

What Happened This Week

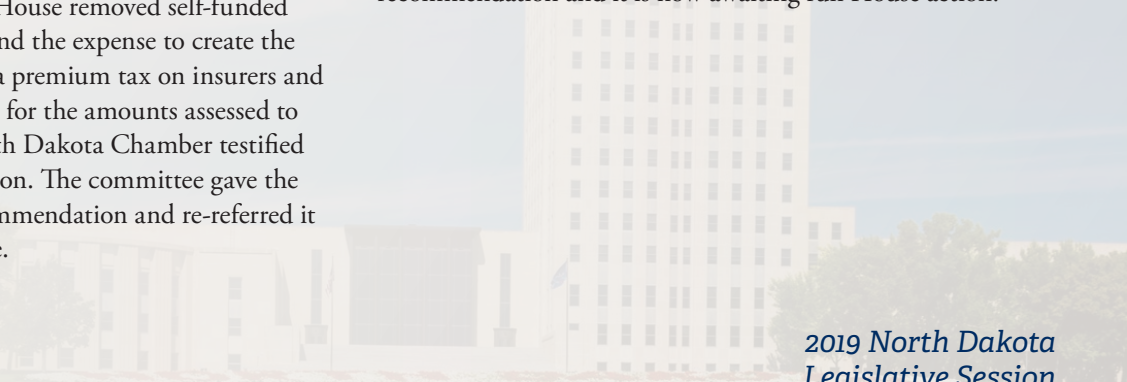
It's been a busy week of testimony and monitoring NDBA tracked bills.

HB 1106 – Establishment of Invisible Reinsurance Pool for Individual Health Insurance Market

The Senate Industry, Business, and Labor Committees heard HB 1106 on Monday, March 4. ND Insurance Commissioner Jon Godfread introduced the bill. The purpose of HB 1106 is to establish an invisible reinsurance pool for the individual health insurance market. There are approximately 42,000 North Dakotans in the direct health insurance marketplace; 21,000 receive a subsidy from the Feds based on income level, the other 21,000 are small business owners/farmers/ranchers without access to the large group market. This bill would provide affordable health coverage access to those individuals. The bill is a product of a study by the North Dakota Insurance Department to determine the feasibility and desirability of a North Dakota 1332 Waiver. Section 1332 of the Affordable Care Act permits a state to apply for a State Innovation Waiver to pursue strategies for providing its residents with access to affordable health care while retaining the provisions included in the ACA. To create the reinsurance pool, the state needs to find a funding source to cover the cost of the program. NDBA now supports the legislation after the House removed self-funded plans from any assessment. To fund the expense to create the reinsurance pool, the bill creates a premium tax on insurers and then creates a premium tax credit for the amounts assessed to insurers. Blue Cross and the North Dakota Chamber testified in support. There was no opposition. The committee gave the bill a unanimous "Do Pass" recommendation and re-referred it to the Appropriations Committee.

SB 2098 – BND Residential Loan Program

The House IBL committee heard SB 2098 on Tuesday, March 5. Todd Steinwand and Lisa Carlson testified on behalf of BND, explaining the legislation is intended to remove some of the restrictions placed on the Bank's residential loan program. Steinwand testified that when a resident in a rural area cannot gain access to mortgage loan service, the local bank refers the customer to BND, which then originates the loan. According to Steinwand, only 133 mortgages totaling about \$20 million in loans have been run through the program. He explained the bank would like the restriction removed to allow them to treat rural customers similar to urban customers. Carlson testified that BND can only finance up to 80% on the first mortgage with a subordinate lender going the extra 15% for 95% of the appraised value under the current statute – these proposed changes would help BND to better assist the rural resident. BND President Eric Hardmeyer testified regarding concern from some committee members about removing the restrictions from the statute. He explained the Bank would like to have the flexibility to provide similar financing options to rural residents as is available for urban residents. Hardmeyer explained that even though the restrictions are being removed from statute, the bank still follows bank policy to manage their risk. NDBA's Rick Clayburgh testified in support of the legislation. He provided a legislative history of how the original legislation was enacted. In addition, he presented a letter of support from Allen Wagner, President of the Bank of Turtle Lake. ICBND and the Credit Unions also testified in support. No one testified in opposition. The Committee gave the bill an 8-1-5 do pass recommendation and it is now awaiting full House action.



*2019 North Dakota
Legislative Session*

SB 2205 – Relating to Foreclosure of Real Estate

The House Industry Business and Labor Committee heard SB 2205, Wednesday, March 6. Senator Holmberg introduced the bill, noting he add introduced it at the request of the real property section of the State Bar Association. In the Senate, Dean Rindy, a Fargo Attorney, and Nick Hacker, president of North Dakota Guaranty and Title Company, and a member of the Land Title Association, explained the bill. Due to a scheduling conflict, they were not present at the start of the hearing. In their absence, NDBA's Rick Clayburgh and Bismarck Attorney Pat Ward explained the purpose of the bill is to relieve a foreclosing mortgagee from the unnecessary, time-consuming and expensive task of locating the record title holder of abandoned property subject to a defaulted mortgage. The committee held the hearing open till later in the morning to give Nick Hacker an opportunity to testify. At 11:00 am, the committee reconvened the hearing. Tony Weiler, executive director of the ND State Bar Association, read testimony from Dean Rindy and Nick Hacker explaining how the bill would change the foreclosure process regarding abandoned property. Noting the bill is intended to alleviate a meaningless act of trying to serve a property owner who has abandoned the property with no apparent intention of returning to the property. No one testified in opposition. The hearing was closed and the committee gave the bill a 12-0 Do Pass Recommendation and it is now awaiting full House action.

SB 2262 – Relating to Credit Card Skimming Devices

The House Industry Business and Labor Committee heard SB 2262 Wednesday, March 6. NDBA's Rick Clayburgh explained the purpose of the bill, noting NDBA worked with the Attorney General's office on drafting the bill. Clayburgh explained it is currently a crime to use a skimming device to steal someone's credit card information but it is not a crime to possess a skimming device. SB 2262 would make it a crime to 1) possess a skimming device, and 2) possess someone's personal information if possession of these items was intended to carry out bad activity. The bill is very broadly written with the intent for the bill to cover future technologies. Parrell Grossman testified on behalf of the Attorney General's office, explaining the details of the bill. The committee had some concerns over some technical language in the bill about when skimmers could be used for a legitimate purpose but nothing indicated they were opposed to the bill. The committee was interested in getting more information about when a credit card skimmer may be used for a legitimate, legal purpose. Specifically, the committee found some parts of the bill contradict and conflict with each other and that some of the definitions may be too broad so as to cover devices used for legitimate purposes.

ICBND, the ND Retail Association/ Petroleum Marketers Association and the Credit Unions testified in support. There was no opposition. The hearing was closed and the committee gave the bill a 9-2 Do-Pass recommendation; it is now waiting final action on the House floor.

SB 2357 – Relating to Bank of North Dakota Loans for Federal Workers Affected by the Federal Shutdown













The House Government and Veterans Affairs Committee heard SB 2357 Thursday afternoon, March 7. Senate Minority Leader Joan Heckaman introduced the legislation. SB 2357 would allow the Bank of North Dakota (BND) to guarantee repayment of loans made by a North Dakota financial institution to North Dakota residents employed by the Federal Government who are impacted by a Federal shutdown. She explained the bill puts the provision in Session Law and not the Century Code, meaning that it will "disappear" at the end of the 2019-2021 biennium. No one else testified either in support or opposition. Prior to the hearing being closed, Chairman Kasper requested NDBA's Rick Clayburgh and NDBA President Eric Hardmeyer to answer some committee questions. Clayburgh testified the Association was opposed to the original bill, which required BND to make direct loans to the impacted employees. He explained North Dakota banks had already been addressing the needs of furloughed employees, noting that is the role of a community bank in serving their community. Hardmeyer testified on how guarantee loan programs work at the bank such as the beginning farmer and entrepreneur programs. Both Clayburgh and Hardmeyer explained they were neutral on the legislation. The hearing was closed and after lengthy discussion, the committee gave the bill an 8-5 Do Not Pass recommendation and it is now waiting final action on the House floor.








Bill Update

SB 2093 – DFI Clean-up Bill

The House Industry Business and Labor Committee held its hearing on SB 2093 last Wednesday, February 27. SB 2093 is DFI's statutory clean-up legislation that relates 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. The committee did not take action on the bill last week, as Representative Beadle was considering amendments to address a constituent's concern. Monday morning, March 4, the committee brought the bill up for discussion. Chairman Keiser noted Representative Beadle did not have amendments; therefore, the committee gave the bill a unanimous "Do Pass" recommendation and it is now awaiting full House action.

Hearings for the Week of March 11

Date and Time	Bill Number	Short Title	Committee	Room
03/11/2019 08:00 AM 	HB 1181	(2 nd Bill) Relating to the regulation of guaranteed asset protection waivers; to provide a penalty; and to provide for application.	Senate Industry, Business and Labor	Roosevelt Park
03/11/2019 09:30 AM 	HB 1171	A bill relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.	Senate Education	Sheyenne River
03/11/2019 10:30 AM 	HB 1241	Relating to an individual income tax deduction for contributions made to a first-time home buyer savings account; and to provide an effective date.	Senate Finance and Taxation	Lewis and Clark
03/11/2019 02:00 PM  NDBA High Priority	SB 2271	(1 st Bill) Housing incentive fund.	House Industry, Business and Labor	Peace Garden
03/11/2019 02:00 PM  NDBA High Priority	SB 2179	(2 nd Bill) Prevention of financial exploitation & financial institution's duty of confidentiality.	House Industry, Business and Labor	Peace Garden
03/11/2019 03:00 PM 	HB 1066	Relating to infrastructure funds	Senate Appropriations	Harvest
03/12/2019 08:15 AM  NDBA High Priority	SB 2275	Relating to the infrastructure revolving loan fund debt repayments, Wardner's bonding bill.	House Appropriations	Roughrider
03/12/2019 09:15 AM 	SB 2214	A bill relating to debt service payments; relating to borrowing and lending authority, reserve funds and school construction loans; to authorize the use of funds; to provide a bond issuance limitation; and to provide an appropriation	House Education	Coteau A
03/12/2019 10:00 AM 	HB 1530	Relating to an income tax rate reduction fund and the transfer of legacy fund earnings; relating to the income tax; to provide a continuing appropriation; to provide an exemption; and to provide an effective date.	Senate Finance and Taxation	Lewis and Clark
03/12/2019 10:15 AM 	HB 1060	Relating to surcharges paid by employers for employees who receive unemployment insurance benefits at a rate exceeding contributions paid into the system by the employer; and to provide an effective date.	Senate Industry, Business and Labor	Roosevelt Park
03/12/2019 02:15 PM 	SB 2148	Relating to disclosures of expenditures, restrictions on public officials and lobbyists, investigations of ethics violations; and to the prohibition on personal use of campaign contributions and the rulemaking procedures and requirements for the ND ethics commission. ** In Brynhild Haugland Room**	Ethics	Pioneer
03/12/2019 03:45 PM 	HB 1521	Relating to reporting campaign contributions and expenditures, restrictions on public officials and lobbyists, investigations of ethics violations; implementing requirements of article XIV of the Constitution of North Dakota; requirements for the North Dakota ethics commission.	Ethics	Pioneer

03/13/2019 08:00 AM  NDBA High Priority	HB 1485	A BILL for an Act to provide for a legislative management study of consumer personal data disclosures, IN THE PIONEER ROOM.	Senate Industry, Business and Labor	Roosevelt Park
03/13/2019 09:30 AM  NDBA High Priority	HB 1144	Relating to fees for insurance services, IN THE PIONEER ROOM.	Senate Industry, Business and Labor	Roosevelt Park
03/14/2019 08:15 AM  NDBA High Priority	SB 2276	Relating to legacy fund investments. Heckaman's asset allocation fund.	House Government and Veterans Affairs	Fort Union
03/14/2019 09:00 AM  NDBA High Priority	HB 1106	Insurance Regulations	Senate Appropriations	Harvest
03/14/2019 11:30 AM  NDBA High Priority	HB 1045	Relating to electronic transaction definitions	Senate Appropriations	Harvest
03/14/2019 02:00 PM  NDBA High Priority	HB 1263	A bill relating to custody and disposition of abandoned motor vehicles; to provide a penalty; and to declare an emergency.	Senate Transportation	Lewis and Clark
03/15/2019 10:30 AM  NDBA High Priority	SB 2346	Relating to records confidentiality for warehousemen, grain buyers, assessment refunds for grain producers; to licensing, scale ticket conversions, claims distributions, assessments and refunds, subrogation, and unlicensed grain buyers; to provide a penalty, a continuing appropriation; and reports	House Agriculture	Peace Garden

How to Contact Your Legislators

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



[Contact My Legislators](http://www.legis.nd.gov/contact-my-legislators)

<http://www.legis.nd.gov/contact-my-legislators>



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!