

This Week at the Legislature

The big news of the week was the meetings of the joint Appropriations Committees to hear the revenue forecasts of Moody's, the consulting firm hired by the executive branch, and IHS Markit, the firm hired by the legislative branch. Compared to previous forecasts by these firms, it was pretty much good news. Perhaps most interesting was news on the oil and gas tax income side. The Moody's projection was that the next biennium would see \$1.1 billion more than its previous forecast in November. They expect about \$4 billion in oil tax revenue. The big question mark in this will be whether the government or the courts shut down the Dakota Access Pipeline. Moody's has assumed that will not happen.

Legislative leadership will meet early next week to pick their "official" forecast. Usually, it is somewhere in the middle of the two consultant forecasts. We will see.

As they say, a billion here and a billion there, pretty soon you are talking about real money!

Mark Your Calendar

NDBA's **Bank Management Conference** will be virtually **April 14** from **1:00-3:15 pm CT**. The program will feature an economic and political outlook, a COVID and cyber-risk update and a legislative wrap-up by NDBA President and CEO Rick Clayburgh. To view the program and to register, visit www.ndba.com.

NDBA's High Priorities to Date

Bill	Status	Title
HB 1026	House: PASSED House 89 – 0 Senate: PASSED Senate 46 – 0 Governor SIGNED NDBA Supports	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	House: PASSED House 90 – 0 Senate: PASSED Senate 47 – 0 Governor SIGNED NDBA Supports	Relating to definitions relating to business incentives, agreements, and reports. Bill exempts BND's interest rate buy down programs (PACE programs) from the reporting requirements of 54-60.1-01.

<u>HB 1077</u>	House: PASSED House 92 – 1 Senate: PASSED Senate 47 -0 Governor SIGNED NDBA Supports	Relating to the Uniform Electronic Wills Act; and to provide for application.
<u>HB 1154</u>	House: PASSED House 60 – 34 Senate: NDBA Neutral	Relating to transparency in dental benefits contracting; and to provide a penalty. NDBA's Amendments adopted, now neutral.
<u>HB 1172</u>	House: DEFEATED House 5 – 89 NDBA Opposed	Relating to agricultural mediation and negotiation services.
<u>HB 1175</u>	House: PASSED House 77 – 17 Senate: PASSED Senate 41 – 6 NDBA Supports	Relating to business immunity from COVID-19 liability claims; to provide for retroactive application; to provide an expiration date; and to declare an emergency.
<u>HB 1187</u>	House: PASSED House 93 – 1 NDBA Supports	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.
<u>HB 1204</u>	House: DEFEATED House 19 – 74 NDBA Neutral	Relating to limitations on requirements to wear a mask at work; to provide an expiration date; and to declare an emergency.
<u>HB 1222</u>	House: PASSED House 87 – 6 Senate: NDBA Neutral	Relating to repairing, replacing, or improving a residential structure that is nonconforming due to zoning changes.
<u>HB 1231</u>	House: PASSED House 94 – 0 Senate: NDBA Supports	Relating to duty of the investment director to consider investing locally. Amended to provide for a legislative management study regarding the benefits of investing legacy fund moneys locally.
<u>HB 1251</u>	House: PASSED House 92- 2 Senate PASSED Senate 46 – 1 NDBA Neutral	Relating to actions having twenty-year limitations, docketing judgments, renewal of judgments by affidavit, and cancellation of judgment of record. Bill eliminates 10-year judgment renewal requirement and creates a 20-year judgment.
<u>HB 1267</u>	House: DEFEATED House 19 – 75 NDBA Neutral	Relating to the Bank of North Dakota providing custodian services for digital currency and may implement a digital currency exchange. Relating to BND studying the feasibility and desirability of providing digital currency custodian services and of implementing a digital currency exchange.
<u>HB 1268</u>	House: DEFEATED House 36 – 56 NDBA Opposed	Relating to a financial technology sandbox program for innovative financial products and services and criminal history background checks.

HB 1321	House: WITHDRAWN NDBA Neutral	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.
HB 1330	House: DEFEATED House 19 – 75 NDBA Neutral	Relating to prohibiting covered entities from selling users' protected data without consent; and to provide a penalty. Not a direct impact on Financial Institutions
HB 1339	House: PASSED House 65 – 28 Senate: NDBA Neutral	Relating to the definition of dangerous weapons. Amended to provide for a legislative management study of the definitions of "dangerous weapon" and "public gathering." NDBA Neutral to the study
HB 1363	House: DEFEATED House 7 - 85	Relating to ante-mortem probate of wills. Ante-mortem is currently used by testators to have their wills declared valid. Bill would allow other persons to challenge the validity of the will. NDBA had concerns with the bill.
HB 1364	House: PASSED House 79 – 15 Senate: NDBA Neutral	Relating to the duties of a personal representative.
HB 1366	House: PASSED House 94 – 0 Senate: PASSED Senate 47 – 0 NDBA Opposed in part.	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. Adopted NDBA amendments regarding UCC Article 9 – NDBA has concerns with storage fees addition.
HB 1380	House: PASSED House 71 – 22 Senate: NDBA Supports	Relating to a legacy sinking and interest fund, a legacy earnings fund, and an income tax relief fund; to amend and reenact section 21-10-12 of the North Dakota Century Code, relating to legacy fund definitions. The bill creates a new legacy earnings fund to receive all of the constitutionally mandated legacy fund earnings transfers. It then stipulates the amount available for appropriation out of the new fund and directs the transfer of funding to multiple funds.
HB 1425	House: PASSED House 85 – 8 Senate: NDBA Supports	Relating to the legacy infrastructure loan program 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. The bill includes a requirement that the state investment board (SIB) give preference to qualified investment firms with a presence in the state when investing Legacy Fund assets. It also sets specific targets for investing Legacy Fund assets within the state and within specified asset classes.
HB 1431	House: PASSED House 74 – 17 Senate: NDBA Supports	Relating to a water infrastructure revolving loan fund and bonded debt repayments; to amend and reenact subsection 1 of section 6-09-49, and sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; to repeal chapter 6-09.5 and section 61-02-78 of the North Dakota Century Code, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a contingent transfer; to provide a bond issue limit; and to provide a loan repayment.

<u>HB 1499</u>	House: DEFEATED House 9 – 84 NDBA Opposed	Relating to election requirements for bonds. The bill provided that the state may not issue bonds without first being authorized to do so by a vote of two - thirds of the qualified electors in the state. The bill would have restricted the ability of the Housing Finance Agency from issuing bonds on a timely basis without a public vote.
<u>SB 2008</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions. DFI's Budget
<u>SB 2014</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	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. BND's and Housing Finance's Budget
<u>SB 2020</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	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>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	Relating to North Dakota adopting the Revised Uniform Unclaimed Property Act. NDBA Amendments adopted – NDBA supports
<u>SB 2098</u>	Senate: PASSED Senate 47 – 0 House: PASSED House 90 – 3 NDBA Neutral	Relating to abandoned vehicles. Bill introduced by the Highway Patrol – intended to streamline their administrative process.
<u>SB 2101</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	DFI Bill relating to 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 & sale or purchase of banking institutions.
<u>SB 2102</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	DFI Bill relating to dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the department of financial institutions' supervision & financial institutions cross references, cease & desist orders prompt corrective action.
<u>SB 2191</u>	Senate: PASSED Senate 46 – 0 House: PASSED House 86 – 6 NDBA Supports	Relating to the disposal of abandoned personal property.
<u>SB 2197</u>	Senate: PASSED Senate 47 – 0 House: NDBA Supports	Relating to confidentiality of facts and information obtained or created by the commissioner of financial institutions and the department of financial institutions. NDBA's Bill

SB 2203	Senate: DEFEATED Senate 8 – 39 NDBA Opposed	Relating to surcharges paid by employers for employees who receive unemployment insurance benefits; and to provide an effective date.
SB 2223	Senate: DEFEATED Senate 2 – 45 NDBA Opposed	Relating to a deed in lieu of foreclosure.
SB 2261	Senate: PASSED Senate 46 – 0 House: PASSED House 93 – 0 NDBA 's Bill	Relating to irrevocable itemized funeral contracts and Medicaid assets exempt for funeral expenses; and to declare an emergency. NDBA's Bill
SB 2292	Senate: PASSED Senate 47 – 0 House: NDBA's Bill	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. NDBA's Bill

Hearings and Other Action this Week

HB 1187 – BND Rebuilder Loan Program

The Senate Industry Business and Labor Committee heard HB 1187 Monday afternoon. BND's Todd Steinwand introduced the bill to the committee. The purpose of the bill is to create a permanent Rebuilders Loan Fund program at the bank. The Rebuilders Loan Program was created in 2011 to provide low-interest loans to North Dakota residents affected by flooding. Steinwand explained the bill as introduced would have transferred \$50 million dollars from BND's Small Employer Loan Fund (SELF) and diverted future General Fund repayments of \$15 million from the existing Rebuilders program loans into the Rebuilders Permanent Loan Fund. By making these loan transfers and directing repayments, a permanent revolving loan fund of \$65 million would have been created. Steinwand explained the House amended the bill removing the diverted \$15 million Rebuilders loan repayments there by reducing the fund to \$50 million. NDBA and ICBND both support the bill. The hearing was closed and the committee gave the bill a 6 – 0 do pass recommendation and rereferred it to the Senate Appropriations committee. Senate Appropriations will hold a hearing on SB 1187 next Thursday at 11:00 am.

SB 2130 – Health Insurance Cost-benefit Analysis

The House Industry Business and Labor Committee heard SB 2130 Monday afternoon. SB 2130 was introduced by Senator Judy Lee. She explained the bill is intended to require a cost-benefit analysis for mandated health insurance coverage legislation. NDBA's Rick Clayburgh testified in support of the legislation and offered amendments he and Representative Keiser had developed to address another issue related to health coverage mandates. Clayburgh explained that certain mandates can cause a high deductible health plan to fail to qualify under IRS code if not considered preventive care. NDBA's amendment states that if a mandate would cause a policy to fail to qualify as a high deductible plan under federal law, then that mandate would not apply to the high deductible plan. ND Insurance Commissioner Jon Godfread and BCBSND's Megan Houn testified in support of the bill and the NDBA amendments. The Committee adopted the amendments and gave the bill a 14 – 0 do-pass recommendation. The bill now awaits full House action and could be acted on this Friday afternoon.

SB 2101 – DFI Modernization Bill

The House Judiciary Committee heard SB 2101 Wednesday morning. SB 2101 relates 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. SB 2101 was introduced by the ND Department of Financial Institutions. Commissioner Kruse explained the various provisions of the bill which includes: allows carryover of assessment funds to be spent in upcoming the biennium but cannot be spent beyond what was appropriated; increases civil money penalty from \$5,000 to \$100,000 for each occurrence and from \$100 to \$1,000 per day; amends regulation procedures regarding on-site examinations and removes the 36 months exam requirements to align with federal requirements; changes frequency of assessments from annual to semi-annual; increases from \$250,000 to \$400,000 the requirement for a real estate appraisal; gives the commissioner the authority to approve bank mergers; removes provisions regarding new bank branching; addresses quality of corporate bond investments; and various other modernization changes. Commissioner Kruse noted the Credit Union Association requested the emergency clause be added to the bill and that she is not opposed to the amendment request. NDBA and ICBND testified in support of the legislation. The Committee amended the bill by adding the requested emergency clause and gave the bill a 13-0-1 do-pass recommendation. The bill now awaits full House consideration.

SB 2102 – DFI Modernization Bill

The House Judiciary Committee also heard SB 2101 Wednesday morning. SB 2102 relates to cease-and-desist orders, prompt corrective action, the dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the department of financial institutions' supervision. Commissioner Kruse explained the various provisions of the bill, noting no North Dakota bank has failed in over 30 years; however, law and administrative proceedings must be updated to reflect federal requirements regarding a bank failure. The legislation also removes the State Banking Board from the decision to take possession of an institution, giving that authority to the commissioner, with the Board knowledge. NDBA and ICBND testified in support of the legislation. The hearing was closed and the committee gave the bill a 11-0-3 do-pass recommendation. The bill now awaits full House consideration.

SB 2197 – DFI Confidential Information

The House Industry Business and Labor Committee heard SB 2197 Wednesday afternoon. NDBA's Rick Clayburgh opened the hearing, thanking Senators Jerry Klein and Ray Holmberg and Representative Mike Lefor for introducing the bill on behalf of NDBA. Clayburgh explained SB 2197 is a bill to expand the definition of confidential information obtained or created by the ND Department of Financial Institutions to include a complaint or comment from the public regarding a financial institution, credit union, or other licensed entity under the supervision of the commissioner, unless the commissioner is providing aggregate, nonspecific information. The bill also restricts bank information available to the State Auditor. Clayburgh noted North Dakota financial institutions are highly regulated by federal and state agencies. The ND DFI is responsible for chartering, regulating, and examining North Dakota state-chartered banks, credit unions, and trust companies. As a result, DFI obtains and maintains information about banking data and customer information. Clayburgh noted the confidentiality of customer records at financial institutions are guarded by several federal and state laws. The bill will more strongly protect confidential bank information obtained by DFI, and thereby protect confidential banking information and customer data. ICBND's Barry Haugen testified in support. Lise Kruse answered committee questions. The bill received a 14-0 do-pass recommendation and now awaits full House consideration.

Hearings Next Week

Date and Time	Bill Number	Short Title	Committee	List
03/22/2021 09:00 AM 	SB 2210	Relating to requirements for filings with the Secretary of State's office. The provisions would streamline processes, clarify requirements, and promote consistency among entity and filing types.	House Industry, Business and Labor	Tracking
03/22/2021 09:00 AM  Committee work	HB 1420	Relating to the legalization of marijuana for personal use; to provide for a legislative management report; to provide a penalty; and to provide an effective date.	Senate Human Services	Tracking
03/22/2021 02:30 PM 	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. NDBA's Bill	House Industry, Business and Labor	NDBA Priority
03/22/2021 02:30 PM 	SB 2170	Relating to prescription drug costs; and to provide a penalty.	House Industry, Business and Labor	NDBBT List
03/22/2021 03:00 PM 	HB 1364	Relating to the duties of a personal representative.	Senate Judiciary	NDBA Priority
03/23/2021 08:30 AM  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.	House Appropriations - Education and Environment Division	NDBA Priority
03/23/2021 10:15 AM 	HB 1199	Relating to the disposition of proceeds from tax lien foreclosures.	Senate Finance and Taxation	Tracking
03/23/2021 11:00 AM 	HCR 3024	A concurrent resolution directing the Legislative Management to consider studying the feasibility and desirability of regulating special purpose depository institutions and regulating other entities engaged in virtual currency business activities.	Senate Industry, Business and Labor	Tracking
03/23/2021 02:45 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.	House Appropriations - Education and Environment Division	NDBA Priority
03/24/2021 08:30 AM 	HB 1425	Relating to the legacy infrastructure 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.	Senate Appropriations	NDBA Priority
03/24/2021 09:00 AM  Committee work	HB 1213	Relating to medical marijuana designated caregivers; and to the medical marijuana program; to provide for a legislative management report; to provide a penalty; and to declare an emergency.	Senate Human Services	Tracking
03/24/2021 10:00 AM 	HB 1339	Relating to dangerous weapons.	Senate Judiciary	NDBA Priority

03/24/2021 11:00 AM 	HB 1391	Relating to regulating edible medical marijuana products; to amend and reenact section 19-24.1-01 of the North Dakota Century Code, relating to definitions relating to medical marijuana products; and to declare an emergency.	Senate Human Services	Tracking
03/24/2021 02:45 PM  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. BND's and Housing Finance's Budget	House Appropriations - Government Operations Division	NDBA Priority
03/25/2021 08:30 AM  Committee work	SB 2019	A BILL for an Act to provide an appropriation for defraying the expenses of the department of career and technical education; and to provide a report.	House Appropriations - Education and Environment Division	Tracking
03/25/2021 08:30 AM  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.	House Appropriations - Education and Environment Division	NDBA Priority
03/25/2021 11:00 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.	Senate Appropriations	NDBA Priority
03/25/2021 02:15 PM 	HB 1453	Relating to protections for individuals who report potential violations of law and the legislative audit and fiscal review committee; and to amend and reenact subsection 1 of section 34-11.1-04, section 54-10-01, 54-10-26, and section 54-35-02.2 of the North Dakota Century Code, relating to protections for public employees who report potential violations of law, the powers and duties of the state auditor, state auditor working papers, and the legislative audit and fiscal review committee.	Senate Government and Veterans Affairs	Tracking

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!