

## This Week at the Legislature

With crossover fast approaching, NDBA-sponsored bills have all been heard and have received favorable committee recommendations. Rick is continuing to cover bills of interest to NDBA member banks.

### **HCR 3026 – Health Saving Accounts Eligibility**

The House Industry Business and Labor Committee heard HCR 3026, Monday, February 4. Representative Keiser explained the resolution addresses high deductible health plan (HDHP), HSAs and first-dollar coverage. The purpose of the resolution is to urge Congress and the IRS to allow states to determine health benefit coverage requirements without jeopardizing health savings account eligibility.

First dollar coverage refers to benefits where the plan's co-pay or co-insurance is available from the start, regardless of the deductible. With an HSA insurance plan, first-dollar coverage is only available for certain preventive care benefits, such as an annual physical. Other than preventive care, individuals have to satisfy a deductible before any co-payment or co-insurance benefits can go into effect.

Keiser explained states may require certain services be covered on state health plans. Problems arise when States pass laws requiring health insurers to provide "first-dollar" coverage for non-preventive care treatments. The resolution is asking Congress and the IRS to let states manage health benefit coverage without having to worry about jeopardizing HSA eligibility. NDBA's Rick Clayburgh testified in support of the resolution. The Committee gave the resolution a unanimous Do Pass recommendation and it is now awaiting full house action.

### **HB 1485 – Protection Against the Disclosure of Personal Information**

The House Industry Business and Labor Committee heard HB 1485, Wednesday, February 6. Representative Kasper introduced the bill. He explained the bill was introduced because of the after-effects of the Gramm Leach Bliley Act passed by Congress in 1999. His inspiration for the bill came from a 60 Minutes piece discussing the European Union's General Data Protection Regulation (GDPR). The first draft of the bill was based on a law enacted by California. At the beginning of the hearing, Kasper offered an amendment, which was approved by the committee, to change the bill to language similar to a bill being considered by the State of Washington legislature, which is based on the GDPR. Microsoft testified in support of the amended bill as it believes it's good for privacy and for business. Microsoft believes the bill is good for privacy because it would enact the most stringent data privacy standards in the United States. They believe this is important as public distrust of technology continues to rise because of personal data collection and security breaches. A Fargo software developer testified in support because he believes consumers want to know and must know that companies must protect the personal information the company possesses about the consumer.

The Computing Technology Industry Association, the Wireless Communications Trade Association and the Consumer Industry Data Association opposed the amended legislation. They believe the bill makes sweeping changes to North Dakota law and that there would be unintended consequences. One area of concern is the requirement that would allow consumers access to collected data. If this became a requirement, companies would, as a matter of efficiency, be required to centralize data, which they wouldn't normally do. If data were centralized, the chances that data would be breached or stolen could increase. The amount of data stolen would also increase because a controller would be required to transmit data to the consumer without an efficient means of verifying identity. The

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wireless communications reps also testified the bill would overburden wireless communications companies, as well as any other companies that do not have a footprint in Europe, because data privacy laws are not currently in force in the US. This would put any company that doesn't do business in Europe at a disadvantage to those that do. Creating a system to comply with the bill would also take extensive time and be very costly.

The Greater North Dakota Chamber, Property & Casualty Insurers Association of America, Match.com, and Midco all provided testimony in opposition to the bill. NDBA's Rick Clayburgh testified in opposition to the amended bill. He suggested the Legislature should not make such a sweeping change to North Dakota's privacy laws in such a short period of time but, if interested, amend the bill into a study resolution. Chairman Keiser held the hearing open and the bill will be further discussed early next week. Hours after the hearing, a group of opponents to the legislation met with individual committee members and appear to have the votes to turn the bill into a study.

After closer examination of the amendments presented during the hearing, Rick believes North Dakota banks are exempt from the legislation. There is specific language that exempts personal data sets to the extent the personal data sets are regulated by the federal Gramm-Leach-Bliley Act of 1999. However, Rick has met with chairman Keiser and sponsor Kasper about specific language exempting North Dakota financial institutions from the legislation. Both were open to the suggestion.

## HB 1407 – Salvage Certificates of Title

The House Transportation Committee heard HCR 3026, Monday, February 4. Representative Grueneich introduced the legislation. He explained that auto insurers process thousands of total loss claims in the state each year. For the vast majority of these claims, after the loss is paid out to the owner and lienholder, the certificate of title is available to the insurer who then surrenders the title in exchange for a salvage title. There are occasions when the certificate of title is not made available to the insurer. This bill sets forth a process whereby the insurer may obtain a salvage certificate. This process includes notice to any lienholder. There was no opposition to the bill. However, the Department of Transportation testified in a neutral position that they already have a process to address the issue. The committee took no action on the bill, but it appeared the testimony of the DOT may be a reason not to pass the bill.

## HB 1165 – Nonconforming Structures

The House Political Subdivisions Committee heard HB 1165, Thursday, February 7. Representative Vetter introduced the bill. He explained the bill only effects zoning code and not local building code. He asked the committee, "What bank would want to loan money on a property that was destroyed that couldn't be repaired? If a property was once legal and conforming to local zoning codes and is destroyed beyond 50%, this bill would allow for it to be repaired." Dennis Huber who is a real estate appraiser from West Fargo testified in support of HB 1165. The threat of buying a home and getting into a huge financial risk is real for many people. Residential neighborhoods are re-zoned and people's homes are unable to be re-built when natural disasters hit. He gave examples of many communities with nonconforming structures due to rezoning. A state engineer testified in opposition to the bill, noting there are 10,000 flood insurances in the state that could be in jeopardy if this bill is passed. FEMA also has an issue with this legislation. They want to look for a solution that doesn't jeopardize ND's participation in the National Flood Insurance programs. West Fargo City Commission President Bernie Dardis spoke in opposition to the bill. He noted the "city is sympathetic to the situation of a homeowner's ability to finance a property that is no longer in conformance with city zoning decisions. If there are scenarios in our city that Mr. Huber described, we could work on that with the individual on a one-on-one basis with the city. This authority and decision making should be kept at the local level. This is not a decision for the state of North Dakota to be making." The hearing ended without the committee taking action.

## HB 1220 – Ag Supplier Lien Priority Notice

The House Agriculture Committee met Thursday morning, February 7, to take action on HB 1220. Based on recommendations from NDBA, ICBND and the North Dakota Grain Dealers, the committee stripped the bill and turned it into a study to determine if the Secretary of State Central Filing System could be updated to provide automatic notice to the lien holder of record if someone files a priority lien ahead of them.

Here is the text of the study amendment to HB 1220:  
**LEGISLATIVE MANAGEMENT STUDY – SECURED PARTY NOTIFICATION.** During the 2019-20 interim, the legislative management shall study, in coordination with the secretary of state, how the State's Central Indexing System can be used to provide notification to a secured lender when a super priority lien is filed on the collateral of the secured lender. The legislative management shall report its findings and recommendations, together with any legislation required

to implement the recommendations, to the sixty-seventh legislative assembly. If the Secretary of State determines there is a solution utilizing the Central Indexing System, he may proceed with implementing the change prior to the sixty-seventh legislative assembly convening.

## Senate Confirms Kruse as DFI Commissioner

The Senate made it official, unanimously confirming Lise Kruse as DFI Commissioner last Friday, February 1. Governor Burgum appointed Kruse to replace Bob Entringer as commissioner in December 2017. Kruse had served as chief examiner of banks since January 2011. She was originally hired by the department as a financial institutions examiner

in June 2004. Prior to that, she worked as a competitor research specialist with Clarica Life Insurance Co. in Fargo. A native of Elverum, Norway, and a North Dakota resident since 1997, Kruse earned a bachelor’s degree in business and organizational communication in 1996 from Concordia College in Moorhead and a masters of business administration degree with an emphasis in information technology in 2003 from the University of Colorado at Colorado Springs. She graduated from the Graduate School of Banking at Colorado in 2012. Kruse’s confirmation was supported by NDBA and ICBND.

## Final Actions Taken

As House and Senate committees move through bills, they go to the floor of the original house to be voted up or down. Here is the NDBA High Priority Tracking List with House and Senate Action Notations.

Bill	Status	Title
<a href="#">HB 1008</a>	House: No Floor Action Yet NDBA Supports	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<a href="#">HB 1014</a>	House: No Floor Action Yet NDBA Supports	A BILL for an Act to provide for an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; and to provide for a transfer. Includes BND
<a href="#">HB 1106</a>	House: No Floor Action Yet NDBA Supports with Amendments	Relating to the establishment of an invisible reinsurance pool for the individual health insurance market; to amend and reenact subsection 2 of section 26.1-03-17 of the North Dakota Century Code, relating to premium taxes and credits for insurance companies; to provide for a legislative management study; and to declare an emergency.
<a href="#">HB 1110</a>	House: PASSED House 92 – 0 NDBA Supports	Relating to the adoption of the Revised Uniform Law on Notarial Acts; and to amend and reenact sections 11-18-15, 44-06.1-01, 44-06.1-03, 44-06.1-18, and 47-19-26 of the North Dakota Century Code, relating to the adoption of the Revised Uniform Law on Notarial Acts.
<a href="#">HB 1217</a>	House: DEFEATED in the Senate 24 - 67 NDBA Opposed	Relating to competition between the government and private industry and to require a report to the legislative management.
<a href="#">HB 1220</a>	House: No Floor Action Yet NDBA Supports w/amendments	Relating to priority of agricultural supplier liens; and to provide for application.  Amended in committee
<a href="#">HB 1263</a>	House: PASSED House 86 – 5 NDBA Neutral	Relating to right of an owner to reclaim an abandoned vehicle; to amend and reenact sections 23.1-15-01, 23.1-15-03, 23.1-15-05, 23.1-15-06, 23.1-15-07, 39-26-02, and 39-26-06 of the North Dakota Century Code, relating to custody and disposition of abandoned motor vehicles; to provide a penalty; and to declare an emergency.
<a href="#">HB 1467</a>	House: No Floor Action Yet NDBA Neutral	Relating to the definition of agriculture commissioner; and relating to moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide a penalty; and to provide a continuing appropriation.

<a href="#">HB 1485</a>	House: No Floor Action Yet NDBA Opposed	Relating to protection against the disclosure of personal information; and to provide a penalty.
<a href="#">HB 1524</a>	House: No Floor Action Yet	Relating to the regulation of data brokers; and to provide a penalty.
<a href="#">SB 2093</a>	Senate: PASSED the Senate 47 - 0 NDBA Supports	Relating to the examination of technology service providers, the capital requirement for trust companies, the examination of trust companies, the definition of a financial institution, surety bond requirements for money brokers and collection agencies, notice requirement for deferred presentment service providers, fees for money transmitters, and reporting requirements for debt-settlement providers; and to repeal sections 13-04.1-05.1, 13-05-05.2, 13-08-05.2, and 13-09-10.1 of the North Dakota Century Code, relating to automatic renewal of license in 2009 for money brokers, automatic renewal of license in 2014 for collection agencies, deferred presentment service providers, and money transmitters.
<a href="#">SB 2098</a>	Senate: PASSED the Senate 47 - 0 NDBA Supports	Relating to the Bank of North Dakota residential mortgage loan program; and to declare an emergency.
<a href="#">SB 2179</a>	Senate: PASSED the Senate 47 - 0 NDBA Neutral	Relating to the prevention of financial exploitation; and to amend and reenact section 6-08.1-03 of the North Dakota Century Code, relating to a financial institution's duty of confidentiality.
<a href="#">SB 2219</a>	Senate: DEFEATED in the Senate 16 - 29 NDBA Opposed	Relating to the confidentiality of social security numbers; to amend and reenact sections 51-22-01, 51-22-02, and 51-22-03 of the North Dakota Century Code, relating to data processing information confidentiality; and to provide a penalty.
<a href="#">SB 2233</a>	Senate: No Floor Action Yet NDBA Opposed without Amendments	Relating to health insurance coverage for infertility treatment; and to provide for application.
<a href="#">SB 2262</a>	Senate: PASSED the Senate 47 - 0 NDBA's Bill	Relating to the use and possession of re-encoders and scanning devices; to amend and reenact section 12.1-23-11 of the North Dakota Century Code, relating to the unauthorized use of personal identifying information; to repeal section 12.1-23-17 of the North Dakota Century Code, relating to the unlawful skimming of credit, debit, or other electronic payment cards; and to provide a penalty.
<a href="#">SB 2271</a>	Senate: No Floor Action Yet NDBA Supports	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation.
<a href="#">SB 2346</a>	Senate: No Floor Action Yet NDBA Supports with NDBA Amendments	Relating to records confidentiality for warehousemen and grain buyers and assessment refunds for grain producers; and relating to warehouse and grain buyer licensing, scale ticket conversions, claims distributions, assessments and refunds, subrogation, and unlicensed grain buyers; to provide a penalty; to provide a continuing appropriation; and to provide for reports.
<a href="#">SB 2357</a>	Senate: PASSED the Senate 41 - 4 NDBA Supports with BND Amendments	A BILL for an Act to provide for a Bank of North Dakota loan guarantee program for federal workers affected by the federal shutdown; and to declare an emergency.
<a href="#">HCR 3026</a>	House: INTRODUCED NDBA Supports	A concurrent resolution urging Congress and the Internal Revenue Service to allow states to determine health benefit coverage requirements without jeopardizing health savings account eligibility.
<a href="#">SCR 4006</a>	Senate: PASSED the Senate Voice Vote NDBA Supports	A concurrent resolution to recognize Monday, February 25, 2019, as "Bank of North Dakota Day" and to congratulate the Bank of North Dakota on its 100th anniversary.

## Hearings for the Week of February 11/Crossover

Senators and Representatives will spend most of their time the next two weeks moving bills out of committee and off of floor calendars prior to crossover. As a result, there are relatively few scheduled hearings and none of which is particular interest or concern to banks.

Crossover is expected to start on Thursday, February 21. Legislators will return to Bismarck to reconvene on Wednesday, February 27.

Date and Time	Bill Number	Short Title	Committee	Room
02/11/2019 09:00 AM	<a href="#">HB 1441</a>	Relating to prohibition of discrimination on the basis of sexual orientation.	House Human Services	Fort Union
02/11/2019 10:30 AM	<a href="#">SB 2296</a>	Relating to the Bank of North Dakota loan guarantee program.	Senate Appropriations	Harvest
02/11/2019 10:30 AM	<a href="#">SB 2205</a>	Relating to abandoned property; and to amend and reenact sections 28-23-11, 32-19-18, 32-19-19, 32-19-23, and 32-19-27 of the North Dakota Century Code, relating to foreclosure of real estate.	Senate Industry, Business and Labor	Roosevelt Park
02/12/2019 09:00 AM <b>NDBA High Priority</b>	<a href="#">HB 1485</a>	Relating to protection against the disclosure of personal information; and to provide a penalty.	House Industry, Business and Labor	Peace Garden
02/12/2019 09:00 AM	<a href="#">HB 1448</a>	Relating to exclusion of people from coverage of automobile insurance.	House Industry, Business and Labor	Peace Garden
02/12/2019 09:30 AM <b>NDBA High Priority</b>	<a href="#">HB 1110</a>	Relating to the adoption of the Revised Uniform Law on Notarial Acts; and to amend and reenact sections 11-18-15, 44-06.1-01, 44-06.1-03, 44-06.1-18, and 47-19-26 of the North Dakota Century Code, relating to the adoption of the Revised Uniform Law on Notarial Acts.	Senate Judiciary	Fort Lincoln
02/13/2019 10:00 AM	<a href="#">HB 1116</a>	Relating to the North Dakota life and health insurance guaranty association; to repeal section 26.1-38.1-17 of the North Dakota Century Code, relating to application of laws to an insolvent insurer; and to provide for application.	Senate Industry, Business and Labor	Roosevelt Park
02/14/2019 03:00 PM	<a href="#">HB 1521</a>	Relating to reporting campaign contributions, restrictions on public officials and lobbyists, investigations of ethics violations, and implementing requirements of article XIV of the Constitution of North Dakota; and relating to rulemaking procedures, disqualification of hearing officers, and requirements for the North Dakota ethics commission; to provide for a penalty; to provide an appropriation; to provide an effective date; to provide an expiration date; and to declare an emergency.	Ethics	Pioneer
02/12/2019 03:00 PM	<a href="#">HCR 3028</a>	Relating to transparency of funding sources, lobbyists, conflicts of interest, and the establishment of an ethics commission.	Ethics	Pioneer

## How to Contact Your Legislators

During a legislative session, a legislator can be reached at the State Capitol through:



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or by leaving a message with the legislative telephone message center at **1-888-NDLEGIS (635-3447)** or **701-328-3373** (local).

Otherwise, a legislator can be reached by mail, telephone or email at the address listed in the legislator's biography, or one of the lists provided below. Individual legislator contact information is listed here:



### **Senate**

<http://www.legis.nd.gov/files/resource/miscellaneous/senateroster.pdf?20150106101229>



### **House**

<http://www.legis.nd.gov/files/resource/miscellaneous/houseroster.pdf?20150106101310>

Over the course of the session, NDBA may ask you to call your Senator or Representative to talk to them about a particular bill or to ask them to support or oppose a particular bill.

**Legislator contacts from local bankers are extremely important, so, please, if we ask, contact your legislators!**

Also, local legislative forums are great to attend because they inform you about issues beyond banking and let you get to know your legislators at home where they are most responsive to your interests and concerns.

***Don't be a stranger; get to know your representatives in Bismarck!***