

What's Going on This Week?

This stage in the legislative session is best characterized by the phrase “hurry up and wait.” Legislators will hurry into 8:00 a.m. full legislative sessions that are relatively brief. Those sessions then adjourn for a few hours while many conference committees meet to try to resolve differences between the House and the Senate. The members of those conference committees are blessedly busy, but the many other legislators who are not on a conference committee pretty much sit and wait. This is particularly true of the newer members who are less likely to be appointed to conference committees. Then they will all get together at 1:00 for another general session for an hour or so. And then back into various conference committees for some legislators. Yup, hurry up and wait.

As long as they keep checking off bills in those full legislative sessions, we know they keep getting closer to the end – which, we are thinking should be Friday or Saturday!

Hearings this Week

The only legislation was still in the committee hearing process is **HB 1521** and **SB 2148**, relating to the North Dakota Ethics Commission.

It appear the House is going to turn SB 2148 into an important study on implementing Constitution Measure 1. HB 1521 will be the vehicle the Legislature will use to adopt ethics provisions required to be enacted this session to establish the ethics commission. The Senate Ethics Committee considered many amendments during committee work on Monday and Tuesday afternoons. Both Senators Hogue and Oban stated they researched the issue but could not address the concerns raised by NDBA's Rick Clayburgh regarding the unintended impact of Measure 1 on trade associations when administering an association Political Action Committee (PAC). On Tuesday afternoon, after adopting a number of amendments, the Committee gave the bill a 5–2 Do Pass Recommendation. On Wednesday afternoon, the full Senate passed the bill 39–8. On Thursday, the House refused to concur with the Senate amended bill and a conference committee consisting of Representatives Kasper, Louser and Mock and

Senators Dever, Hogue and Oban was appointed. The Conference Committee's first meeting is Monday morning.

Here is a brief summary of the key takeaways of Measure 1 (ND Constitution Article 14) and HB 1521.

- Lobbyists are more regulated.
 - The definition of lobbyists stays the same as in current law.
 - Lobbyists may not provide gifts to public officials (except as provided by the yet-to-be created ethics commission).
 - Lobbyists may not deliver campaign contributions.
 - Lobbyists must disclose the true and ultimate source of funds used to lobby if over \$200.
- New disclosures are required for the true and ultimate source of funds used to influence elections, state government action (defined as influencing the final passage of a rulemaking process), or ballot measures.
- Ethics Commission
 - A process is set up for the ethics commission to handle ethics complaints.
 - The ethics commission is subject to a rule-making process similar to that of other agencies.
 - Governance for the ethics commission is established, including terms and removal.
- The bill codifies the ban on public officials becoming lobbyists for two years after their public service.
- The bill includes an interim legislative study.
- The bill appropriates over \$500k for the operations of the ethics commission.

*2019 North Dakota
Legislative Session*

Conference Committees

This past week, Rick turned his attention to conference committees for several NDBA bills of interest.

They included:

HB 1008 – DFI Appropriation Bill – On Monday morning, House conferees Howe, Beadle and Bellew met with Senate conferees Krebsbach, Oehlke and Robinson to discuss what changes the Senate made to the Department's budget. After limited discussion, House members requested the Department provide more specific details regarding the \$300,000 operating increase. The meeting was adjourned. On Tuesday morning, the conference committee met again. The Committee Chair acknowledged the information Commissioner Kruse had emailed to them regarding the request. The Committee agreed with the Senate action and recommended the House ACCEDE to the Senate amendments. On Wednesday, the House adopted the committee recommendation and passed the bill 65-25. There are a number of House members voting against all appropriation bills. The bill is now headed to the Governor for his signature.

HB 1014 – Industrial Commission Bill, including BND Appropriation – Housing Finance Agency and the Housing Incentive Fund. The bill was amended and passed by the Senate Friday afternoon 42-5. House conferees Brandenburg, Vigasaa and Mock began meeting with Senate conferees Sorvaag, Holmberg and Mathern. This is a more complex bill which could have a number of amendments added to address issues that may have been defeated early in the session. Given the complexity, there will be a number of committee meetings before we get a better idea where the funding level for the Housing Incentive Fund will be and what the final amount of BND income used by the Legislature will be.

HB 1407 – relates to how a transferee may obtain a new certificate of title upon inability to obtain an old certificate. HB 1407 was introduced to address the issuance of a salvage certificate of title for an insurer when the insurer has paid a total loss claim and can't obtain the original certificate or a licensed used motor vehicle dealer has taken possession of a vehicle that is the subject of an insurance claim and the vehicle has been abandoned. Originally, the financial services industry did not have concerns with the bill as introduced. A problem occurred when the bill was amended by the Senate and a subsequent conference committee further amended the bill to add the ability of the Department of Transportation to issue a clean title free of all liens for a tax-exempt organization which has received a donated vehicle and for an individual who has

provided satisfactory proof of ownership and proof that the individual has made at least two written attempts by certified mail with return receipt addressed to the owner of record and any known lienholder to obtain the original certificate of title. NDBA's Rick Clayburgh met with the House and Senate conference committee members to express concern that plain reading of the proposed bill could create a situation where DOT would have to issue a new certificate even if there is a legitimate lienholder of record. Committee members, Representatives Weisz, Grueneich and Hanson, and Senators Rust, Clemens and Bakke, agreed it was not their intent and they would work to fix the bill. On Thursday afternoon, the House rejected the conference committee report and sent the bill back to Conference. Rick worked with Bismarck attorney Pat Ward, Representative Grueneich and DOT Motor Vehicle Division Director Lindi Michlitsch on language to fix the lenders' lien concern while allowing the Department to issue a new title for a transferee when the original title can't be produced. In such cases where there is a valid lien, a new certificate will be issued with the valid lien recorded on the title. DOT staff is reviewing the amendment and will be presenting it to Committee members today.

SB 2346 – Relating to warehouse, grain buyer and indemnity fund – The bill, among other things, was amended by the House Ag Committee to move oversight authority from the PSC to the Ag Department. On Wednesday, the House agreed with the committee and passed the bill 80-13. The bill is headed to conference committee.

Other Action

HB 1467 – relates to warehouse, grain buyer and indemnity fund. The Senate turned the House bill into an extensive study of grain buyers, roving grain buyers, grain brokers, and grain handling facilities under title 60 by the Senate. NDBA had anticipated the House would not concur and would send the bill to conference committee. House Ag Committee Chairman Dennis Johnson said they agreed on the need for an extensive study and the House would concur with the Senate Action. This leaves SB 2346 to address issues related to warehouses, grain buyers and the indemnity fund. On Tuesday, the House concurred with the bill and passed it 83-8. The bill has been sent to the Governor for his signature.

NDBA Priority Legislation Tracking List

Bill	Status	Title
<u>HB 1008</u>	House: PASSED 78 – 14 Senate: PASSED 43 – 2 House: PASSED 65 – 25 Headed to Governor NDBA Supports	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<u>HB 1014</u>	House: PASSED 86 – 7 Senate: PASSED 42 – 5 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 and Housing Finance and HIF. Conference Committee
<u>HB 1106</u>	House: PASSED 93 – 0 Senate: PASSED 46 – 1 Headed to Governor 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.
<u>HB 1110</u>	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.
<u>HB 1217</u>	House: DEFEATED 24 - 67 NDBA Opposed	Relating to competition between the government and private industry and to require a report to the legislative management.
<u>HB 1220</u>	House: PASSED 89 – 0 Senate: 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.
<u>HB 1263</u>	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.
<u>HB 1467</u>	House: PASSED 85 – 8 Senate: PASSED 45 – 0 House: PASSED 83 – 8 Headed to Governor NDBA Supports the amended bill	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.

Bill	Status	Title
<u>HB 1485</u>	House: PASSED 93 – 0 Senate: PASSED 43 – 2 Governor: SIGNED 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>
<u>HB 1524</u>	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>
<u>SB 2093</u>	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.
<u>SB 2098</u>	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.
<u>SB 2179</u>	Senate: PASSED 47 - 0 House: PASSED 86 – 0 Governor: SIGNED 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.
<u>SB 2197</u>	Senate: PASSED 45 - 0 House: PASSED 81 – 5 Governor: SIGNED NDBA Supports	Relating to BND's beginning famer and family farmers loan program.
<u>SB 2205</u>	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.
<u>SB 2233</u>	Senate: DEFEATED 11 - 35 NDBA Opposed without Amendments	Relating to health insurance coverage for infertility treatment; and to provide for application.

Bill	Status	Title
<u>SB 2262</u>	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.
<u>SB 2271</u>	Senate: PASSED 44 - 3 House: DEFEATED 17 - 74 NDBA Supports	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation. <u>Housing Incentive Fund has been amended into HB 1014.</u>
<u>SB 2346</u>	Senate: PASSED 46 - 0 House: PASSED 80 - 13 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. Conference Committee
<u>SB 2357</u>	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.
<u>HCR 3026</u>	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.
<u>SCR 4006</u>	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!