

This Week at the Legislature

“Committee work” are the two words of this week and perhaps next week. In many committees, especially Appropriations, the hearings have been held. Those committees need to discuss and debate their thoughts on the bills and ultimately take a vote as to whether to give the measure a thumbs up or thumbs down for the floor vote. As you recall, in North Dakota every bill gets a floor vote in the venue of its introduction. The floor activities - especially in the house - will pick up even a bit more as the upcoming crossover deadline and break looms ahead. Legislative leaders are looking to save some days from the 80-day limit for redistricting later this year, which may result in crossover occurring a little sooner than scheduled.

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 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.
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 agricultural mediation and negotiation services.
HB 1175	Relating to business immunity from COVID-19 liability claims; to provide for retroactive application; and to declare an emergency.
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.
HB 1204	Relating to limitations on requirements to wear a mask at work; to provide an expiration date; and to declare an emergency.
HB 1222	Relating to nonconforming structures.
HB 1231	Relating to duty of the investment director to consider investing locally.
HB 1251	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 1267	Relating to cryptocurrency custodian services and exchanges; and to provide for a legislative management report.

<u>HB 1268</u>	Relating to a financial technology sandbox program for innovative financial products and services and criminal history background checks.
<u>HB 1321</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 1330</u>	Relating to prohibiting covered entities from selling users' protected data without consent; and to provide a penalty.
<u>HB 1339</u>	Relating to dangerous weapons.
<u>HB 1363</u>	Relating to ante-mortem probate of wills.
<u>HB 1364</u>	Relating to the duties of a personal representative and actions against a trustee.
<u>HB 1366</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 1380</u>	Relating to an economic diversification research fund, a legacy sinking and interest fund, a career and technical education support fund, a legacy earnings fund, a behavioral health support fund, a legacy infrastructure project fund, a state building maintenance and project fund, and an information technology cybersecurity fund; to amend and reenact subsection 1 of section 21-10-06 and section 21-10-12 of the North Dakota Century Code, relating to funds invested by the state investment board and legacy fund definitions; to provide for a transfer; and to provide a report.
<u>HB 1425</u>	Relating to the legacy infrastructure revolving loan fund and the state investment board; to amend and reenact sections 21-10-02 and 21-10-11 of the North Dakota Century Code, relating to the state investment board and the legacy and budget stabilization fund advisory board; and to provide a continuing appropriation.
<u>HB 1499</u>	Relating to election requirements for bonds.
<u>SB 2008</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<u>SB 2014</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>SB 2020</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>SB 2048</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 2098</u>	Relating to abandoned vehicles.

SB 2101	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.
SB 2102	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.
SB 2191	Relating to the disposal of abandoned personal property.
SB 2197	Relating to confidentiality of facts and information obtained or created by the commissioner of financial institutions and the department of financial institutions.
SB 2203	Relating to surcharges paid by employers for employees who receive unemployment insurance benefits; and to provide an effective date.
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

HB 1268 – Financial Technology Sandbox

The Industry Business and Labor Committee heard HB 1268 Monday morning. Representative Nathan Toman introduced the bill. He described the bill was needed to create a regulatory framework that provides unique protection for FinTech developers. One of the selling points of launching a sandbox is the idea that regulations are too burdensome for start-up financial technology companies. Fintech sandboxes, or regulatory sandboxes, are designed to be alternative regulatory mechanisms to facilitate the development or testing of innovative financial technology solutions. Existing regulatory requirements are adjusted to provide companies the opportunity to offer and test new products and services in a live environment, for a trial period, with an alternative approval process and less regulation.

HB 1268 as presented would allow companies into the sandbox after a waiver of existing rules and licensing requirements. There were several out-of-state Bitcoin and Blockchain representatives who spoke in favor of the legislation. Karen Tyler, North Dakota Securities Commissioner, testified in opposition. She explained national legislation is on the horizon which would replace state-by-state regulatory laws. Tyler emphasized that securities protection should never be marginalized. Lisa Kruse, DFI Commissioner also spoke in opposition. She felt the bill's new regulatory regime does not bring enough positive results to outweigh the costs to the state. Kruse also explained the model legislation, which will be available in 2023, will create a "network supervision" approach that provides consistent legislation across all 50 states. The hearing was closed. The Committee discussed a similar bill that was introduced last legislative session. The bill was turned into an interim legislative study. The interim committee did not recommend legislation be introduced this session. The Committee gave the bill a 12-1-1 do not pass recommendation and it now awaits action by the full House.

HB 1330 – Prohibiting Sale of Consumer Data

The Industry Business and Labor Committee heard HB 1330 Tuesday morning. Representative Tom Kading introduced the bill. He explained the bill addresses internet privacy and Big Techs use of personalized data. If Big Tech wants to sell that data, permission must be obtained from that person. This includes such information as information related to browser history, purchases, health conditions and drug use. The bill requires an 'opt in' approach, which means a company does not need permission each time a sale is made but it does mean an initial opt-in is required by the consumer.

The bill has 24 categories listed and Representative Kading said he is flexible with carving out certain subgroups if necessary. The committee had questions concerning the practical application and problems created between states, such as: How would a company know a customer is from North Dakota and what are the bill's impact on small North Dakota companies? No one else testified in favor of the legislation.

There were over a dozen state and national business organizations who testified in opposition. Matt Gardner, Greater North Dakota Chamber, explained the bill applies equally to all businesses including small businesses, that it creates a confusing patchwork of regulation, and is confusing for consumers. He noted many businesses do interstate business and thus would cost additional money to implement systems for various state regulations. Most of the other testimony focused on the need for a federal solution. The hearing was closed. The Committee gave the bill a 12-1-1 do not pass recommendation and it now awaits action by the full House.

HB 1439 – Exemption from Remote Notarial Act

The House Judiciary Committee heard HB 1439 Wednesday morning. Representative Mary Schneider introduced the bill. She explained the legislation creates exception that exempts certain non-profits to forgo recording and storage requirements when documents are notarized remotely due to financial concerns. Adjusting requirements for notary services will likely only apply to Legal Services of ND (LSND) – it provides an exception/carve out for (1) non-profits that (2) provide legal services (3) to low income and elderly (4) who are residents of ND (5) and clients and (6) are remotely located. LSND rarely handles real-estate, most commonly they deal with healthcare directives.

Richard LeMay, executive director, LSND, provided supportive testimony. He explained the financial challenges of storing audio-visual copies. Secretary of State Al Jaeger spoke in opposition. His concern is that the bill allows employees of non-profits to sign documents without being authorized as a notary; this poses a problem and could result in a civil infraction. He also noted he is concerned about compromising the integrity of the notarizing process and for potential for abuse if there is not proper documentation. Nick Hacker, North Dakota Land Title Association, also spoke in opposition, expressing similar concerns as Secretary Jaeger. He testified there is a potential for abuse and use of undue influence/coercion if audio recordings were not required. The hearing was closed. The committee gave the bill a 11-2-1 do not pass recommendation and it now awaits action by the full House.

HB 1172 – Agricultural Mediation and Negotiation Services

Update: The House Agricultural Committee took up for consideration HB 1172 Thursday morning. The bill had been referred to a subcommittee to review mediation services. The subcommittee reported back their recommendation to amend to clarify the word "dispute" in the bill and to provide an exemption for Farm Credit regarding the notice requirement, since they are subject to Federal rules regarding mediation. The subcommittee explained they were not recommending a mandatory mediation process. The subcommittees amendments were approved. After some discussion, the House Ag Committee gave the amended bill a 12-2 do not pass recommendation and it now awaits action by the full House.








HB 1366 – Repairman's Lien






The House Transportation Committee heard HB 1366 Thursday morning. The bill relates to the sale of property subject to a repairman's lien and sale proceeds. Representative Don Vigasaa introduced the bill. He explained it establishes a process for a dealer to sell a vehicle that is on their property in which they were doing repairs and the customer does not come back to pick up vehicle and pay for the repairs. He noted the dealer can sell the vehicle to pay off their lien and add transportation and storage costs to the lien total. Matthew Larsgaard, Automobile Dealers Assoc. of ND/ Pioneer Equipment Dealers Assoc., testified in support of the legislation. He explained when vehicles are abandoned after a dealer has provided repairs, a dealer initiates a lien

foreclosure proceeding. Under current law, a judgment must be pursued which is costly. This bill provides a dealer with the ability to dispose of abandoned property while still protecting the interests of all parties. It maintains current lien priority thresholds and requires certified notices to all parties. Jeff Albers, general sales manager, Schwan Buick GMC Cadillac; Marc Taylor, Northern Plains Equipment (Case IH dealer); and Steve Zaun, general manager, Puklich Chevrolet, Buick, GMC in Bismarck and Valley City; all testified in support. They all provided examples where this legislation would have assisted their dealership in recouping costs associated with abandoned equipment. They also discussed storage costs associated with repairs.

ND Credit Union's Jeff Olson; ICBND's Barry Haugen; NDBA's Rick Clayburgh; and Farm Credit Council's Dana Bohn testified in opposition explaining that HB 1366 is not good for consumers, businesses, or lenders. They explained the bill lacks provisions and protections that are required under Uniform Commercial Code (UCC) as found at North Dakota Century Code 41-09 and Judicial Foreclosure of liens of personal property as found under North Dakota Century Code 32-20. They noted they understand the dealers' needs for a reasonable process to address and remove abandoned vehicles and equipment from their property, but that such a process must be fair, transparent process that protects the consumer and lienholders. Jeff Olson presented amendments on behalf of the North Dakota financial services industry that would fix many of the concerns of the legislation. The hearing was closed. The committee chairman asked that the dealers and lenders attempt to resolve their differences and report back to the committee next week with proposed amendments.

Hearings Next Week

Date and Time	Bill Number	Short Title	Committee	List
02/15/2021 09:00 AM 	HB 1339	Relating to eliminating several weapons from definition of dangerous weapons.	House Judiciary	NDBA Priority
02/15/2021 03:30 PM  Committee Work	SB 2020	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.	Senate Appropriations	NDBA Priority
02/16/2021 08:30 AM 	HB 1077	Relating to the Uniform Electronic Wills Act; and to provide for application.	Senate Judiciary	NDBA Priority
02/16/2021 09:00 AM 	HB 1201	Relating to marijuana.	House Judiciary	Tracking
02/16/2021 09:30 AM 	SB 2183	Relating to public employee insulin drug benefits; to amend and reenact subsection 2 of 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.	Senate Appropriations	NDBBT List
02/16/2021 10:00 AM  Committee Work	HB 1154	Relating to transparency in dental benefits contracting; and to provide a penalty.	House Industry, Business and Labor	NDBA Priority
02/16/2021 10:00 AM  Committee Work	HB 1454	Relating to unlawful interference with business relation; and to provide a penalty.	House Industry, Business and Labor	Tracking

02/16/2021 10:00 AM  Committee Work	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
02/16/2021 10:00 AM  Committee Work	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
02/17/2021 09:00 AM  Committee Work	HB 1050	Relating to definitions relating to business incentives, agreements, and reports.	Senate Industry, Business and Labor	NDBA Priority
02/18/2021 09:00 AM  Committee Work	HB 1293	Relating to handguns and carrying firearms or dangerous weapons concealed; and to provide a penalty.	House Energy and Natural Resources	Tracking
02/18/2021 09:00 AM  Committee Work	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 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.	Senate Agriculture	NDBA Priority

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!