

They're Gone!

You could almost hear Willie Nelson singing “Turn out the lights. The party’s over. They say that all good things must end.” Well, good or bad, they did end. The magical words “sine die” were announced and the 2019 North Dakota Legislative Assembly adjourned at about 10:15 Friday night, April 26.

This was the 76th Legislative Day. The constitution states the maximum number of legislative days is 80, so four are left if needed. There were 908 bills introduced in the 2019 session, compared to 779 in 2017. In addition, there were 77 resolutions introduced. Slightly more than 500 bills were passed during the 76 days.

General Legislative Overview

Budget – Let’s start with a 30,000-foot view of a few issues that were big on all fronts in North Dakota. Money, of course, is pretty much always at the top. And the outlook was much better for this legislature than the last one. The state was coming off a \$1.7 billion decrease in the general fund for the current biennium. General fund spending went up 12 percent to \$4.8 billion, albeit still down from the record general fund spend of \$6.8B in the height of the oil boom in 2013-2015. Overall budget numbers, which include federal and other funds, will increase from \$13.6 billion in this biennium to \$14.7 billion in the next biennium (July 1, 2019 to June 30, 2021).

Many legislators adopted a favorable future outlook for the state’s economy and, accordingly, that the legislature could be spending more. Although the outlook for the next biennium is optimistic overall, the legislature took a pretty conservative view when it came to agency budgets. Two exceptions that came out quite well were the Department of Human Services and K-12 funding.

Theodore Roosevelt Presidential Library – A subject which was in the news nearly daily and which has been called “a legacy” and “historic” was the successful establishment and funding for the Theodore Roosevelt Presidential Library and Museum. Strongly supported by Governor Burgum and a separate library foundation, SB 2001 provides a total of \$50 million to establish an endowment for a library. However, it cannot be utilized until \$100 million in private donations are raised. The library celebrates the time TR

spent as a rancher in the western North Dakota badlands through which he reclaimed his spirit. It has been strongly supported by national donors and the Roosevelt family and Theodore Roosevelt V attended events during the legislative session. It will be very interesting to see how all of this plays out and the library is built in TR’s precious badlands.

Energy – Energy is very (very) big in our state. This session, as opposed to last session, reaffirmed the state’s recognition of the importance of “all of the above” sources of energy. On the oil and gas side, a bill that sets an agreement between the state and the Three Affiliated Tribes on oil tax distributions was huge. The tribes will get 80% on wells on tribal land and the state will get 80% on wells on private land. The result is predictability and future growth will expand based on that result. It should be a gain for the state and for the Three Affiliated Tribes. It also should result in more exploration. On the coal side, tax incentives for ongoing CO2 sequestration and research will continue and promise some great possibilities for North Dakota and the entire country. The ethanol industry received a boost in the form of a \$50M loan-guarantee program. As to wind, there was little anti-industry rhetoric, at least compared to the last session. The emphasis was more on environmental mitigation. Regardless, legislators recognize the bigger and bigger role wind energy is playing in North Dakota and, for that matter, nationally.

Health Care – As the group of baby boomers gets bigger and as mental health needs grow, the importance of healthcare in the state gets bigger as well. The incredibly important role that Medicaid expansion plays to all medical care providers was reconfirmed. The approved \$20 million state investment with a \$200 million return because of the 90% federal match will mean many small-town hospitals and clinics will continue to be able to provide health care to citizens. And the large hospitals can provide the specialized medical services that more effectively



*2019 North Dakota
Legislative Session*

treat patients and save lives. Nursing homes received a healthy bump in reimbursement rates. There also was a special emphasis on providing more behavioral health care, something that took some criticism in previous sessions. Policymakers recognized, and included funding to match, that spending more in schools and on addiction counseling and recovery services can save much more in the long-term. And the results are much better (and less expensive).

Ethics – The passage of an initiated measure in November includes many changes in the area of ethics, lobbying, transparency, and campaign finance. The legislature implemented the measure but the task was made more difficult because the changes were constitutional, not statutory. (The new ethics commission will also have to implement the measure.) The legislature adopted two ethics bills. One bill provides a new regulatory regime for lobbying, disclosures relating to influencing state government, rules for campaign finance, and an appropriation and staffing for the ethics commission. The other bill provides for an interim study of the measure and the various unresolved issues.

Blue Laws – One change that will affect the buying and shopping habits of many North Dakotans was adopted fairly early in the session. North Dakota is no longer the only state in the country with tough “Blue Laws” affecting Sunday opening. Many businesses were forbidden to open until noon on Sunday. That prohibition will no longer exist. HB 1097 repealed the Sunday opening limitations.

Infrastructure – Another bill that was passed and signed relatively early was termed Operation Prairie Dog, which included funding for infrastructure for political subdivisions all over the state. The projects relate to water, roads and bridges, electricity, airports and communications. Starting in the 2021-23 biennium, the bill will direct \$115 million to cities, \$115 million to counties and townships, and \$20 million to airports. In addition, the three “hub cities” in the oil-producing regions are assured future funding.

Legacy Fund – Several years ago, the legislature set up a savings account for oil and gas tax money called the Legacy Fund. Thirty percent of the oil and gas tax money goes into that fund and it has grown considerably. This biennium alone, earnings will be about \$415 million. The fund itself has a principle balance of \$6 billion. Legislators debated the best use of the fund for the entire session but they found little agreement on how the money in the fund should be spent and what the criteria should be. No specific decisions were made along those lines but the legislature plans to study the various aspects and has set up a Legacy Fund Earnings Committee to come up with a plan for this fund for the next legislature.

Tax Policy – The legislature enacted little change in tax policy. An effort to eliminate the state income tax had its ups and downs and was ultimately defeated. There were some selected tax credits and incentives here and there but the bottom line is there are no new taxes. Attempts to raise the tobacco tax and the gasoline tax were defeated.

NDBA Priority Legislation Tracking List

Bill	Status	Title
HB 1008	House: PASSED 78 – 14 Senate: PASSED 43 – 2 House: PASSED 65 – 25 Governor: SIGNED 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 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.
HB 1106	House: PASSED 93 – 0 Senate: PASSED 46 – 1 Governor: SIGNED 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.

Bill	Status	Title
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 House: PASSED 83 - 8 Governor: SIGNED NDBA Neutral - in Support of the study	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. Note: the original provisions of HB 1467 to move the licensing authority from the PSC to the Ag Department was amended into SB 2008 (Ag Commissioner budget) during to waning hours of the session and passed by both the and Senate. NDBA was neutral regarding this move.
HB 1485	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>
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 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.
SB 2197	Senate: PASSED 45 - 0 House: PASSED 81 - 5 Governor: SIGNED NDBA Supports	Relating to BND's beginning famer and family farmers loan program.

Bill	Status	Title
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 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 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>
SB 2346	Senate: PASSED 46 – 0 House: PASSED 80 – 13 Senate: DEFEATED 3 – 44 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)

<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!