

What Happened This Week

Action in both the House and the Senate

This week was all about revenue forecasts, which offered some good news and some bad news. On Monday, the Appropriations Committees heard the forecast for the 2019-2021 biennium from OMB in conjunction with Moody's Analytics. On Tuesday, the group heard the forecast from IHS Markit, which was hired by the legislature. On Thursday, the House and Senate Appropriations Committees met and announced their picks from the two forecasts as the "official" forecast for the rest of this legislative session.

The good news is that all three forecasts showed a sizeable increase in oil production (and income) from the January forecast. The price per barrel in the final report was \$48.50 in the first year and \$48.00 per barrel in the second year. This is up from \$42.50 per barrel in the January forecast. In addition, the average daily production went from 1.35 million barrels per day in the January report to final forecast numbers of 1.4 million barrels per day in the first year and 1.44 million barrels per day in the second year. The bad news is the final adopted budget notes that only \$100 million will be available in the Legacy Fund. Previously, it was determined that \$300 million would be available. The difference effectively results in a lot more money (perhaps over \$100M) will be going into the state's rainy day fund, known as the Budget Stabilization Fund.

With these revenue assumptions now providing a foundation, work will begin in earnest on various budget and policy bills as the 2019 legislative assembly heads to the finish line, possibly concluding before Easter.

Heard this week

SB 2271 – Housing Incentive Fund Bill

The House Industry Business and Labor Committee heard SB 2271 Monday, March 11. Senator Kurt Kreun introduced the bill, explaining the purpose was to restore the flexibility to the program by removing the first priority provided to essential service workers. In addition, he explained the bill, when introduced, included a \$40 million appropriation which was reduced to \$10 million in the Senate. Jolene Kline, state housing finance agency director provided testimony explaining the program. The HIF is a locally-driven rental housing financing tool, created and authorized during the 2011 legislative session. Community leaders, private developers and nonprofit organizations have leveraged the fund to construct new or rehabilitate existing rental housing. By statute, HIF targets low- to moderate-income households including seniors, people with disabilities, families with children, veterans and people experiencing homelessness. Two sessions ago, the statute was amended to add the priority for essential service workers. Last legislative session, the program was not funded. There is a lot of legislative support for the program; the only issue is the availability of funding. The Committee amended the bill, adding back the essential service workers priority and increasing the appropriation back to \$40 million. The bill received a Do Pass recommendation from the committee and was referred to the House Appropriations Committee.

SB 2179– Relating to the prevention of financial exploitation and to a financial institution's duty of confidentiality

The House Industry Business and Labor Committee heard HB 2179 Monday, March 11. Senator Judy Lee introduced the bill. The purpose of the bill is to provide new voluntary rules for a bank to report and prevent financial exploitation of vulnerable adults and adults over the age of 65. NDBA's Rick Clayburgh

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testified in support of the legislation noting it provides a better framework for banks to follow when dealing with suspected abuse. He also presented amendments to add additional clarity to the bill. NDBA's amendments add a "request to designate or change the designation of beneficiaries to receive any property, benefit or contract right for an eligible adult" to the definition of a financial transaction and add "an attorney-in-fact, trustee, conservator, guardian or other fiduciary who has been selected or appointed to manage some or all of the financial affairs of the eligible adult" to the list of individuals an institution may contact regarding a suspicion of exploitation. Parrell Grossman of the Attorney General's Office testified in support of the bill and explained its provisions. ICBND's Barry Haugen testified in support. There was no opposition and the hearing was closed. The committee adopted NDBA's amendments by voice vote and gave the bill a 10-0 do pass recommendation. The bill is awaiting full House consideration, most likely Monday afternoon.

HB 1485 – Protection Against the Disclosure of Personal Information

The Senate Industry Business and Labor Committee heard HB 1485 Wednesday, March 13. Originally, the bill would have allowed consumers to contact a company to ask what personal data is being collected and who it had been sold to. The House amended the bill into a Legislative Study before passing to the Senate. 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). Kasper introduced amendments to change the bill to legislation similar to what the State of Washington is considering this year which is based upon European privacy law. Representative Kasper's amendment excludes banking and insurance from the provisions of the bill. Microsoft testified in support of amending the bill to the Washington model law. Kasper explained that companies do not have the right to gather and use customer information without their permission. The Computing Technology Industry Association, the Wireless Communications Trade Association and the Consumer Industry Data Association opposed Representative Kasper's amendments. They believe the bill makes sweeping changes to North Dakota law and there would be unintended consequences. The hearing was closed and no action was taken. It appears the committee is leaning against amending the bill and leaving it as a study.

SB 2346 – Warehouse, Grain Buyer and Indemnity Fund

The House Agriculture Committee heard SB 2346 Friday, March 15. The bill was introduced by Senator Wanzek and relates to warehouse and grain buyer licensing, scale ticket conversions, claims distributions, assessments and refunds, subrogation, and unlicensed grain buyers. Wanzek explained the bill was introduced to address grain buyer insolvency issues. The bill provides additional oversight by the PSC during licensing allowing the Commission to require financial statements by the applicant. It also broadens the financial protection for the producer by reinstating an indemnity fund assessment, called the grain producer indemnity fund. The assessment would be one-twentieth of one percent (.0005) of each dollar of grain sold (\$1 million in sales would equal a \$500 assessment). The maximum level of the indemnity fund would be \$6 million, and the minimum would be \$3 million. It would apply to all transactions. The bill also changes the scale ticket conversion deadline from 45 to 30 days and treats producers who fail to convert scale tickets as credit sale contract indemnity fund claimants. Payments from the trust fund (bonds and recovered grains and assets) and grain producer indemnity fund will provide a maximum of \$280,000. Public Service Commissioner Randy Christmann testified in support of the bill, noting there needs to be changes in the grain program. There needs to be a more thorough review of licensing to prevent individuals from getting into these situations, and additionally, there needs to be more help available for individuals who do end up with insolvency. The hearing started late and it was past noon when Christmann finished his testimony. Committee Chairman Johnson closed the hearing; it will be reopened next Thursday, March 21, to give more time to interested parties to testify. NDBA will be offering amendments to re-examine the protections of the North Dakota Credit-Sale Indemnity Fund as well as update and clarify the statutorily-defined terms of "Credit Sale" and "receipt."

HB 1008 – ND DFI Appropriation

A subcommittee of the Senate Appropriations Committee held a hearing on March 12 to further discuss the ND Department of Financial Institution's budget. The subcommittee chair Senator Karen Krebsbach asked for additional testimony regarding the \$300,000 proposed amendment to the Department's operating line offered by NDBA, ICBND and the Credit Unions. NDBA's Rick Clayburgh explained the purpose of the amendment was to restore the department's operating budget back to the 2015/2017 biennium level. DFI Commissioner Kruse answered some general agency questions for the committee. The sub-committee commented they needed to wait on acting on the budget until some general State budget issues were addressed between the House and Senate. The sub-committee did express its support to adopting the amendment. The hearing was closed with no action taken.

Hearings for the Week of March 18

Date and Time	Bill Number	Short Title	Committee	Room
03/19/2019 09:45 AM 	HB 1351	Relating to contractual non-compete provisions. A contract by which anyone is restrained from exercising a lawful profession, trade, or Business is void – this bill adds two exceptions.	Senate Industry, Business and Labor	Roosevelt Park
03/19/2019 10:30 AM 	HB 1448	Relating to exclusion of people from coverage of automobile insurance. Bill prohibits an auto insurance policy from reducing limits of liability for uninsured or underinsured motorists.	Senate Industry, Business and Labor	Roosevelt Park
03/21/2019 09:00 AM 	SB 2197	Relating to loans for family farmers by BND.	House Agriculture	Peace Garden
03/21/2019 10:15 AM 	HB 1165	Relating to nonconforming structures which were caused by rezoning.	Senate Political Subdivisions	Red River

NDBA Priority Legislation Tracking List

Bill	Status	Title
HB 1008	House: PASSED 78 – 14 NDBA Supports	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
HB 1013	House: PASSED 67 – 26 NDBA Neutral	Relating to the investments of the state investment board; to amend and reenact subsection 2 of section 15-01-02 of the North Dakota Century Code, relating to the investments of the board of university and school lands; to repeal section 57-51-15.1 of the North Dakota Century Code, relating to the energy impact fund; to provide for transfers; to provide for distributions from permanent funds; to provide an exemption; to provide a report; to provide an effective date; and to provide a contingent effective date.
HB 1014	House: PASSED 86 – 7 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.
HB 1106	House: PASSED 93 – 0 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.
HB 1110	House: PASSED 92 – 0 Senate: PASSED 31-14 Governor: SIGNED 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.
HB 1217	House: DEFEATED in the House 24 - 67 NDBA Opposed	Relating to competition between the government and private industry and to require a report to the legislative management.

HB 1220	House: PASSED 89 – 0 Senate: PASSED 44 – 1 Governor: SIGNED NDBA Supports w/ amendments	Relating to priority of agricultural supplier liens; and to provide for application. Amended in committee to study notice on SOS central filing system.
HB 1263	House: PASSED 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.
HB 1467	House: PASSED 85 – 8 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.
HB 1485	House: 93 – 0 NDBA Opposed	Relating to protection against the disclosure of personal information; and to provide a penalty. Amended into a Study Resolution – NDBA now Neutral
HB 1524	House: PASSED 93 – 0 NDBA Neutral	Relating to the regulation of data brokers; and to provide a penalty. Amended into a Study Resolution
SB 2093	Senate: PASSED 47 – 0 House: PASSED 90 – 0 Governor: SIGNED 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.
SB 2098	Senate: PASSED 47 – 0 House: PASSED 62 – 27 Governor: SIGNED NDBA Supports	Relating to the Bank of North Dakota residential mortgage loan program; and to declare an emergency.
SB 2179	Senate: PASSED 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.
SB 2205	Senate: PASSED 43 – 2 House: PASSED 61 – 29 NDBA Supports	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.
SB 2233	Senate: DEFEATED 11 - 35 NDBA Opposed without Amendments	Relating to health insurance coverage for infertility treatment; and to provide for application.
SB 2262	Senate: PASSED 47 – 0 House: PASSED 83 – 7 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.
SB 2271	Senate: PASSED 44 – 3 NDBA Supports	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation.

SB 2346	Senate: PASSED 46 – 0 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.
SB 2357	Senate: PASSED 41 - 4 House: 18 - 71 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.
HCR 3026	House: PASSED 88 – 0 Senate: PASSED - Voice Vote 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.
SCR 4006	Senate: PASSED - Voice Vote House: PASSED - 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.

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!