

This Week at the Legislature

February is here! While the first frigid cold of the season is setting in in Bismarck for a few days, committee and floor debate is heating up. Three historic bills were heard this week, including an \$800M bonding bill for infrastructure, a bill to set the priorities for spending the earnings of the \$7B Legacy Fund, and a bill to invest up to 20% of the principal of the Legacy Fund into fixed income and equity investments tied to ND.

The pace on the floor of the House and the Senate has picked up considerably as the floor agendas have gotten longer. Committees are busy acting on bills with amendments and Do Pass or Do Not Pass debates and votes to send them to the floor for a vote by the entire assembly. In addition, another deadline will soon arrive. All bills that must be re-referred to Appropriations for funding must be out of the committee of origin by Monday, February 8. We are moving along!

NDBA's High Priorities to Date

Bill	Title
HB 1026	Relating to financial criteria for grain buyer, grain broker, grain processor, and warehousemen licenses, and licensing and bonding for grain brokers and grain processors; to amend and reenact sections 60-02-01, 60-02-07, 60-02-09, 60-02-11, 60-02-12, 60-02-19.1, 60-02-24, 60-02.1-01, 60-02.1-07, 60-02.1-08, 60-02.1-10, 60-02.1-11, 60-02.1-13, 60-02.1-14, 60-02.1-15, 60-02.1-17, 60-02.1-19, 60-02.1-21, 60-02.1-23, 60-02.1-29, 60-02.1-32, and 60-02.1-41, subsection 2 of section 60-04-01, and sections 60-04-03 and 60-10-16 of the North Dakota Century Code, relating to definitions of grain brokers and processors, the duties and powers of the commissioner, confidentiality records, scale ticket contents, credit-sale contracts, reports, annual licenses, fees, and bonds for grain buyers, grain brokers, grain processors, and warehousemen; to repeal sections 60-02.1-06, 60-02.1-07.1, 60-02.1-26, 60-02.1-27, 60-04-09, and 60-10-15; and to provide a penalty.
HB 1050	Relating to definitions relating to business incentives, agreements, and reports.
HB 1077	Relating to the Uniform Electronic Wills Act; and to provide for application.
HB 1154	Relating to transparency in dental benefits contracting; and to provide a penalty.
HB 1172	Relating to business immunity from COVID-19 liability claims; to provide for retroactive application; and to declare an emergency.
HB 1175	Relating to creation of a Bank of North Dakota rebuilders loan program and a rebuilders permanent loan fund; to repeal sections 6-09-46 and 6-09-46.1 of the North Dakota Century Code, relating to a rebuilders loan program, a rebuilders home loan program, and a rebuilders home loan fund; to provide a continuing appropriation; and to provide for a transfer.
HB 1187	Relating to limitations on requirements to wear a mask at work; to provide an expiration date; and to declare an emergency.
HB 1204	Relating to nonconforming structures.
HB 1222	Relating to duty of the investment director to consider investing locally.
HB 1231	Relating to actions having twenty-year limitations, docketing judgments, renewal of judgments by affidavit, and cancellation of judgment of record; to repeal sections 28-20-21, 28-20-22, and 28-20-23 of the North Dakota Century Code, relating to renewal of judgments by affidavit; and to provide an effective date.
HB 1251	Relating to cryptocurrency custodian services and exchanges; and to provide for a legislative management report.

<u>HB 1267</u>	Relating to a financial technology sandbox program for innovative financial products and services and criminal history background checks.
<u>HB 1268</u>	Relating to exemption of recognition of daylight-saving time; and to repeal section 40-01-20 of the North Dakota Century Code, relating to daylight saving time.
<u>HB 1321</u>	Relating to prohibiting covered entities from selling users' protected data without consent; and to provide a penalty.
<u>HB 1330</u>	Relating to ante-mortem probate of wills.
<u>HB 1339</u>	Relating to the duties of a personal representative and actions against a trustee.
<u>HB 1363</u>	Relating to the sale of property subject to a repairman's lien and sale proceeds; and to amend and reenact sections 35-13-01, 35-13-05, and 35-13-06 of the North Dakota Century Code, relating to repairman's liens, notice requirements, and assignments.
<u>HB 1364</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<u>HB 1366</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under its control; to provide contingent funding; to provide for a transfer; and to provide an exemption.
<u>HB 1425</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; and to provide an exemption.
<u>HB 1499</u>	Relating to the Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02, sections 26.1-55-04, 27-05.2-04, and 30.1-20-14, subsection 3 of section 35-20-17, sections 35-36-05, 38-13.1-03, 38-18.1-03, and 44-04-18.25, subsection 3 of section 47-16-07.1, section 54-27-15.1, subsection 6 of section 57-38-57, subsection 8 of section 57-39.2-23, and section 60-01-34 of the North Dakota Century Code, relating to abandoned and unclaimed property; to repeal chapter 47-30.1 of the North Dakota Century Code, relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.
<u>SB 2008</u>	Relating to abandoned vehicles.
<u>SB 2014</u>	Relating to credit union loans; to amend and reenact subsection 3 of section 6-01-01.1, sections 6-01-04.3, 6-01-09, and 6-01-17, subsection 1 of section 6-03-05, sections 6-03-11, 6-03-13.3, and 6-03-15.1, subsection 1 of section 6-03-47.2, sections 6-03-49.1, 6-05-15.4, and 6-06-06, subsection 4 of section 6-06-08, and sections 6-06-11 and 6-08-08.1 of the North Dakota Century Code, relating to the regulatory fund, assessment of civil money penalties, appointment of receivers, supervision and examinations, assessments, real estate loans, bank mergers, bank branches, bank investments, trust branches, credit union powers, credit union board notice, and sale or purchase of banking institutions or holding companies; to repeal section 6-06-14 of the North Dakota Century Code, relating to credit union loans; and to provide a penalty.
<u>SB 2020</u>	Relating to dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the department of financial institutions' supervision; to amend and reenact subsection 4 of section 6-01-04.2 and sections 6-01-04.4, 6-02-05, 6-03-12, 6-03-57, 6-03-67, 6-05-34, and 6-06-08.4 of the North Dakota Century Code, relating to financial institutions cross references, cease and desist orders, and prompt corrective action; and to repeal chapter 6-07 of the North Dakota Century Code, relating to dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the department of financial institutions' supervision.
<u>SB 2048</u>	Relating to the disposal of abandoned personal property.
<u>SB 2098</u>	Relating to confidentiality of facts and information obtained or created by the commissioner of financial institutions and the department of financial institutions.
<u>SB 2101</u>	Relating to surcharges paid by employers for employees who receive unemployment insurance benefits; and to provide an effective date.
<u>SB 2102</u>	Relating to a deed in lieu of foreclosure.
<u>SB 2191</u>	Relating to irrevocable itemized funeral contracts and Medicaid assets exempt for funeral expenses.

SB 2197	Relating to mortgage modifications; and to amend and reenact sections 35-03-14 and 35-03-15 of the North Dakota Century Code, relating to the expiration and extension of real estate mortgages.
SB 2203	Relating to financial criteria for grain buyer, grain broker, grain processor, and warehousemen licenses, and licensing and bonding for grain brokers and grain processors; to amend and reenact sections 60-02-01, 60-02-07, 60-02-09, 60-02-11, 60-02-12, 60-02-19.1, 60-02-24, 60-02.1-01, 60-02.1-07, 60-02.1-08, 60-02.1-10, 60-02.1-11, 60-02.1-13, 60-02.1-14, 60-02.1-15, 60-02.1-17, 60-02.1-19, 60-02.1-21, 60-02.1-23, 60-02.1-29, 60-02.1-32, and 60-02.1-41, subsection 2 of section 60-04-01, and sections 60-04-03 and 60-10-16 of the North Dakota Century Code, relating to definitions of grain brokers and processors, the duties and powers of the commissioner, confidentiality records, scale ticket contents, credit-sale contracts, reports, annual licenses, fees, and bonds for grain buyers, grain brokers, grain processors, and warehousemen; to repeal sections 60-02.1-06, 60-02.1-07.1, 60-02.1-26, 60-02.1-27, 60-04-09, and 60-10-15; and to provide a penalty.
SB 2223	Relating to a deed in lieu of foreclosure.
SB 2261	Relating to irrevocable itemized funeral contracts and Medicaid assets exempt for funeral expenses.
SB 2292	Relating to mortgage modifications; and to amend and reenact sections 35-03-14 and 35-03-15 of the North Dakota Century Code, relating to the expiration and extension of real estate mortgages.

Hearings and Other Action this Week

Senate Confirms Kruse as DFI Commissioner

Tuesday afternoon, the Senate unanimously re-confirmed Lise Kruse as DFI Commissioner. First appointed Commissioner by Governor Burgum in December 2017, Kruse has served as chief examiner of banks since January 2011. She was originally hired by the department as a financial institutions examiner in June 2004. A native of Elverum, Norway, and a North Dakota resident since 1997, Kruse earned a bachelor's degree in business and organizational communication in 1996 from Concordia College in Moorhead and a Master of Business Administration degree with an emphasis in information technology in 2003 from the University of Colorado at Colorado Springs. She graduated from the Graduate School of Banking at Colorado in 2012. Kruse currently serves on the executive board of the Conference of State Bank Supervisors and the FDIC Regulatory Advisory Board.

HB 1364 – Duties of a Personal Representative and Actions Against a Trustee

The House Judiciary Committee heard HB 1364 Monday morning. Section 1 of the bill amends section 30.1-18-09 of the North Dakota Century Code, relating to a personal representative's rights in taking possession or control of real and personal property and duties with regards to the property in its possession. Specifically, the section 1 amendment states the PR will take possession of personal property and real property must be left or surrendered to the person presumptively entitled thereto, unless the PR secures a court order determining it is necessary the PR retain possession for purposes of administration. The amendment further clarifies the PR is responsible to pay obligations secured by mortgages and liens due on real estate in its possession. Section 2 of the bill amends section 59-18-05, N.D.C.C., which limits actions against trustees. The amendment states a trust terminates "when it becomes the duty of the trustee to wind up administration of the trust, not when that winding up period is actually accomplished." Representative Kading and Citizen Rodney Hogen testified in favor of HB 1364. There was no testimony in opposition to HB 1364, nor was neutral testimony offered. Due to potential conflict with the Uniform Trust Code, a motion to delete section 2 of the HB 1364 was made, seconded, and carried. A motion for a do not pass recommendation on the remainder of the bill failed 7-7. A motion for do pass as amended was made, seconded, and carried 8-6. The full House approved the amendments Wednesday afternoon, and the bill is now awaiting final action.

HB 1431 – Infrastructure Bonding Bill

The full House Appropriation Committee heard HB 1431 Monday afternoon; the hearing lasted over two hours. HB 1431 is the Legislature's (not the Governor's) \$798.5 million bonding proposal designed to use a portion of Legacy Fund earnings to invest in one-time projects that improve the state's infrastructure, support economic diversification, and promote workforce development. The bill proposes a \$70 million allocation to the state Highway Fund, \$92.5 million for building and equipment grants to expand career and technical education, \$50 million for an infrastructure revolving loan fund to consolidate and expand existing infrastructure loan programs, \$19 million for a higher education capital building fund, \$57 million for higher education capital projects, \$74.5 million for Resources Trust Fund, and \$435.5 million for the Fargo Diversion project. There were many groups and organizations testifying in support of the legislation. There was no opposition. The hearing was closed, and the committee took no action.

HB 1363 – Ante-Mortem Probate of Wills

The House Judiciary Committee heard HB 1363 Tuesday morning. The bill amends Chapter 30.1-08.1 of the North Dakota Century Code, relating to ante-mortem probate of wills. Specifically, HB 1363 expands the persons who may institute a proceeding for a judgment declaring the validity of a will ante-mortem from the person executing the will to "[a] testator..., a person nominated in a will to serve as a personal representative or with the testator's consent, an interested party, or the testator's legal guardian, conservator, or power of attorney." It also explicitly permits proceedings for the purpose of having the will declared invalid and requires the court to declare a will invalid if the court finds that the will has not been properly executed or the testator lacks the requisite testamentary capacity or freedom from undue influence. Representative Sanford and Citizens Michael Kruger and Kathy Hann testified in favor of HB 1363. Attorney Blain Johnson testified in opposition to the bill. No neutral testimony was offered. The committee took no action and the hearing was closed.

HB 1425 – Legacy Fund and Local/State Investing

The House Finance and Tax Committee heard HB 1424 Tuesday morning. Representative Mike Nathe introduced the Bill, which was developed in cooperation with North Dakota Insurance Commissioner John Godfread. Nathe explained the bill is intended to set target allocations for the Legacy Fund to direct a portion of the investments in North Dakota. He noted the bill provides an "infusion of \$700 million into the ND economy." The bill targets 10% of the Legacy Fund Investment to fixed income investments in North Dakota and an additional 10% towards equity investments in North Dakota. Nathe noted the bill does not change process or oversight, it simply directs a portion of the investments occur in North Dakota. The bill provides the equity investment provisions be managed by "qualified investment firms, financial institutions, or equity funds" who are seeking to operate in the state, and which have a direct connection to the state." Insurance Commissioner Godfread testified in support, along with a number of other business organizations. Robert Harms spoke in opposition, stating the bill was not one of the uses of the Legacy Fund voters approved. The hearing was closed. On Wednesday, the committee gave the bill a 13-0-1 do pass recommendation. The bill now heads to the House Appropriations Committee as it contains a \$3.7 million special fund appropriation.

HB 1172 – Agricultural Mediation and Negotiation Services








A Subcommittee of the House Agricultural Committee held a meeting Thursday morning to review proposed amendments to HB 1172. In simple terms, the amendments would require mandatory mediation and up to a 75 day hold on any legal actions. NDBA's Rick Clayburgh and ICBND's Barry Haugen testified in opposition to the amendments, explaining all the unintended consequences of mandating mediation. Representative Keith Kempenich testified in support of his amendments which he explained were modeled off Minnesota's Ag mediation law. The Committee adjourned for the day to allow Rep. Kempenich to draft additional amendments.













Friday morning, the Subcommittee reconvened the hearing. Representative Kempenich asked the committee to make some minor changes to his original bill, dropping his mandatory mediation proposal. NDBA's Rick Clayburgh and ICBND's Barry Haugen testified that, with the adoption of the new amendments, their associations were neutral on the bill. The Subcommittee felt comfortable with the new amendments proposed and will move them in full hearing. It is not anticipated the bill will come before the Committee until next Thursday.

HB 1499 – Election Requirements for Bonds

The House Government and Veterans Affairs Committee heard HB 1499 Friday morning. The bill, which was introduced by Representative Sebastian Ertelt, would require the state to receive two-thirds voter approval prior to issuing state bonds. The bill, among other things, would restrict the ability of the Industrial Commission, in its various capacities—North Dakota Building Authority, Public Finance Authority and Housing Finance Agency, etc. – from issuing bonds on a timely basis without a public vote. ND Housing Finance Agency Executive Director Dave Flohr testified in opposition, explaining the negative impact on the Agency and the financial institutions it serves. NDBA Rick Clayburgh and ICBND's Barry Haugen also testified in opposition. The North Dakota Association of REALTORS submitted written testimony in opposition. The hearing was closed. The committee gave the bill a 12-2 do not pass recommendation and is now headed to the House for final action.

Hearings Next Week

Date and Time	Bill Number	Short Title	Committee	List
02/08/2021 09:00 AM 	HB 1268	Relating to a financial technology sandbox program for innovative financial products and services and criminal history background checks.	House Industry, Business and Labor	NDBA Priority
02/08/2021 09:00 AM 	HCR 3024	A concurrent resolution directing the Legislative Management to consider studying the feasibility and desirability of regulating special purpose depository institutions for cryptocurrency.	House Industry, Business and Labor	Tracking
02/08/2021 09:00 AM 	HB 1147	Relating to public employee fertility health benefits; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.	House Industry, Business and Labor	NDBBT List
02/08/2021 09:00 AM 	HB 1203	Relating to requirements of health insurance policies; to amend and reenact section 50-24.1-37 of the North Dakota Century Code, relating to continuation of Medicaid Expansion; to repeal sections 40 and 41 of chapter 11 of the 2017 Session Laws, relating to repeal of the Medicaid Expansion program; to provide for application; and to provide a contingent effective date.	House Industry, Business and Labor	NDBBT List
02/08/2021 09:00 AM 	HB 1203	Relating to requirements of health insurance policies; to amend and reenact section 50-24.1-37 of the North Dakota Century Code, relating to continuation of Medicaid Expansion; to repeal sections 40 and 41 of chapter 11 of the 2017 Session Laws, relating to repeal of the Medicaid Expansion program; to provide for application; and to provide a contingent effective date.	House Industry, Business and Labor	Tracking
02/08/2021 11:00 AM 	SB 2209	Relating to increased access to low-cost prescription drugs; to amend section 43-15.3-12 of the North Dakota Century Code, relating to drug wholesaler fees; to provide for a report; to provide a continuing appropriation; to provide for a transfer; and to provide a contingent effective date.	Senate Human Services	NDBBT List
02/08/2021 02:30 PM 	HB 1268	Relating to a financial technology sandbox program for innovative financial products and services and criminal history background checks.	House Industry, Business and Labor	NDBA Priority

02/08/2021 02:30 PM 	HB 1278	Relating to eligibility for unemployment compensation for military spouses.	House Industry, Business and Labor	Tracking
02/08/2021 02:30 PM 	HB 1441	Relating to a paid family medical leave program and an income tax credit for contributions paid into the paid family medical leave fund on behalf of eligible employees; to provide an appropriation; to provide for a transfer; and to provide an effective date.	House Industry, Business and Labor	Tracking
02/09/2021 10:00 AM 	HB 1330	Relating to prohibiting covered entities from selling users' protected data without consent; and to provide a penalty.	House Industry, Business and Labor	NDBA Priority
02/09/2021 11:00 AM 	SB 2014	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under its control; to provide contingent funding; to provide for a transfer; and to provide an exemption.	Senate Appropriations	NDBA Priority
02/09/2021 02:15 PM 	SB 2203	Relating to surcharges paid by employers for employees who receive unemployment insurance benefits; and to provide an effective date.	Senate Industry, Business and Labor	NDBA Priority
02/10/2021 08:30 AM 	HB 1439	Relating to remote notarial acts for clients of certain nonprofit organizations; to amend and reenact subdivision c of subsection 3 of section 44-06.1-13.1 of the North Dakota Century Code, relating to an exemption for certain remote notarial acts; and to provide a penalty.	House Judiciary	Tracking
02/10/2021 09:00 AM 	HB 1454	Relating to unlawful interference with business relation; and to provide a penalty.	House Industry, Business and Labor	Tracking
02/11/2021 08:30 AM 	HB 1026	Relating to financial criteria for grain buyer, grain broker, grain processor and warehousemen licenses	Senate Agriculture	NDBA Priority
02/11/2021 08:30 AM 	SB 2292	Relating to mortgage modifications; and to amend and reenact sections 35-03-14 and 35-03-15 of the North Dakota Century Code, relating to the expiration and extension of real estate mortgages.	Senate Political Subdivisions	NDBA Priority
02/11/2021 09:00 AM 	HB 1366	Relating to the sale of property subject to a repairman's lien and sale proceeds; and to amend and reenact sections 35-13-01, 35-13-05, and 35-13-06 of the North Dakota Century Code, relating to repairman's liens, notice requirements, and assignments.	House Transportation	NDBA Priority
02/12/2021 08:30 AM 	HB 1187	Relating to creation of a Bank of North Dakota rebuilders loan program and a rebuilders permanent loan fund; to repeal sections 6-09-46 and 6-09-46.1 of the North Dakota Century Code, relating to a rebuilders loan program, a rebuilders home loan program, and a rebuilders home loan fund; to provide a continuing appropriation; and to provide for a transfer.	House Appropriations	NDBA Priority
02/12/2021 10:00 AM 	HB 1288	Relating to Medicaid coverage of continuous glucose monitoring devices.	House Appropriations	NDBBT List

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!