Chapter Six (B) – REVENUE..... | 11 |
| Chapter Six (C) – EXPENDITURES | 12 |
| Chapter Six (D) – SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES | 13 |
| Chapter Six (E) – AUDIT..... | 14 |
| Chapter Seven – ACCOUNTING/NOTARY UNIT | 15 |
| Chapter Eight – LICENSING AND ADMINISTRATIVE UNIT..... | 16 |
| Chapter Nine – CENTRAL INDEXING UNIT | 20 |
| Chapter Ten – BUSINESS INFORMATION UNIT AND BUSINESS REGISTRATION UNIT | 23 |
| Chapter Eleven – ELECTIONS UNIT | 27 |
| Chapter Twelve – COMMISSIONER OF COMBATIVE SPORTS..... | 34 |
| Chapter Thirteen – LEGISLATION ADOPTED BY 2019 LEGISLATIVE ASSEMBLY (Agency Related). | 36 |
| Chapter Fourteen – PUBLIC PRINTING..... | 38 |
| Chapter Fifteen (A) – STATISTICS - LICENSING UNIT..... | 39 |
| Chapter Fifteen (B) – STATISTICS - CENTRAL INDEXING UNIT..... | 42 |
| Chapter Fifteen (C) – STATISTICS - BUSINESS REGISTRATION/INFORMATION UNITS..... | 44 |
| Chapter Fifteen (D) – STATISTICS - ELECTIONS UNIT..... | 47 |
| Chapter Sixteen – PUBLICATIONS, BOOKS, AND PAMPHLETS..... | 49 |
| Chapter Seventeen – HOW TO OBTAIN INFORMATION OR ASSISTANCE | 50 |

Acknowledgments

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

Especially, I am grateful for the assistance provided by Beth Herzog, Public Information Specialist, and Jill Schwab, my Executive Assistant, for gathering, proofreading, and preparing the information used in this report.

The following individuals provided invaluable specific assistance: Jim Silrum, Deputy Secretary of State; Barbara Siegel, Business Services Director; Jamie Wilke, Accounting Director; John Arnold, Elections Director; Lori Feldman, Central Indexing and Licensing Unit Lead; Lee Ann Oliver, Elections Specialist; and Monte Krebsbach, Database Specialist.

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 that:

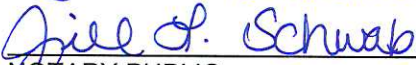
1. He is the duly elected Secretary of State for the state of North Dakota and makes this affidavit in his official capacity.
2. Pursuant to N.D.C.C. § 54-09-02(8), he is required to biennially report to the Governor all moneys received from any source for services performed and accompany such report 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. Attached hereto and expressly incorporated by reference herein is a Statement of Revenues, Appropriations, and Expenditures, which details the manner in which the appropriations for his office have been expended during the previous two fiscal years.
4. The attached Statement of Revenues, Appropriations, and Expenditures is derived from the official books and records maintained by the Secretary of State's office for the previous two fiscal years.
5. 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(8).

FURTHER AFFIANT SAYETH NOT.

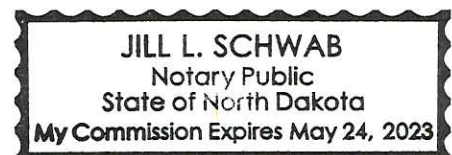


Alvin A. Jaeger
Secretary of State

Subscribed and sworn to before me this
8th day of November, 2019.



JILL L. SCHWAB
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 ballots, with 27,441 voters (77%) voting in favor of its adoption and 8,107 voters (23%) in opposition.

Presently, the office of Secretary of State is authorized in Article V, Section 2, of the North Dakota Constitution (as amended by the voters on June 11, 1996, and as amended by the voters on 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 47-22 related to trademarks; in Chapter 47-25 related to trade names; 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 Section 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 their ballots with 60,099 voters (52%) voting in favor of the measure and 55,294 voters (48%) in opposition.

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%) in opposition 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, 2013-2015, 2015-2017, and 2017-2019 editions of the *North Dakota Blue Book*. They are available for viewing and searching on the Secretary of State's website at sos.nd.gov.

Chapter Three

Duties of Office

The following duties for the Secretary of State are prescribed in Chapter 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. Attest the signature of the Governor on official acts and maintain a register for them;
3. Serve as a member of, and secretary to, the Emergency Commission; a member of the Board of University and School Lands; a member of the State Historical Board; and a member of, and secretary to, the State Canvassing Board (elections);
4. Concur with the Governor's selection for the Theodore Roosevelt Rough Rider Award;
5. Serve as the Commissioner of Combative Sports governing boxing and mixed fighting style events;
6. Distribute the North Dakota Century Code, the North Dakota Administrative Code and its supplements, and the North Dakota Session Laws books;
7. Biennially publish and distribute the *North Dakota Blue Book*;
8. Receive and file original copies of legislative bills and resolutions;
9. Distribute copies of legislative resolutions as prescribed by law and as directed by the legislature;
10. Serve as the state's chief election officer;
11. Prescribe the form and content of statewide election ballots;
12. File campaign finance disclosure statements of statewide candidates, political parties, district political parties, political committees, political action committees (PAC), measure committees, sponsoring committees, and independent expenditures;
13. Certify the names of persons elected to each chamber of the Legislative Assembly;
14. Receive and file petitions for initiated, constitutional, and referred measures;
15. Receive candidate filings from individuals seeking statewide, legislative, or judicial office;
16. File oaths of office for legislative, judicial, and executive officials;
17. Issue certificates of registration to lobbyists;
18. License contractors, and register charitable organizations and home inspectors;
19. Commission notaries public;
20. Complete service of process as required by law;
21. Maintain the central indexing system as an online system for filing uniform commercial code (UCC) documents, various agricultural liens, and other miscellaneous liens;
22. Administer the Registered Agents Act;
23. Register trademarks and trade names, fictitious partnership name certificates, real estate investment trusts, limited partnerships, limited liability partnerships, limited liability limited partnerships, and professional employer organizations;
24. File and record 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. File and record articles of organization related to domestic and foreign limited liability companies;
26. Receive annual reports from various business entities as prescribed by state law; and
27. Keep records of organized cities as prescribed by law.

Chapter Four

Office of the 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 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 Jim Silrum, Deputy Secretary of State, effective November 17, 2003.

Jill Schwab was appointed December 6, 2018, as 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 32 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

Business Registration Unit

Business Information Unit

Central Indexing Unit

Communications and Information Unit

Elections Unit

Licensing Unit

Chapter Five (B)

Personnel in the Office of the Secretary of State

(As of June 30, 2019)

Alvin (Al) A. Jaeger
Secretary of State

Jim Silrum
Deputy Secretary of State

Jill Schwab
Executive Assistant

Directors

Barbara Siegel
Business Services Director
John Arnold
Elections Director
Jamie Wilke
Accounting Director

Business Registration Unit

Leann McCowan
Business Registration Unit Lead
Tina Triebwasser
Business Registration Specialist
Sandi Kopp
Business Registration Specialist
Barbara Plum
Business Registration Specialist
Nicole McGrady
Business Registration Specialist
Nancy Schlosser
Business Services Representative
Traci Fiske
Business Registration Specialist

Business Information Unit

Darcy Hurley
Business Information Unit Lead
Julie Fredericksen
Business Information Associate
Allison Schumacher
Business Information Associate
Rita Fidram
Business Information Associate
Wendy Masset
Business Information Associate
Vacant
Business Reporting Associate

Accounting/Notary Unit

Shelia Goehring
Payroll and Accounting Specialist
Charlotte Zander
Notary and Accounting Specialist
Tiffany Dengel
Accounting Specialist

Central Indexing Unit and Licensing Unit

Lori Feldman
Central Indexing/Licensing Unit Lead
Shereé Wagner
Licensing Specialist
Marietta Herman
Licensing Specialist
Tayler Mikkelson
Licensing Specialist
Cynthia Ortega
Licensing Specialist
Becky Haas
Central Indexing Specialist

Communications and Information Unit

Beth Herzog
Public Information Specialist/Notary Administrator
Steve Denn
Information Management Administrator

Elections Unit

Lee Ann Oliver
Elections Specialist
Brian Nybakken
Election Administration System Manager

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 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 unobligated revenue more than \$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 2017 65th Legislative Assembly's appropriation for the Secretary of State's office for the 2017-2019 biennium was contained in House Bill 1002. The gross total appropriated line items in effect on July 1, 2017, were as follows:

| | <u>Amount Appropriated</u> |
|--|--------------------------------|
| <u>Subdivision 1</u> | |
| Salaries and Wages | \$ 4,652,764 |
| Operating Expenses | 2,905,018 |
| Petition Review | 8,000 |
| Election Reform | <u>1,192,655</u> |
| Subtotal for Subdivision 1 | \$ 8,758,437 |
| <u>Subdivision 2</u> | |
| Public Printing (see Chapter 14)..... | <u>288,450</u> |
| (General Funds – \$288,450) | |
| Gross Spending Authority | \$ <u>9,046,887</u> |
| Appropriation by Source – General Fund | \$5,808,732 |
| Appropriation by Source – Federal Fund | 402,655 |
| Appropriation by Source – Special Fund | <u>2,835,500</u> |
| Total Funding by Source..... | \$ <u>9,046,887</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 could 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 House Bill 1002, 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. Therefore, the operating line was increased by \$745,672.70.

Adjustment #3 – According to the provision of N.D.C.C. § 54-44.1-11, subsection 6, the Secretary of State's office could carry over the remaining balance of the funds allocated for the business and licensing software project (\$2,197,340).

Adjustment #4 – On November 19, 2018, the Emergency Commission approved Request #1928 to increase spending authority in the petition review line by \$3,280.

Adjustment #5 – On November 19, 2018, the Emergency Commission approved request #1929 to increase the spending authority of the election reform fund by \$53,000 in federal fund authority and \$150,000 in special fund authority.

Agency Appropriation After Preceding Adjustments

| | <u>Amount Appropriated</u> |
|--|--------------------------------|
| <u>Subdivision 1</u> | |
| Salaries and Wages..... | \$ 4,792,764 |
| Operating Expenses | 3,585,691 |
| Petition Review | 11,280 |
| Election Reform | 1,395,655 |
| Business & Licensing System | <u>2,197,340</u> |
| Subtotal for Subdivision 1 | \$ 11,982,730 |
| <u>Subdivision 2</u> | |
| Public Printing (see Chapter 14)..... | <u>288,450</u> |
| (General Funds – \$290,045) | |
| Gross Spending Authority | <u>\$ 12,271,180</u> |
| Appropriation by Source – General Fund | \$ 8,009,352 |
| Appropriation by Source – Federal Fund | 455,655 |
| Appropriation by Source – Special Fund | 3,806,173 |
| Total Funding by Source..... | <u>\$ 12,271,180</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..... | \$ 4,811 |
| Business Registration/Information..... | 7,953,793 |
| Central Indexing System | 2,412,037 |
| Elections | 6,113 |
| Licensing | <u>1,871,441</u> |
| Subtotal | \$ 12,248,195 |

General Services Operating Fund Revenue

| | |
|--|-----------------------------|
| Business Registration/Information..... | \$ 282,033 |
| Central Indexing System | 1,069,491 |
| Licensing | <u>507,707</u> |
| Subtotal | \$ 1,859,231 |
| Combined Subtotals | \$ <u>14,107,426</u> |
| Public Printing (see Chapter 14) | \$ <u>4,663</u> |
| Subtotal | <u>4,663</u> |
| Gross Revenue..... | \$ <u><u>14,112,089</u></u> |

Chapter Six (C)

Expenditures

| | Adjusted Appropriation | Expenditures | Balance Remaining | Unspent Percentage of Subtotal #1 |
|---|---------------------------|---------------------|----------------------|---|
| <u>Subdivision 1</u> | | | | |
| Salaries | 4,792,764 | 4,657,867 | 134,897 | 3% |
| Operating Expenses | 3,585,691 | 1,762,362 | 1,823,329 | 51% |
| Petition Review..... | 11,280 | 11,274 | 6 | 0% |
| Election Reform..... | 1,395,655 | 1,295,624 | 100,031 | 37% |
| Business & Licensing System | 2,197,340 | 939,133 | 1,258,207 | 57% |
| Subtotal | <u>\$ 11,982,730</u> | <u>\$ 8,666,260</u> | <u>\$ 3,316,470</u> | |
| Expenditures by Funding Source | | | | |
| General Funds..... | 7,720,902 | 6,460,894 | 1,260,008 | 16% |
| Special Funds..... | 3,806,173 | 1,750,022 | 2,056,151 | 54% |
| Federal Funds | 455,655 | 455,344 | 311 | 0% |
| Subtotal | <u>\$ 11,982,730</u> | <u>\$ 8,666,260</u> | <u>\$ 3,316,470</u> | |
| <u>Subdivision 2 – General Funds</u> | | | | |
| Public Printing (See Chapter 14)... | \$ 288,450 | \$ 258,941 | \$ 29,509 | 10% |
| Subdivisions 1 and 2 | | | | |
| Gross Total Expenditures | <u>\$ 12,271,180</u> | <u>\$ 8,925,201</u> | <u>\$ 3,345,979</u> | |

Funds Returned to State's General Fund

On June 30, 2019, the agency had a remaining gross total of \$1,260,007.73 in unexpended general fund appropriated dollars. Of this amount, \$1,258,207 was carried over to the 2019-2021 biennium to support the Secretary of State's ongoing technology project for the business and licensing system.

The agency's gross total return to the state's general fund from its 2017-2019 appropriation was \$31,309.43, which was the remaining balance for Public Printing in Subdivision 2 and \$1,800.64 from Subdivision 1.

Chapter Six (D)

SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES - BIENNIAL HISTORY

| | 2007-2009 | 2009-2011 | 2011-2013 | 2013-2015 | 2015-2017 | 2017-2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE – General Fund | | | | | | |
| Administration | \$ 5,141 | \$ 3,575 | \$ 100 | \$ 2,999 | \$ 3,990 | \$ 4,811 |
| Business Registration | 4,674,201 | 5,376,656 | 7,484,382 | 8,089,666 | 9,285,251 | 7,953,793 |
| Central Indexing UCC/CNS.. | 1,536,360 | 1,676,308 | 1,887,220 | 1,874,546 | 618,485 | 2,412,037 |
| Licensing | 1,198,373 | 1,463,473 | 2,392,181 | 2,273,804 | 2,570,650 | 1,871,441 |
| Elections | 18,507 | 9,887 | 10,689 | 504 | 2,189 | 6,113 |
| Subtotal..... | \$ 7,432,582 | \$ 8,529,899 | \$11,774,572 | \$12,241,519 | \$12,480,565 | \$12,248,195 |
| REVENUE – General Services Operating Fund | | | | | | |
| Business Registration/Info ... | \$ 136,085 | \$ 133,724 | \$ 191,084 | \$ 216,174 | \$ 248,100 | \$ 282,033 |
| Central Indexing | 361,863 | 380,866 | 408,361 | 442,103 | 688,445 | 1,069,491 |
| Licensing | 1,424 | 1,118 | 2,369 | 6,422 | 574,275 | 507,707 |
| Elections..... | 17,125 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | \$ 516,497 | \$ 515,708 | \$ 601,814 | \$ 664,699 | \$ 1,510,820 | \$ 1,859,231 |
| Public Printing (General Fund) | 15,728 | 13,153 | 8,159 | 10,892 | 5,893 | 4,663 |
| Total Revenue | <u>\$ 7,964,807</u> | <u>\$ 9,058,760</u> | <u>\$12,384,545</u> | <u>\$12,917,110</u> | <u>\$13,997,278</u> | <u>\$14,112,089</u> |
| APPROPRIATIONS | | | | | | |
| Salaries | \$ 2,716,079 | \$ 3,262,138 | \$ 4,089,343 | \$ 4,496,054 | \$ 5,111,514 | \$ 4,792,764 |
| Operating Expenses..... | 2,981,097 | 3,274,450 | 5,797,515 | 4,893,972 | 5,666,190 | 3,585,691 |
| Capital Assets | 0 | 0 | 0 | 10,000 | 0 | 0 |
| Petition Review | 8,000 | 8,000 | 23,000 | 15,000 | 10,000 | 11,280 |
| Election Reform..... | 5,520,000 | 8,712,528 | 6,206,812 | 5,169,658 | 2,703,535 | 1,395,655 |
| BND Loan..... | 2,920,000 | 3,400,698 | 0 | 0 | 0 | 0 |
| Technology Carryover..... | 0 | 0 | 78,000 | 0 | 0 | 0 |
| Business Process Modeling..... | 0 | 0 | 0 | 400,000 | 290,206 | 2,197,340 |
| Subtotal..... | \$14,145,176 | \$18,657,814 | \$16,194,670 | \$14,984,684 | \$13,781,445 | \$11,982,730 |
| Public Printing | 303,500 | 337,000 | 310,000 | 320,500 | 290,045 | 288,450 |
| Total Appropriations | <u>\$14,448,676</u> | <u>\$18,994,814</u> | <u>\$16,504,670</u> | <u>\$15,305,184</u> | <u>\$14,071,490</u> | <u>\$12,271,180</u> |
| EXPENDITURES | | | | | | |
| Salaries | \$ 2,691,506 | \$ 3,240,403 | \$ 3,939,755 | \$ 4,481,326 | \$ 4,879,231 | \$ 4,657,867 |
| Operating Expenses..... | 2,966,557 | 2,905,002 | 4,343,000 | 4,375,450 | 3,162,685 | 1,762,362 |
| Capital Assets | 0 | 0 | 0 | 10,000 | 0 | 0 |
| Petition Review | 7,795 | 5,146 | 22,369 | 15,000 | 8,594 | 11,274 |
| Election Reform..... | 2,009,364 | 2,574,673 | 2,263,394 | 3,037,557 | 1,888,519 | 1,295,624 |
| Technology Carryover..... | 0 | 0 | 78,000 | 0 | 0 | 0 |
| Business Process Modeling..... | 0 | 0 | 0 | 109,793 | 290,206 | 939,133 |
| Subtotal | \$ 7,675,222 | \$ 8,725,225 | \$10,646,518 | \$12,029,126 | \$10,229,235 | \$ 8,666,260 |
| Public Printing | 266,465 | 292,201 | 261,500 | 258,472 | 256,337 | 258,941 |
| Total Expenditures..... | <u>\$ 7,941,687</u> | <u>\$ 9,017,426</u> | <u>\$10,908,018</u> | <u>\$12,287,598</u> | <u>\$10,485,572</u> | <u>\$8,925,201</u> |

Chapter Six (E)

Audit

On March 26, 2019, 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, 2018. 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? *This question is not applicable for performance audits. The agency's transactions were tested and included in the state's basic financial statements on which an unmodified 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? *The Office of the Secretary of State has implemented the recommendation 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, management conflicts of interest, contingent liabilities, or significant unusual transactions identified.*
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 Office of 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), the AS400 (Business Registration and Accounting System), and the Central Indexing System (CIS) are high-risk information technology systems critical to the Office of 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

The Secretary of State commissions notaries public under N.D.C.C., Chapter 44-06.1 due to the adoption by the 2011 62nd Legislative Assembly of House Bill 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.

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, have a place of employment in North Dakota, or reside in a county that borders North Dakota, and which is in a state that extends reciprocity to a notary public who resides in a border county of this state. There were 15,154 notary commissions in effect on June 30, 2019. During the biennium, there were 4,853 new or renewal commissions issued. To educate and maintain contact, the *Notary Notes* newsletter was mailed to the notaries in November 2017.

During the 66th Legislative Assembly, House Bill 1110 (2019 Session Laws, Chapter 376) was introduced and passed by the legislature, which authorized remote notarization using communication technology. The bill was based on a recommended uniform law draft from the National Conference of Commissioners on Uniform State Laws.

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 that are part of The Hague Convention. 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 1,279 apostille requests.

Chapter Eight

Licensing and Administrative Unit

This unit has a multitude of responsibilities and duties. Most of them are related to contractor licensing, the registration of charitable organizations, the registration of lobbyists, the registration of home inspectors, professional employer organization licenses, and the registration of athlete agents. These duties generate most of the revenue generated by this unit. Other duties pertain to the legislature, the Governor, the maintenance of certain state records, and various administrative responsibilities.

FirstStop (FirstStop.sos.nd.gov), the Secretary of State's new software for the licensing functions of the North Dakota Secretary of State's office, was deployed in January 2019. FirstStop provides contractors and lobbyists the ability to submit and update licensing filings and records online. FirstStop also provides automated support for the staff in the Licensing unit.

Contractors

Section 43-07-02 of the North Dakota Century Code states that 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. Prior to April 15, 2015, this law applied to any single contract or subcontract where the cost, value, or price exceeded the sum of \$2,000. The 2015 64th Legislative Assembly adopted Senate Bill 2188 (2015 Session Laws, Chapter 290), which increased the amount to \$4,000. The bill contained an emergency clause, making the bill effective April 15, 2015. The 1993 Legislative Assembly adopted Senate Bill 2474 (1993 Session Laws, Chapter 418) requiring contractor applicants for a new or renewal license to provide proof of having secured liability insurance.

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 an 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 were 10,642 contractor licenses in effect on December 31, 2018.

There are four classes of contractor licenses. As adopted by the 2015 64th Legislative Assembly, Senate Bill 2278 (2015 Session Laws, Chapter 291) adjusted the value range of the contract for each license class. The requirements for a Class A license remained unchanged and is not subject to a value limitation on any single contract project. For a Class B license, the upper limit per contract project increased to \$500,000, a Class C license increased to \$300,000 and a Class D increased to \$100,000. The application fees for each license category were increased (which fees had been unchanged since 1993) as follows: Class A – \$450; Class B – \$300; Class C – \$225; and Class D – \$100.

Contractor licenses must be renewed annually by March 1 of each year. Also increased in 2015 were the annual renewal fees, which were set as: Class A – \$90; Class B – \$60; Class C – \$45; and Class D – \$30. A penalty of \$50 is assessed if the license is not renewed by the due date and if not renewed within ninety days after March 1, the contractor must apply for a new license and pay the applicable applications fees.

The 2019 66th Legislative Session adopted Senate Bill 2235 (2019 Session Laws, Chapter 343). It defined a contractor year as March 2 through March 1 of the following year, which change is reflected throughout Chapter 43-07, along with numerous text updates that were also included in the legislation.

Charitable Solicitation

Chapter 50-22 of the North Dakota Century Code governs charitable organizations soliciting contributions and professional fundraisers. The 2003 58th Legislative Assembly adopted Senate Bill 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 and a required financial statement. Each year, the organization must file an annual report itemizing, among other categories, revenue, management costs, program services, cost of fundraising, names of professional fundraisers, cost of public education, and employee compensation.

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 Management or by an interim committee of the Legislative Management.

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

- A legislator.
- A private citizen appearing on the citizen's 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 Management, an interim committee of the Legislative Management, or a standing committee of the Legislative Assembly to appear before the Legislative Management, 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, corporation, association, group, or organization on whose behalf he or she will appear. The registrant must also provide a lobbyist authorization from those he or she represents.

There were 206 lobbyists registered for the registration period July 1, 2017 to June 30, 2018, representing 449 organizations. From July 1, 2018 through December 31, 2018, there were 321 lobbyists registered

representing 728 organizations. More lobbyists are registered during the twelve-month registration period that includes a legislative session.

Professional Employer Organization (PEO) License

Established by legislative action in 2007 with the adoption of Senate Bill 2036 (2007 Session Laws, Chapter 384), a professional employer organization is a person engaged in the business of providing professional employer services. 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.

In 2009, the Legislative Assembly adopted House Bill 1361 (2009 Session Laws, Chapter 380), which established certain financial disclosures, reporting requirements to job service and made certain records confidential. The 2017 Legislative Assembly passed House Bill 1237 (2017 Session Laws, Chapter 294), which modified the bonding requirements.

Athlete Agents

During the 2003 Legislative Assembly, Senate Bill 2157 (2003 Session Laws, Chapter 81) was adopted. This bill enacted the Uniform Athlete Agents Act as Chapter 9-15.1 of the North Dakota Century Code. In 2017, the Legislative Assembly adopted House Bill 1212 (2017 Session Laws, Chapter 79). This bill enacted the Uniform Revised Athlete Agents Act that repealed Chapter 9-15.1 and created a new and enacted Chapter 9-15.2.

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, 2019, there were 8 athlete agents registered.

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 714 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 2019 66th Legislative Assembly, the Secretary of State filed 326 legislative bills originating in the House of Representatives and 253 bills originating in the Senate. Also filed were 34 House Concurrent Resolutions and 14 Senate Concurrent Resolutions, along with a Memorial Resolution from each chamber. The session convened January 3, 2019, and adjourned April 26, 2019.

Miscellaneous Duties

Facsimile Signatures: Each state official is required to file with this office his or her signature, certified by that officer under oath, for facsimile purposes in official state business. N.D.C.C. § 44-08-13.

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: The Secretary of State's website has a listing of notices for public meetings held by state agencies, boards, and departments to provide better access for the public and other interested parties (N.D.C.C. § 44-04-20). Funding to create the online functionality by the state's information technology department was provided in the Secretary of State's 2011 budget. It was deployed February 2013 and 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 to comply with state law. The public and media may subscribe to receive public meeting 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 North Dakota 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 and allow for filing and searching of six separate databases. The databases 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.

A major change in filing and searching procedures occurred in the 2013 legislative session with the passage of House Bill 1136 (2013 Session Laws, Chapter 257). This bill required that any statement filed under the Uniform Commercial Code central filing database, the central notice system, or the statutory lien database be electronically filed with the Secretary of State using a secure web-based application.

On March 1, 2016, the North Dakota Secretary of State's office launched a secure web-based application called the North Dakota Central Indexing System (NDCIS). With the launch of the new system, all central indexing filings and search requests are required to be completed online. Paper filings and search requests are no longer accepted by the Secretary of State or county filing offices. The NDCIS also replaced the direct access filing of lien notices that was previously available to filers for a subscription fee.

Central Indexing System – Searches

In addition to allowing the filing of various lien documents, the CIS is also of benefit to those persons who need to search the database to determine if any liens are recorded against a certain individual or business entity. As of March 1, 2016, search requests have been completed online in the NDCIS at no cost.

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, 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 for another five years within six months prior to the expiration date. 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 Uniform Law Commission. 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 regard to those documents.

The 2011 Legislative Assembly adopted House Bill 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 became effective July 1, 2013.

Another bill adopted by the legislature was Senate Bill 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.

In the 2013 legislative session, House Bill 1136 (2013 Session Laws, Chapter 257) reinstated the requirement of using the social security number/internal revenue service taxpayer identification number on certain lien filings. The effective date of the change was March 1, 2016.

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 Legislative 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). The same information, on July 1, 1999, became available online through the agency's Central Indexing System direct access search option. The Central Notice System Farm Products list was no longer available on a CD or through direct access as of March 1, 2016. The report is now available for purchase and download through the NDCIS.

With the passage of House Bill 1136 (2013 Session Laws, Chapter 257) by the 2013 63rd Legislative Assembly, as referenced in the previous sections, secured parties now file CNS liens documents and conduct search request online in the NDCIS.

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. As of March 1, 2016, all agricultural statutory liens are filed online in the NDCIS.

Within 90 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 North Dakota Central Indexing System. Such liens take precedence over UCC liens (N.D.C.C. § 54-09-10).

As with the CNS, a listing of agricultural statutory liens can be purchased and downloaded through the NDCIS.

Chapter Ten

Business Information Unit and Business Registration Unit

The Business Information Unit and the Business Registration Unit execute the Secretary of State's business services responsibilities. Revenue from these units is generated from a variety of fees charged for filings, amendments, reports, lists, and registrations.

Duties include:

- determining business name availability by applying "deceptively similar" principles and guidelines.
- registering trademarks and trade names, fictitious partnership name certificates, real estate investment trusts, limited partnerships, limited liability partnerships, and limited liability limited partnerships; and processing amendments, renewals, and cancellations of those registrations.
- filing and recording articles of incorporation, articles of organization, and certificates of authority related to various types of domestic and foreign businesses; and processing amendments, dissolutions, terminations, and revocations of articles and certificates of authority.
- administering the Registered Agents Act including processing registered agent changes and resignations.
- responding when the Secretary of State is the registered agent for service of process.
- processing annual reports received from various business entities.
- fulfilling copy requests, and providing certificates of fact and good standing, and other certified documents.

FirstStop (FirstStop.sos.nd.gov), the Secretary of State's new software for the business functions of the North Dakota Secretary of State's office, was deployed in January 2019. FirstStop provides customers the ability to submit and update business filings and records online. FirstStop also provides automated support for the staff in the Business Registration and Business Information units.

Entity Types

Listed below are the 46 types of entities for which records are filed and maintained by the Business Information Unit and the Business Registration Unit.

- | | |
|---|---|
| 1. Airport Authorities | 26. Limited Liability Companies Foreign |
| 2. Churches | 27. Limited Liability Companies Foreign Professional |
| 3. City Home Rule Charters | 28. Limited Liability Companies Nonprofit |
| 4. Cooperatives - Domestic Associations | 29. Limited Liability Partnerships Domestic |
| 5. Cooperatives - Electric Associations | 30. Limited Liability Partnerships Foreign |
| 6. Cooperatives - Foreign Associations | 31. Limited Liability Partnerships Domestic Professional |
| 7. Cooperatives - Grazing Associations | 32. Limited Liability Partnerships Foreign Professional |
| 8. Cooperatives - Mutual Aid Associations | 33. Limited Partnerships Domestic and Foreign |
| 9. Commercial Registered Agent | 34. Limited Liability Limited Partnerships – Domestic and Foreign (|
| 10. Corporations Certified Nonprofit Development | 35. Insurance Companies |
| 11. Corporations Domestic Business | 36. Irrigation Districts |
| 12. Corporations Domestic Nonprofit | 37. Municipal Power Agencies |
| 13. Corporations Domestic Professional | 38. Partnership Statement – General |
| 14. Corporations Domestic Publicly Traded | 39. Real Estate Investment Trusts |
| 15. Corporations Farm | 40. Special Registered Agent Records |
| 16. Corporations Foreign Business | 41. Soil Conservation Districts |
| 17. Corporations Foreign Nonprofit | 42. State Banks |
| 18. Corporations Foreign Professional | 43. Trademarks |
| 19. County Home Rule Charters | 44. Trade Names |
| 20. Credit Unions | 45. Vector Control Districts |
| 21. Fictitious Partnership Name Certificates | 46. Water Resource Districts |
| 22. Fiduciaries | |
| 23. Limited Liability Companies Domestic | |
| 24. Limited Liability Companies Domestic Professional | |
| 25. Limited Liability Companies Farm | |

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

Commercial Registered Agents

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 Business

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. A corporation is 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 is required to file with the Secretary of State an annual report, which is due December 1 of each year. 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 Business

Corporations incorporated in other states or countries are considered foreign corporations. These foreign corporations must 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. A foreign corporation must file with the Secretary of State an annual report, which is due May 15 of each year.

Corporation Nonprofit – Domestic and Foreign

A nonprofit organization may become a corporation by filing articles of incorporation with the Secretary of State. State law legally recognizes a corporation as an entity having its own rights, privileges, and liabilities that are distinct from the members or governing body of the corporation. The existence of the corporation begins when articles of incorporation are approved for filing with the Secretary of State or on a later date if specified in the articles of incorporation.

Nonprofit corporations incorporated in other states or countries are considered foreign nonprofit corporations. These foreign nonprofit corporations must obtain a certificate of authority from the Secretary of State before conducting affairs in the state of North Dakota, or before obtaining any license or permit prescribed by North Dakota law.

A domestic or foreign nonprofit corporation is required to file with the Secretary of State an annual report, which is due February 1 of each year.

Fictitious Partnership 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.

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

The 2015 64th Legislative Assembly adopted House Bill 1136 (2015 Session Laws, Chapter 87), which established North Dakota Century Code, Chapter 10-32.1, the Uniform Limited Liability Company Act. 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. It was first authorized in the 1993 legislative session.

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. A limited liability company must file an annual report with the Secretary of State, which is due November 15 of each year.

Limited Liability Company – Foreign

Limited liability companies organized in other states or countries are considered foreign limited liability companies. Foreign limited liability companies must 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. A foreign limited liability company must file with the Secretary of State an annual report, which is due November 15 of each year.

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 10-32.1. 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.

Nonprofit limited liability companies organized in other states or countries are considered foreign nonprofit limited liability companies. Foreign nonprofit limited liability companies must 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.

A domestic or foreign nonprofit limited liability company must file with the Secretary of State an annual report, which is due February 1 of each year.

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 or limited liability companies 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.

A domestic or foreign limited partnership 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 (LLLLP) 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. A domestic or foreign limited liability limited partnership 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 registration document 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. A domestic or foreign LLP must file with the Secretary of State an annual report, which is due March 31 of each year.

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

A trade name must be registered with the Secretary of State for an individual or an organization to do business in North Dakota using that name, if the name does not include 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.

A trade name registered with the Secretary of State is afforded protection for five years and is renewable. The trade name registration also creates a public record from which one can identify the principals of a business.

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 unit are primarily derived from fees assessed for reports that are filed late and for copies of 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 pollbooks, and forms and supplies, including 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. File nominating petitions or certificates of endorsement, statements of interest, and affidavits of candidacy for congressional, state, judicial, and legislative candidates.
15. Provide certificates of nomination and certificates of election.
16. File oaths of office for congressional, state, judicial, and legislative officeholders.
17. Examine and certify for use the voting system or counting machines authorized by law.
18. Receive electronically filed campaign finance disclosure statements for state, legislative, and judicial 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 171). Updates and changes 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. 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. 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 \$23,000,000. As of the end of the 2017-2019 biennium, the state had received \$21,028,257 and is still due \$1,971,743, but this money is not likely to be appropriated by Congress for North Dakota or any other state.

The Secretary of State's office has utilized the funding received due to HAVA to improve elections across the state. 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 can 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 in the Ballot Measures section of the Secretary of State's Election's website at Vote.ND.Gov.

Since statehood in 1889 and through the 2018 election cycle, North Dakota's voters have voted on 514 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 (243) 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 139 (57%) of the measures and have disapproved of 104 (43%) of them.

The second highest in number (144) have been initiated statutory measures placed on the ballot through the circulation of petitions by a sponsoring committee. As of November 2018, the voters had approved 60 (42%) of the measures and had rejected 84 (58%) of them.

Sponsoring committees have been successful in placing 52 initiated constitutional measures on the ballot. As of November 2018, the voters had approved 29 (56%) of them and denied 23 (44%) of them.

The actions of the Legislative Assembly have been referred to a vote of the people 75 times. As of November 2018, the voters rejected legislative action 47 (63%) times and upheld legislative decisions 28 (37%) 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%).

During the biennium, the formats of four 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 November 6, 2018 ballot:

Initiated Constitutional Measure

Related to: Created an ethics commission of five members and established public disclosure requirements of the source of funds spent to influence statewide and legislative elections and ballot measures or to lobby or otherwise influence state government action

Petition approved for circulation: March 20, 2018

Approved for placement on the ballot as Initiated Constitutional Measure No. 1: July 23, 2018

The voters accepted the measure 169,676 (53.63%) to 146,709 (46.37%).

Initiated Constitutional Measure

Related to: Provided only a citizen of the United States may vote in federal, state, and local elections

Petition approved for circulation: May 23, 2018

Approved for placement on the ballot as Initiated Constitutional Measure No. 2: August 10, 2018

The voters approved the measure 208,499 (65.93%) to 107,751 (34.07%).

Initiated Statutory Measure

Related to: Would have removed hashish, marijuana, and tetrahydrocannabinols from the list of Schedule I hallucinogenic controlled substances set forth in the Uniform Controlled Substances Act and would have decriminalized the possession of marijuana by an individual 21 years of age or older

Petition approved for circulation: March 15, 2017

Approved for placement on the ballot as Statutory Measure No. 3: August 13, 2018

The voters rejected the measure 193,837 (59.45%) to 132,199 (40.55%).

Initiated Statutory Measure

Related to: Required the Department of Transportation to provide red personalized vehicle plates to volunteer emergency responders upon request at no initial or annual cost to the applicant and provided the plates serve as an entrance pass to all North Dakota state parks

Petition approved for circulation: February 21, 2018

Approved for placement on the ballot as Statutory Measure No. 4: August 13, 2018

The voters accepted the measure 203,634 (64.32%) to 112,964 (35.68%)

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, 2018, with 424 precincts and a voter turnout of 19.81%. The second one was the general election held on November 6, 2018, with 424 precincts and a voter turnout of 57.04%.

The total cost for conducting the two statewide elections in 2018 was approximately \$2,348,857.

Statewide Election (June Primary) – June 12, 2018

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 offices representing various levels of congressional, statewide, district, county, and local government. They were:

Federal-Congressional Offices

| | |
|----------------------------|-------------|
| United States Senator | 6-year term |
| Representative in Congress | 2-year term |

Statewide Offices (Party)

| | |
|-----------------------------|-----------------------|
| Secretary of State | 4-year term |
| Attorney General | 4-year term |
| Agriculture Commissioner | 4-year term |
| Public Service Commissioner | 6-year term |
| Public Service Commissioner | Unexpired 2-year term |
| Tax Commissioner | 4-year term |

Statewide Offices (No Party)

| | |
|------------------------------|--------------|
| Justice of the Supreme Court | 10-year term |
|------------------------------|--------------|

Judicial District Offices (No Party)

| | |
|---|-----------------------|
| Judges of the District Courts (9 Judgeship positions) | 6-year term |
| Judges of the District Courts (5 Judgeship positions) | Unexpired 4-year term |
| Judges of the District Courts (2 Judgeship positions) | Unexpired 2-year term |

State Legislative Seats (Party)

| | |
|--|-------------|
| 24 seats in the ND Senate (odd-numbered districts) | 4-year term |
| 48 seats in the ND House of Representatives (odd-numbered districts) | 4-year term |

County Offices (No Party)

| | |
|-------------------------------------|-------------|
| Commissioners | 4-year term |
| Auditor | 4-year term |
| State's Attorney | 4-year term |
| Recorder | 4-year term |
| Treasurer | 4-year term |
| Sheriff | 4-year term |
| Director, Southwest Water Authority | 4-year term |

| | |
|---|-------------|
| Clerk of District Court | 4-year term |
| Director, Garrison Diversion Conservancy District | 4-year term |
| Official County Newspaper | 4-year term |

City Offices

Positions varied depending on form of governance.

Statewide Election (General Election) – November 6, 2018

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

Federal-Congressional Offices

| | |
|----------------------------|-------------|
| United States Senator | 6-year term |
| Representative in Congress | 2-year term |

Statewide Offices (Party)

| | |
|-----------------------------|-----------------------|
| Secretary of State | 4-year term |
| Attorney General | 4-year term |
| Agriculture Commissioner | 4-year term |
| Public Service Commissioner | 6-year term |
| Public Service Commissioner | Unexpired 2-year term |
| Tax Commissioner | 4-year term |

Statewide Offices (No Party)

| | |
|------------------------------|--------------|
| Justice of the Supreme Court | 10-year term |
|------------------------------|--------------|

Judicial District Offices (No Party)

| | |
|---|-----------------------|
| Judges of the District Courts (9 Judgeship positions) | 6-year term |
| Judges of the District Courts (5 Judgeship positions) | Unexpired 4-year term |
| Judges of the District Courts (2 Judgeship positions) | Unexpired 2-year term |

State Legislative Seats (Party)

| | |
|--|-------------|
| 24 seats in the ND Senate (odd-numbered districts) | 4-year term |
| 48 seats in the ND House of Representatives (odd-numbered districts) | 4-year term |

County Offices (No Party)

| | |
|---|-------------|
| Commissioners | 4-year term |
| Auditor | 4-year term |
| State's Attorney | 4-year term |
| Recorder | 4-year term |
| Treasurer | 4-year term |
| Sheriff | 4-year term |
| Supervisor, Soil Conservation District | 6-year term |
| Director, Garrison Diversion Conservancy District | 4-year term |
| Official County Newspaper | 4-year term |

In the general election, North Dakota voters voted on four ballot measures. All were placed on the ballot by initiated action (see previous Initiative 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 | Accepted | 169,676 | 146,709 |
| This measure related to the Transparency of Funding Sources, Lobbyists, Conflicts of Interests, and the Establishment of an Ethics Commission | | | |

| | | | |
|---|-----------------|----------------|----------------|
| Constitutional Measure No. 2 | Accepted | 208,499 | 107,751 |
| This measure related to the Elections in Which a Qualified Elector May Vote | | | |
| Initiated Statutory Measure No. 3 | Rejected | 132,199 | 193,837 |
| This initiated measure related to the Legalization of Marijuana | | | |
| Initiated Statutory Measure No. 4 | Accepted | 203,634 | 112,964 |
| This measure related to Establishing Personalized Vehicle Plates for Volunteer Emergency Responders | | | |

Election Results and Reports

Beginning with the 2000 election cycle, county-by-county election results have been made available on the Secretary of State's Election's website at Vote.ND.Gov. Beginning with the 2004 election cycle, county-by-county precinct election results have been available on the Election's website. Precinct election results prior to 2004 are available from the County Auditors in each of the state's 53 counties.

Copies of the Secretary of State's election abstract of votes dating back to statehood are also available at no cost on the Secretary of State's Election's website at Vote.ND.Gov. The abstracts may be searched individually by candidate, party, contest or other keywords entered by the individual viewing the abstract.

All 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 Oaths of Office, Statements of Interest, Certificates of Endorsement, Petition/Certificates of Nomination, Affidavits of Candidacy, and Certificates of Write-in Candidacy.

Campaign Finance Disclosure Statements

Beginning in 2001, copies of the campaign finance disclosure statements filed by political parties, statewide candidates (except federal), legislative candidates, district judicial candidates, political action committees, and measure committees have been available in the Campaign Finance Disclosure section of the Election's website at Vote.ND.Gov.

The 2013 Legislative Assembly adopted Senate Bill 2299 (2013 Session Laws, Chapter 172), which mandated that any statement required by N.D.C.C., Chapter 16.1-08.1 be electronically filed with this office in a format established by the Secretary of State. The section of the bill that related to this requirement had a delayed effective date of May 1, 2014. To allow for the electronic filing of campaign finance disclosure statements, the Secretary of State's office launched the North Dakota Campaign Finance Online system on May 1, 2014.

Political committees that organize and register according to federal law are required to file with the North Dakota Secretary of State a copy of the portion of the committee's federal report detailing independent expenditures or disbursements made to a nonfederal candidate seeking public office or to a political party or committee in North Dakota. These records and filings are considered public information. Copies of these records are available at a cost of \$0.50 per page.

Election Statistics

Chapter 15(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 53 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 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 Election's website at Vote.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 45 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 can 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.

Beginning in 2016, ND VOICES was enhanced to include the states Central Voter File (CVF). The CVF is used by election officials to generate pollbooks and administer absentee/mail ballot voting.

Chapter Twelve

Commissioner of Combative Sports

(formerly State Athletic Commissioner)

In 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 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 reappointed 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 changed very little. Then, in 1967, the office of the 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, the law 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 resulting in no state oversight.

Significant changes were made in 1991 to the laws governing boxing. The 52nd Legislative Assembly adopted Senate Bill 2411 (1991 Session Laws, Chapter 543), effective July 1, 1991. With its passage, the duties of the athletic commissioner became more defined. The law allowed for the creation of an athletic advisory board and improved regulation of the growing boxing activity occurring within the state of North Dakota.

The 2011 62nd Legislative Assembly, adopted Senate Bill 2286 (2011 Session Laws, Chapter 377), effective August 1, 2011. The bill changed the title of 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 for combative sport events is deposited into a special fund (N.D.C.C. § 53-01-09). Licenses are issued to the participants, referees, judges, corner persons, managers, ringside officials, and promoters.

In 2017, the Legislative Assembly adopted Senate Bill 2210 (2017 Session Laws, Chapter 358) that allows the setting of fees to equal the actual cost of regulating events and to adopt rules to perform screening tests for controlled substances.

The 59th Legislative Assembly in 2005 adopted Senate Bill 2356 (2005 Session Laws, Chapter 464), which authorized "mixed fighting style competition". As defined in the law it "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.

To implement the new law, the legislation required the adoption of rules. They were drafted during several months with the assistance of individuals knowledgeable with mixed fighting styles. The rules were effective October 1, 2006, and the first mixed fighting style event was held October 7, 2006, at the Bismarck Civic Center.

During the 2017-2019 biennium, 112 licenses were issued related to the regulation of boxing events.

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

February 10, 2018 – Fargo, Quicksilver Hill Sports and Entertainment

November 2, 2018 – Fort Yates, Red Weasel Promotions

March 2, 2019 – Fargo, MPX Promotions and Barbot Boxing

During the 2017-2019 biennium, 57 licenses were issued related to the regulation of mixed martial arts.

The following mixed fighting style event was held during the biennium (date, location, and promoter):

November 10, 2018 – Fargo, MPX Promotions

Chapter Thirteen

Legislation Adopted by 2019 Legislative Assembly – Agency Related

General Office – Appropriations

Senate Bill 2002 (2019 Session Laws, Chapter 27) effective July 1, 2019
Agency appropriation

Business Services

House Bill 1045 (2019 Session Laws, Chapter 94) effective August 1, 2019, except series limited liability company provisions are effective July 1, 2020

Relating to electronic transaction definitions, blockchain technology and smart contracts, number of shareholders, series limited liability companies, filing of an annual report by corporations engaged in farming or ranching, Business Corporation Act definitions, knowledge and notice, share certificates, corporate voting list and voting trusts, acceptance of shareholder act by the corporation, corporate records, corporate dissolution procedure, and the filing of an annual report by a publicly traded corporation

House Bill 1127 (2019 Session Laws, Chapter 93) effective when administrative rules are finalized and system support is in place.

Relating to the names of cooperatives, corporations, limited liability companies, domestic and foreign real estate investment trusts, limited partnerships, fictitious partnerships, and limited liability partnerships

House Bill 1388 (2019 Session Laws, Chapter 91) effective August 1, 2019
Relating to persons eligible for corporate farm ownership

Senate Bill 2200 (2019 Session Laws, Chapter 90) effective August 1, 2019
Relating to the definition of farming or ranching

Senate Bill 2326 (2019 Session Laws, Chapter 92) effective August 1, 2019
Relating to registration and reports of corporations, limited liability companies, and partnerships

Central Indexing System Unit

House Bill 1220 (2019 Session Laws, Chapter 440) effective August 1, 2019
Relating to priority of agricultural supplier liens; and to provide for application

Elections Unit

House Bill 1035 (2019 Session Laws, Chapter 175) effective August 1, 2019
Relating to initiated measures and election ballots

House Bill 1036 (2019 Session Laws, Chapter 173) effective August 1, 2019
Relating to fiscal impacts of referred measures

House Bill 1037 (2019 Session Laws, Chapter 176) effective August 1, 2019
Relating to campaign finance disclosure statements for measure committees

House Bill 1059 (2019 Session Laws, Chapter 174) effective August 1, 2019
Relating to part-time appointment of election workers and required presence at polling places

House Bill 1201 (2019 Session Laws, Chapter 172) effective August 1, 2019
Relating to recalling elected officials

House Bill 1521 (2019 Session Laws, Chapter 472) sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24 were effective immediately; sections 1, 3, 4, and 5 will become effective on January 5, 2021; the remainder of the bill effective on July 1, 2019

Relating to campaign disclosure and the Ethics Commission

Senate Bill 2067 (2019 Session Laws, Chapter 178) effective August 1, 2019

Relating to appeals of election contest judgments

Senate Bill 2148 (2019 Session Laws, Chapter 451) effective August 1, 2019

Relating to a Legislative Management Study of the Ethics Commission

Senate Bill 2230 (2019 Session Laws, Chapter 155) effective April 8, 2019

Relating to criminal history background checks and prohibiting felons from attaining membership on a school board

Senate Bill 2307 (2019 Session Laws, Chapter 171) effective August 1, 2019

Relating to hours of polling places, requirements for petition signatures, information in the central voter file, and election recounts

Senate Bill 2308 (2019 Session Laws, Chapter 177) effective August 1, 2019

Relating to ballot formats, write-in votes, and certificates of nomination

Senate Concurrent Resolution 4001 (2019 Session Laws, Chapter 537)

Relating to the process for approving constitutional amendments

Licensing Unit

Senate Bill 2235 (2019 Session Laws, Chapter 343) effective August 1, 2019

Relating to the regulation of contractors

Notary

House Bill 1110 (2019 Session Laws, Chapter 376) effective August 1, 2019

Relating to the adoption of the Revised Uniform Law on Notarial Acts

Other

House Bill 1422 (2019 Session Laws, Chapter 267) effective August 1, 2019

Relating to electronic notification of the administrative code

Chapter Fourteen

Public Printing

Public Printing is the publishing and distribution of the hardbound copies of the North Dakota Century Code (N.D.C.C.) and the state's constitution along with related replacement volumes and supplements (N.D.C.C. Chapter 46-04); the session laws volumes; the North Dakota administrative code and monthly supplements (N.D.C.C. § 28-32-20); the bound copies of the House and Senate journals; the binding of the enrolled original bills passed by each Legislative Assembly; and a limited number of other publications.

Early in the state's history, the Secretary of State had an active role in the creation of these publications. However, in 1945, when the predecessor to the current Legislative Council was created, the Secretary of State's role changed to become the distributor of these publications. The Legislative Council establishes the editorial content, specifications, and contractual arrangements for most of these publications (Chapter 46-03). Even though the Secretary of State is not involved with this process, the funding for Public Printing is appropriated in a separate section in the Secretary of State's budget from which the expenses 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 in state law. Some of the publications are sold to federally funded agencies and directly to the public. Still other copies of the publications are for archival purposes.

Historically, the appropriation for Public Printing was included in a separate identified subdivision of the Secretary of State's budget. However, beginning with the 1991-1993 biennium, the Legislative Assembly included Public Printing in the Secretary of State's general fund appropriation, which was also used for the agency's general office operations. This change was confusing and misleading. It intertwined those portions of the agency's budget over which the Secretary of State had direct control with those portions of the funding allocated for Public Printing where the decisions were made by the Legislative Council.

The 1995 Legislative Assembly acknowledged and recognized the problem. Beginning with the 1995-1997 biennium, the Legislative Assembly again designated the appropriation for Public Printing with a distinct identified subdivision within the Secretary of State's budget bill.

Because the Legislative Assembly meets in the last quarter of the biennium and because of the publishing timelines, a major 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.

In 2019, the Legislative Assembly adopted House Bill 1422 (2019 Session Laws, Chapter 267). Instead of requiring the Secretary of State to distribute the administrative code and its supplements, the Secretary of State is to send an electronic notification to state officials, agencies, boards, and interested persons as to when the supplements are posted by the Legislative Council on its website.

Chapter Fifteen (A) (Part 1)

Licensing Unit

Biennial Statistics

| | |
|---|--------|
| Legislative Bills and Resolutions Filed during Biennium | |
| House Bills | 326 |
| House Bills Filed with Line Veto | 0 |
| House Bills Filed – Vetoed | 0 |
| House Concurrent Resolutions | 34 |
| House Memorial Resolutions | 1 |
| Senate Bills | 253 |
| Senate Bills Filed with Line Veto | 1 |
| Senate Bills Filed – Vetoed | 2 |
| Senate Concurrent Resolutions | 14 |
| Senate Memorial Resolutions | 1 |
| Contractor licenses (7/1/2017 – 12/31/2018) | |
| Class A new licenses issued | 460 |
| Class B new licenses issued | 152 |
| Class C new licenses issued | 240 |
| Class D new licenses issued | 1,117 |
| Total Licenses (effective on June 30, 2017) | 10,408 |
| Total Licenses (effective on June 30, 2018) | 10,098 |
| Total Licenses (effective on December 31, 2018) | 10,642 |
| Class A Renewals | 4,949 |
| Class B Renewals | 941 |
| Class C Renewals | 1,191 |
| Class D Renewals | 3,134 |
| Penalty | 1,300 |
| Home Inspectors (issued) | |
| New Licenses | 49 |
| Renewals | 134 |
| Lobbyists | |
| Registered 2017/2018 | 206 |
| Registered 2018/2019 (as of December 31, 2018) | 321 |
| Charitable Solicitation | |
| Organizations (licensed) | 1,823 |
| Professional Fundraisers (licensed) | 254 |
| Notary Commissions (issued) | 4,853 |
| Total Commissions (effective on June 30, 2019) | 15,154 |
| Notary Name Changes | 239 |
| Notary Certifications Issued | 490 |
| Apostille (issued) | 1,279 |
| Governor's Official Acts (filed) | 714 |

| | |
|---------------------------------------|----|
| Athletic Commission Licenses (issued) | |
| Timekeepers..... | 2 |
| Professional Boxers | 37 |
| Referees | 4 |
| Judges | 9 |
| Cornerpersons..... | 49 |
| Promoters | 5 |
| Managers | 0 |
| Mixed Martial Arts Licenses (issued) | |
| Timekeepers..... | 0 |
| Professional Participants..... | 16 |
| Referees | 2 |
| Judges | 5 |
| Cornerpersons..... | 27 |
| Promoters | 4 |
| Managers | 0 |

Chapter Fifteen (A) (Part 2)

Licensing Unit

Seven Biennial Histories

| | 2007 | 2009 | 2011 | 2013 | 2015 | 2017 | 2019 |
|---|--------|--------|--------|--------|--------|--------|---------------------|
| <u>Legislative Actions</u> | | | | | | | |
| House Bills..... | 303 | 322 | 272 | 274 | 267 | 225 | 326 |
| House Concurrent Resolutions | 44 | 39 | 85 | 24 | 35 | 20 | 34 |
| House Resolutions | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| House Memorial Resolutions . | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senate Bills..... | 264 | 308 | 242 | 233 | 217 | 205 | 253 |
| Senate Concurrent Resolutions | 33 | 25 | 21 | 17 | 16 | 6 | 14 |
| Senate Resolutions | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Senate Memorial Resolutions | 1 | 4 | 1 | 1 | 1 | 1 | 1 |
| <u>Contractors</u> | | | | | | | |
| Number of new contractor licenses during biennium | | | | | | | |
| Class A..... | 725 | 889 | 1,407 | 3,180 | 2,175 | 924 | 460 ¹ |
| Class B..... | 320 | 259 | 376 | 715 | 557 | 285 | 152 ¹ |
| Class C | 294 | 341 | 443 | 813 | 658 | 462 | 240 ¹ |
| Class D | 1,079 | 1,162 | 1,411 | 9,199 | 1,671 | 1,803 | 1,117 ¹ |
| Licenses | 7,011 | 7,366 | 8,824 | 11,701 | 12,153 | 10,408 | 10,642 ¹ |
| <u>Home Inspectors</u> | | | | | | | |
| New Registrations | 0 | 0 | 29 | 43 | 61 | 33 | 49 |
| Renewals..... | 0 | 0 | 78 | 81 | 130 | 132 | 134 |
| <u>Lobbyists (for biennium)</u> | 827 | 788 | 666 | 736 | 690 | 766 | 527 ¹ |
| <u>Charitable Solicitations</u> | 1,083 | 1,077 | 1,238 | 1,147 | 1,638 | 1,647 | 1,823 |
| Professional Fundraisers..... | 207 | 210 | 201 | 196 | 219 | 234 | 254 |
| <u>Notary Commissions</u> | 4,376 | 4,467 | 4,464 | 5,130 | 5,397 | 5,013 | 4,853 |
| Total..... | 12,168 | 12,330 | 13,125 | 13,873 | 14,855 | 15,422 | 15,154 |
| Name Changes | 196 | 201 | 173 | 214 | 266 | 278 | 239 |
| Notary Certifications | 1,292 | 665 | 523 | 505 | 594 | 671 | 490 |
| <u>Apostilles (issued)</u> | 1,185 | 1,191 | 938 | 1,010 | 1,461 | 1,233 | 1,279 |
| <u>Governor's Official Acts (filed)</u> | 675 | 497 | 535 | 493 | 563 | 472 | 714 |

¹ Number for this biennium are only through December 31, 2018 due to deployment of FirstStop in January 2019.

Chapter Fifteen (B) (Part 1)

Central Indexing Unit

Biennial Statistics

Uniform Commercial Code and Central Notice System

CENTRAL INDEXING SYSTEM (CIS)

| | |
|--------------------------|---------|
| Original Filings | 62,503 |
| Associated Filings | 33,154 |
| Terminated Filings..... | 47,732 |
| Searches (Total)..... | 108,734 |

FARM PRODUCT SUBSCRIBERS

| | |
|----------------------|-----|
| Buyer's Report | 296 |
|----------------------|-----|

STATISTICAL ANALYSIS BY TYPES OF FILINGS

CENTRAL INDEXING SYSTEM

| | |
|------------------------------------|---------------|
| Uniform Commercial Code (UCC)..... | 92,626 |
| Central Notice System (CNS) | 746 |
| Combined UCC/CNS | 14,367 |
| Statutory Lien/Notices | 7,678 |
| Federal Liens | 4,350 |
| State Tax Liens | <u>23,622</u> |
| Total Filings..... | 143,389 |

Chapter Fifteen (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.)

| | 2007 | 2009 | 2011 | 2013 | 2015 | 2017 | 2019 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Uniform Commercial Code Filings (UCC) | 29,635 | 31,381 | 32,399 | 40,370 | 41,935 | 77,231 | 92,626 |
| Central Notice System Filings (CNS) | 775 | 405 | 540 | 350 | 296 | 788 | 746 |
| Combined UCC/CNS Filings | 1,134 | 1,045 | 749 | 1,409 | 1,397 | 11,068 | 14,367 |
| Statutory Lien/Notices | 1,368 | 928 | 621 | 438 | 440 | 4,911 | 7,678 |
| Federal Liens | 356 | 402 | 416 | 466 | 376 | 3,410 | 4,350 |
| State Tax Liens | 5,223 | 5,703 | 6,684 | 7,022 | 11,215 | 14,149 | 23,622 |

Chapter Fifteen (C) (Part 1)

Business Registration/Information Units

Biennial Statistics

(Totals in effect on December 31, 2018)

Corporations

| | |
|----------------------------------|--------|
| Business – Domestic | 12,006 |
| Business – Foreign | 16,258 |
| Professional – Domestic | 944 |
| Professional – Foreign | 375 |
| Farm/Ranch | 830 |
| Publicly Traded – Domestic | 0 |
| Cooperatives – Domestic | 252 |
| Cooperatives – Foreign | 76 |
| Nonprofit – Domestic | 8,156 |
| Nonprofit – Foreign | 4,003 |
| Banks | 69 |
| Credit Unions | 24 |

Limited Liability Companies

| | |
|-------------------------------|--------|
| Business – Domestic | 22,655 |
| Business – Foreign | 10,989 |
| Professional – Domestic | 483 |
| Professional – Foreign | 110 |
| Farm/Ranch | 454 |
| Nonprofit – Domestic | 32 |
| Nonprofit – Foreign | 2 |

Limited Liability Partnerships

| | |
|-------------------------------|-------|
| Domestic | 3,356 |
| Foreign | 84 |
| Professional – Domestic | 22 |
| Professional – Foreign | 21 |

Limited Partnerships (Domestic and Foreign) 1,520

Limited Liability Limited Partnerships
(Domestic and Foreign) 1,464

Fictitious Partnership Name Certificates 1,968

Trademarks 1,540

Trade Names 31,720

Chapter Fifteen (C) (Part 2)

Business Registration/Information Units

Seven Biennial Histories

| | 2007 (7/1/05 to 6/30/07) | 2009 (7/1/07 to 6/30/09) | 2011 (7/1/09 to 6/30/11) | 2013 (7/1/11 to 6/30/13) | 2015 (7/1/13 to 6/30/15) | 2017 (7/1/15 to 6/30/17) | 2019 (7/1/17 to 12/31/18) ² |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|
| Corporations | | | | | | | |
| Business – Domestic (in-state) | 13,211 | 13,283 | 13,330 | 13,785 | 13,473 | 12,809 | 12,006 |
| New Registrations | 1,832 | 1,689 | 1,537 | 1,997 | 1,556 | 1,071 | 747 |
| Business – Foreign (out-of-state) | 11,903 | 11,815 | 14,072 | 23,694 | 16,783 | 16,167 | 16,258 |
| New Registrations | 2,483 | 2,753 | 3,546 | 4,758 | 3,121 | 2,364 | 1,525 |
| Professional – Domestic | 876 | 945 | 971 | 1,169 | 979 | 971 | 944 |
| New Registrations | 107 | 114 | 101 | 73 | 80 | 77 | 49 |
| Professional – Foreign | N/A ³ | N/A ³ | N/A ³ | N/A ³ | N/A ³ | 366 | 375 |
| New Registrations | N/A ³ | N/A ³ | N/A ³ | N/A ³ | N/A ³ | 55 | 40 |
| Farm/Ranch | 703 | 712 | 756 | 837 | 830 | 818 | 830 |
| New Registrations | 35 | 61 | 43 | 58 | 52 | 28 | 25 |
| Cooperatives – Domestic | 325 | 318 | 261 | 399 | 269 | 258 | 252 |
| New Registrations | 5 | 11 | 6 | 5 | 5 | 6 | 9 |
| Cooperatives – Foreign | 70 | 75 | 73 | 95 | 75 | 75 | 76 |
| New Registrations | 8 | 11 | 6 | 6 | 5 | 5 | 7 |
| Nonprofit – Domestic | 5,795 | 5,925 | 6,072 | 6,297 | 6,409 | 6,593 | 8,156 ⁴ |
| New Registrations | 399 | 433 | 445 | 517 | 571 | 656 | 459 |
| Nonprofit – Foreign | 1,716 | 2,005 | 2,310 | 3,070 | 3,087 | 3,508 | 4,003 |
| New Registrations | 444 | 433 | 532 | 630 | 610 | 727 | 642 |
| Churches (nonprofit corps) | 1,372 | 1,361 | 1,356 | 1,435 | 1,345 | 1,364 | N/A ³ |
| New Registrations | 22 | 23 | 32 | 35 | 26 | 47 | N/A ³ |
| State Banks | 82 | 79 | 77 | 75 | 70 | 70 | 69 |
| New Registrations | 1 | 1 | 0 | 1 | 0 | 1 | 0 |
| Credit Unions | 36 | 34 | 29 | 26 | 25 | 24 | 24 |
| New Registrations | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

Limited Liability Companies (LLC)

| | | | | | | | |
|--------------------------------|-------|-------|-------|--------|--------|--------|--------|
| Business – Domestic (in-state) | 4,833 | 6,818 | 9,732 | 16,783 | 19,817 | 22,195 | 22,655 |
| New Registrations | 2,044 | 2,897 | 4,292 | 8,289 | 8,346 | 7,479 | 5,895 |

² Six months less reported this biennium due to deployment of FirstStop in January 2019.

³ Not available.

⁴ This number now includes churches, which were formerly reported separately.

| | 2007 (7/1/05 to 6/30/07) | 2009 (7/1/07 to 6/30/09) | 2011 (7/1/09 to 6/30/11) | 2013 (7/1/11 to 6/30/13) | 2015 (7/1/13 to 6/30/15) | 2017 (7/1/15 to 6/30/17) | 2019 (7/1/17 to 12/31/18) ⁵ |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|
| Limited Liability Companies (LLC) (continued) | | | | | | | |
| Business – Foreign (out-of-state) | 2,975 | 3,917 | 5,311 | 10,010 | 9,515 | 9,953 | 10,989 |
| New Registrations | 1,288 | 1,599 | 2,186 | 4,617 | 3,543 | 2,822 | 2,022 |
| Professional – Domestic | 65 | 98 | 138 | 221 | 304 | 397 | 483 |
| New Registrations | 30 | 41 | 50 | 92 | 124 | 137 | 116 |
| Professional – Foreign | 10 | 25 | 33 | 81 | 99 | 107 | 110 |
| New Registrations | 2 | 15 | 16 | 45 | 50 | 39 | 23 |
| Farm/Ranch | 94 | 131 | 190 | 270 | 351 | 430 | 454 |
| New Registrations | 21 | 47 | 81 | 95 | 102 | 95 | 64 |
| Nonprofit – Domestic | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | 27 | 32 |
| New Registrations | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | 11 | 14 |
| Nonprofit – Foreign | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | 4 | 2 |
| New Registrations | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | N/A ⁶ | 4 | 0 |
| Limited Liability Partnerships (LLP) | | | | | | | |
| LLP – Domestic (in-state) | 2,092 | 2,536 | 2,764 | 3,097 | 3,285 | 3,384 | 3,356 |
| New Registrations | 677 | 653 | 509 | 728 | 598 | 553 | 356 |
| LLP – Foreign (out-of-state) .. | 44 | 22 | 76 | 94 | 92 | 86 | 84 |
| New Registrations | 66 | 23 | 18 | 31 | 22 | 18 | 8 |
| Professional LLP – Domestic | 25 | 26 | 22 | 19 | 24 | 24 | 22 |
| New Registrations | 7 | 1 | 0 | 1 | 5 | 4 | 2 |
| Professional LLP – Foreign ... | 9 | 14 | 15 | 14 | 21 | 22 | 21 |
| New Registrations | 1 | 2 | 0 | 2 | 7 | 6 | 0 |
| Other – Domestic (in-state) and Foreign (out-of-state) | | | | | | | |
| Limited Partnerships | 1,332 | 1,580 | 1,602 | 1,690 | 1,645 | 1,597 | 1,520 |
| New Registrations | 291 | 254 | 465 | 305 | 318 | 272 | 117 |
| Limited Liability Limited Partnerships | 452 | 672 | 774 | 1,017 | 1,218 | 1,408 | 1,464 |
| New Registrations | 106 | 169 | 10 | 309 | 267 | 255 | 134 |
| Fictitious Partnership Names . | 1,760 | 1,774 | 1,777 | 1,945 | 2,144 | 2,057 | 1,968 |
| New Registrations | 575 | 616 | 546 | 621 | 607 | 504 | 285 |
| Trademarks | 1,511 | 1,505 | 1,458 | 1,460 | 1,506 | 1,533 | 1,540 |
| New Registrations | 207 | 188 | 225 | 175 | 229 | 266 | 178 |
| Trade Names | 18,877 | 20,797 | 22,749 | 26,851 | 29,981 | 31,406 | 31,720 |
| New Registrations | 5,930 | 7,396 | 6,796 | 9,029 | 8,263 | 8,516 | 6,027 |

⁵ Six months less reported this biennium due to deployment of FirstStop in January 2019.

⁶ Not available.

Chapter Fifteen (D)

Elections Unit

1980 – 2018 Histories

| YEAR | TYPE | NUMBER OF PRECINCTS | VOTES CAST | POPULATION OF STATE ⁷ | 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 |

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

⁷ Population estimates calculated by the North Dakota Census Data Center.

| YEAR | TYPE | NUMBER OF PRECINCTS | VOTES CAST | POPULATION OF STATE ⁸ | ELIGIBLE VOTERS | ABSENTEE VOTERS | PERCENT TURNOUT | ELECTION EXPENSES | COST PER VOTE |
|-------------|------|------------------------|---------------|-------------------------------------|--------------------|---|--------------------|----------------------|------------------|
| 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 ⁹ 5,966 ¹⁰ | 20 | 1,036,309 | 17.92 |
| 2008 | G | 528 | 321,133 | 639,715 | 496,906 | 30,690 ⁹ 46,534 ¹⁰ | 64 | 1,024,420 | 5.55 |
| 2010 | P | 505 | 102,066 | 646,844 | 502,873 | 20,831 ⁹ 4,910 ¹⁰ | 20 | 1,018,814 | 9.98 |
| 2010 | G | 505 | 240,876 | 646,844 | 502,873 | 32,812 ⁹ 32,603 ¹⁰ | 47 | 924,816 | 3.84 |
| 2012 | P | 426 | 175,303 | 672,591 | 532,776 | 27,983 ⁹ 12,990 ¹⁰ | 33 | 1,352,114 | 7.71 |
| 2012 | G | 426 | 325,862 | 672,591 | 532,776 | 39,772 ⁹ 55,800 ¹⁰ | 61 | 1,047,767 | 3.22 |
| 2014 | P | 427 | 93,324 | 723,393 | 545,020 | 16,188 ⁹ 3,262 ¹⁰ | 17 | 1,174,500 | 12.59 |
| 2014 | G | 427 | 255,128 | 723,393 | 545,020 | 31,040 ⁹ 34,138 ¹⁰ | 46 | 1,096,398 | 4.30 |
| 2016 | P | 432 | 139,957 | 723,393 | 570,955 | 28,129 ⁹ 9,452 ¹⁰ | 24 | 1,219,104 | 8.71 |
| 2016 | G | 432 | 349,945 | 723,393 | 570,955 | 42,532 ⁹ 40,394 ¹⁰ | 61 | 1,248,307 | 3.57 |
| 2018 | P | 424 | 115,226 | 760,077 | 581,641 | 29,600 ⁹ 5,876 ¹⁰ | 19 | 1,138,801 | 9.88 |
| 2018 | G | 424 | 330,598 | 760,077 | 579,621 | 53,236 ⁹ 43,661 ¹⁰ | 57 | 1,210,056 | 3.66 |

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

⁸ Population estimates calculated by the North Dakota Census Data Center.

⁹ Ballots cast in vote-by-mail counties.

¹⁰ Ballots cast in non-vote-by-mail counties.

Chapter Sixteen

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
Notary Notes Newsletter

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 Information Unit and Business Registration Unit

Pamphlets

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

Elections Unit

College Student Voters
Election Abstracts
(1914 to 2014 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
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:

2017-2019 North Dakota Blue Book
2015-2017 North Dakota Blue Book
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 Seventeen

How to Obtain Information or Assistance

Information and answers to questions regarding the Office of the Secretary of State and its numerous functions are available through 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
Fax (701) 328-2992
Email Address: sos@nd.gov
Website: sos.nd.gov

ACCOUNTING/NOTARY UNIT

Telephone (701) 328-2901
Toll-free (800) 352-0867, option 7
Fax (701) 328-0107
Email Address: sosaccnot@nd.gov

LICENSING UNIT

Telephone (701) 328-3665
Toll-free (800) 352-0867, option 4
Fax (701) 328-1690
Email Address: sosadlic@nd.gov

BUSINESS INFORMATION/ REGISTRATION UNIT

Telephone (701) 328-4284
Toll-free (800) 352-0867, option 2
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, option 5
Fax (701) 328-4214
Email Address: sosci@nd.gov

ELECTIONS UNIT

Telephone (701) 328-4146
Toll-free (800) 352-0867, option 6
Fax (701) 328-3413
Email Address: soselect@nd.gov

NOTE

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