

What Happened This Week

The interesting dynamics that come with the final period of the legislative session have begun. Republicans control a supermajority in each chamber and hold all statewide elected offices as of the 2018 election. Accordingly, a common quip in Capitol hallways is that we have two political parties: the House and the Senate. This week, the divide between the chambers began to more visibly widen, as numerous bills up for consideration that easily passed one chamber failed in the other chamber. We anticipate this divide will continue to widen as the chambers attempt to accomplish and fund their respective priorities. And, to add to the mix, the Governor vetoed his first bill of the session (a proposed increase in DOT driver license fees), which the Senate easily overrode 41-4 Thursday afternoon. The talk in the Legislature this week was not “Katie bar the door!” It was “Katie lock the door!” A bit of an imbroglio erupted when a majority of the subcommittee working on the Human Services budget was discovered to be working with the agency head in a secret room behind a locked door. The press discovered it and knocked on the door. The door was answered, unlocked and the press was ushered in. The subcommittee is not done with the bill yet but they are out in the open now. The House and the Senate will soon begin conference committees and there will be a lot of them. Next week will be very busy, particularly in both Appropriations Committees as all bills must be out of committee by next Friday. Most policy committees have completed their committee work. There is still some chatter in the halls about saving a few days from the 80-day cap, but that becoming a reality will depend on how much the divide between the chambers widens. The start of conference committees means the end is getting closer!

*2019 North Dakota
Legislative Session*

Heard This Week

HB 1171 – Development of a Skilled Workforce Scholarship Program

The Senate Appropriation Committee heard HB 1171 Wednesday, March 27. BND President Eric Hardmeyer explained the bill, noting the bill was one of two bills aimed at addressing workforce challenges in the state. He noted the Senate Education Committee had amended the bill to create a skilled workforce scholarship program. When HB 1171 left the House, it created a skilled workforce student loan repayment program. The other bill dealing with workforce development is SB 2039. The major difference between the two is that one is a scholarship program and the other is a loan forgiveness program. Both programs aim to encourage students to enter high demand career fields and to stay and work in North Dakota. At this point, the Senate likes the scholarship concept while the House prefers the loan forgiveness concept. Eventually these two bills will make it to conference committee where differences will be worked out. The Senate Appropriation Committee gave the bill a 14-0 Do Pass Recommendation and the full Senate passed the bill Thursday afternoon 45-0.

HCR 3004 – Legislative Management Study of the Value of Blockchain Technology Implementation by State Government

The Senate Industry Business and Labor Committee heard HCR 3004 Wednesday, March 27. Representative Nathan Toman introduced the resolution. He explained the purpose of this resolution is to study the potential benefit value of blockchain technology implementation and utilization in state government administration and affairs. A representative of ITD testified in support of the study. He noted the agency is currently studying the potential use of blockchain technology by the state but no agency has approached them about any projects. The hearing was closed. During the committee discussion, Senator Merrill Piepkorn asked NDBA's Rick Clayburgh to address how Blockchain technology could be or is being used by the financial

service industry. The committee gave the resolution a 6-0 Do Pass recommendation and on Thursday afternoon the full Senate passed the bill on a voice vote. It will now be up to the Legislative Management Committee to determine if the issue will be studied during the interim.

Bills Still on the NDBA Legislative Plate

The two bills sponsored by NDBA (HB 1220 - priority of agricultural supplier liens) and (SB 2262- use and possession of re-encoders and scanning devices) have passed both houses of the Legislative Assembly and have been signed by the Governor. However, there remain several bills which are of priority interest:

HB 1008 – DFI Appropriation Bill – still in Senate Appropriation Committee. Waiting on the House and Senate to decide on the pay raise for state employees. Currently the House wants 2% and 2%, while the Senate wants 2% and 3%.

HB 1014 – Industrial Commission Bill, including BND Appropriation – still in Senate Appropriation Committee.

HB 1106 - Invisible reinsurance pool – still in Senate Appropriation Committee. The Committee is concerned with the “up to” \$40 million tax credit for the health insurance providers. It appears the committee will pass the bill with the funding unchanged; however, the Senate had to make a technical correction to the bill which means it could end up in a conference committee if the House doesn’t concur. This is a possibility – not that they don’t agree with the technical change but they may want a second look at the funding amount.

SB 2271 – Housing Incentive Fund, still in House Appropriations Committee. It appears the committee will strip the \$40 million appropriation from the bill and the bill will end up in conference committee. The conference committee will determine the final appropriation amount plus possibly consider adding some level of housing Incentive tax credit to the bill.

SB 2346 – Relating to warehouse, grain buyer and indemnity fund. SB 2346 gives more authority and tools to the PSC in providing oversight authority on the front end of licensing to prevent warehouse and grain buying insolvency and greater consumer protections resulting from insolvency. The bill gives additional

reporting tools to the PSC and creates a confidentiality requirement for financial documents provided to the Commission. The bill also eliminates the Credit-Sale Contract Indemnity Fund and transfers the funds to the grain producers indemnity fund. The Committee, knowing the Senate Ag committee had amended House Ag Chair Johnson’s HB 1467 into a study, plans to significantly amend SB 2346 by eliminating the creation of the grain producer’s indemnity fund. In addition, they will add Chairman Johnson’s language to transfer the oversight from the PSC to the Ag Department. Due to timing, the committee will not be able to act on the bill until next Thursday, April 4.

HB 1467 – Relating to moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner. HB 1467 was introduced by House Ag Committee Chairman Dennis Johnson. The Senate Ag Committee did not support the idea of moving the oversight from the PSC to the Ag Department; they did, however, believe there are issues to fix within state law. On Thursday, March 28, the committee amended the bill into an extensive study of grain buyers, roving grain buyers, grain brokers, and grain handling facilities under title 60; and issues related to prepayment for fertilizer, soil amendments, seed, and fuel in situations of insolvency. They gave the bill a 6-0 Do Pass recommendation and Friday afternoon, the Senate passed the amended bill 45-0.

Note on **HB 1467** and **SB 2346**: There is a lot of passion regarding these bills. The PSC, Grain Dealers, Grain Growers and members of the two committees are at odds on how to address these issues. Both bills will end up in conference committee.

Other Action

HB 1165 – relating to nonconforming structures due to local zoning. Monday the Senate Political Subdivisions Committee gave HB 1165 a 4-1 Do Not Pass recommendation. On Wednesday afternoon, the full Senate defeated the bill 17-30.

SB 2179 – relating to the prevention of financial exploitation of an eligible adult, Passed the House with amendments 86-0. The bill is waiting for the Senate’s concurrence on the amended bill.

Hearings for the Week of April 1

Date and Time	Bill Number	Hearing Description	Committee	Room
04/04/2019 09:00 AM 	HB 1388	Relating to persons eligible for corporate farm ownership – expands to add 2nd cousins.	Senate Agriculture	Pioneer

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 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 House 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 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 Senate: PASSED 46 – 0 Governor: SIGNED 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 Senate: PASSED 45 - 0 <u>Conference Committee</u> 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. Amended into a study by Senate.
HB 1485	House: PASSED 93 – 0 Senate: PASSED 43 - 2 NDBA Neutral as amended	Relating to protection against the disclosure of personal information; and to provide a penalty. <u>Amended into a Study Resolution – NDBA now Neutral</u>
HB 1524	House: PASSED 93 – 0 Senate: DEFEATED 46 - 1 NDBA Neutral as amended	Relating to the regulation of data brokers; and to provide a penalty. <u>Amended into a Study Resolution</u>
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 House: PASSED 86 – 0 NDBA Supports	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 2197	Senate: PASSED 45 - 0 House: PASSED 81 – 5 NDBA Supports	Relating to loans for family farmers.
SB 2205	Senate: PASSED 43 – 2 House: PASSED 61 – 29 Governor: SIGNED 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 he Senate 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 Governor: SIGNED 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: DEFEATED 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>



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!