



Legislative Update February 3, 2017

GENERAL

North Dakota's Sunday opening blue law had a roller coaster week. Following a lengthy and impassioned floor debate Monday, including lyrical references by one representative to Harry Chapin's 1974 folk rock song 'Cat's in the Cradle', the bill to repeal the Sunday closing law lost 44-50 on the House floor. Almost immediately, there were rumblings in the halls about "bringing it back". Sure enough, House members came back Tuesday voting to reconsider the bill and the debate was on again. And yes, that classic song was referenced again – twice in one week! When the dust settled and votes were cast, four members flipped their vote and HB 1163 passed the Senate 48-46. Meanwhile, bills are starting to pile up on the House floor prompting the majority leader to call a second floor session on Tuesday. That's somewhat unusual this early in the session, but might have been a message to members to curb the oratory a bit.

Another emotional debate that's arisen each of the past four sessions relates to adding sexual orientation as a protected status in state law alongside religion, sex, race, age and national origin. HB 1386 would prohibit discrimination based on sexual orientation in housing, employment, public services and credit transactions. Wednesday's committee hearing lasted over three hours and the House floor debate ought to be interesting. A similar bill last session passed in the Senate before it was struck down in the House.

House members on Wednesday approved a bill 84-8 that prevents filling any vacant state government jobs until the end of April with some very limited exceptions for the governor. The bill was proposed by majority leadership and appropriations chairs of both chambers and now moves on to the Senate with an emergency clause attached. Estimates place current state job openings in excess of 600.

Also this week, debate was heard in the House Industry, Business and Labor Committee regarding HB 1263 which poses to increase the state's minimum wage from \$7.25 to \$9.25. Not surprisingly, the bill received a 12-2 "Do Not Pass" recommendation out of committee split along party lines and will be heard on the House floor early next week.

BILL UPDATES FROM THIS WEEK

SB 2130 – was introduced by the Bank of North Dakota relative to defaulted student loan collection. The somewhat complicated bill requests authority from the state to recover collection fees from defaulted borrowers much the same as BND has been able to collect historically under the federal guaranty program. Second, the bill asks that the collection process change from a judicial process to an administrative process. In the Senate Education Committee, I testified in support of the bill relative to the interests of ICBND stating that it's important to our membership that BND remain financially strong and that they should have the tools necessary to protect their assets in order to continue to fund programs that are important to community banking. The bill came out of committee with a 4-1 "do pass" recommendation, but met significant resistance on the Senate floor Monday afternoon failing 8-37. It seemed to me that Senators had more concern with the change in processes rather than recovery of collection fees.

SB 2160 – as amended, received a 45-0 approval on the Senate floor Monday morning. Introduced by Senator Bekkedahl, this bill seeks to get recovery of actual costs as they relate to the expense of serving notice of foreclosure of tax liens. As introduced, however, the bill in our interpretation would have eliminated the requirement to serve notice upon mortgagees and lienholders. Through amendments, those issues were eliminated satisfactorily to all involved including ICBND.

SB 2266 – is a bill we weren't following, but became of interest as it took a unique twist this week. Originally this bill related to merging the state securities agency into the state insurance agency. A "hoghouse" amendment was offered however on Wednesday proposing an interim study of possibly bringing the securities agency under the purview of DFI. The bill passed unanimously out of the Senate Industry, Business and Labor Committee. Obviously, we're following this very closely now.

SB 2340 – was heard in the Senate Political Subdivisions Committee this morning. Brought by the ND Land Title Association, the bill prescribes a flat fee (for mortgages subject to TRID disclosure) of \$55 leaving all other fees the same. The ICBND Legislative Committee has been very active discussing the various "flat filing fee" proposals this past year, but a consensus regarding this bill has not developed. Many members have reported the predictability of a flat fee would be nice, but many have also said the \$55 represents a fee increase. ICBND will monitor this very closely, but is currently taking a neutral position. The county recorders heavily opposed this bill in committee. The committee heard the bill this morning with testimony on both sides of the issue. No action was taken.

HB 1219 – relates to the process of converting manufactured housing to real property. ICBND supports this bill as it would eliminate the need to transfer title/certificate of origin once the process of affixing manufactured housing to real property is completed as the title/certificate of origin would be retired and that record of retirement would be available through the Department of Transportation. Issues have arisen because the secondary market won't finance these properties without the title/certificate of origin transfer which historically has taken a great deal of time and extra effort. ICBND and the other financial institution trade associations testified in support of the bill along with the ND Land Title Association. There was no testimony in opposition and the bill received a unanimous "do pass" recommendation from the House Transportation Committee.

HB 1327 – would allow homeowners to circumvent inspection requirements related to home improvements if the homeowner "certifies" to the appropriate governing authority that the improvement was made in compliance with applicable code. From a mortgagee perspective, we think this is a horrible idea and testified in opposition to the bill as did several other groups. The bill received a unanimous "do not pass" recommendation in the House Government and Veterans Affairs Committee.

HB 1352 – would allow a towing company to receive a vehicle title free and clear of all liens and claims of ownership of vehicles not more than seven years old that are not reclaimed after 90 days in the towing company's custody. ICBND and the other financial trade associations testified in opposition to the bill. There was significant testimony on both sides including the submission of amendments which we will continue to work on with interested parties and the House Transportation Committee.

BILL HEARINGS NEXT WEEK

<u>Date and Time</u>	<u>Bill Number</u>	<u>Short Title</u>	<u>Committee</u>
02/07/2017 09:00	<u>SB 2317</u>	Relating to insurance producer charges for fees for services.	Senate IBL
02/08/2017 09:45	<u>SB 2344</u>	Relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to amend and reenact sections 19-24-01, 19-24-02, 19-24-03, 19-24-04, 19-24-05, 19-24-06, 19-24-07, 19-24-08, 19-24-09, 19-24-10, 19-24-11, 19-	Senate Human Services

		24-12, and 19-24-13 of the North Dakota Century Code, relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to provide a report to the legislative management; to provide a penalty; to provide a continuing appropriation; and to declare an emergency.	
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Thank you for your participation in the legislative process. Please call, email or text me with any questions or concerns. If you'd like to be taken off this distribution list or if there are others in your organization that should be on the distribution list for the legislative updates, please let me know or contact the office at info@icbnd.com or 701.258.7121.

Sincerely,



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INDEPENDENT COMMUNITY BANKS
of NORTH DAKOTA

ICBND PRIORITY LIST AND BILL STATUS

Bill	Title
HB 1126	Relating to public warehouse and grain buyer licensing, conditions and attributes of licensure and accepting delivery of grain when a licensee is insolvent, the insolvency process, the credit-sale contract indemnity fund and the grain indemnity fund; to repeal sections 60-02-02, 60-02-25.1, 60-02-39, 60-02.1-02, 60-02.1-25, 60-04-03.2, and 60-10-03 of the North Dakota Century Code, relating to duties of the commission, receiptholders' lien, warehouse closure, grain of insolvent warehouseman as trust asset, and suspension of indemnity fund assessments; and to provide for a transfer.
HB 1162	Relating to competition between the government and private industry and to require a report to the legislative management. BILL WAS AMENDED TO PROVIDE FOR A MANAGEMENT STUDY OF COMPETITION BETWEEN GOVERNMENT AND PRIVATE INDUSTRY AND GIVEN A 12-2 "DO PASS" RECOMMENDATION OUT OF HOUSE IBL. PASSED 83-8 IN HOUSE.
HB 1164	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date. FAILED IN THE HOUSE 14-76.
HB 1169	Relating to the possession of firearms and licensing of individuals to carry firearms; and to repeal sections 62.1-02-10 and 62.1-02-10.1 of the North Dakota Century Code, relating to the possession of firearms and licensing of individuals to carry firearms.
HB 1177	Relating to the collection of property by affidavit and the effect of the affidavit. FAILED IN THE HOUSE 9-81.
HB 1219	Relating to the process for converting manufactured housing to real property. UNANIMOUS "DO PASS" OUT OF HOUSE TRANSPORTATION COMMITTEE.
HB 1223	Relating to allowing employers to purchase private insurance or self-insurer for worker's compensation coverage. AMENDED BILL RECEIVED 11-3 "DO NOT PASS" RECOMMENDATION OUT OF HOUSE IBL COMMITTEE. FAILED 19-72 IN THE HOUSE.
HB 1228	Relating to actions to contest the validity of a trust, trust decanting, and directed trustees; to amend and reenact sections 47-02-27.4, 59-04.2-03, and 59-16-13 of the North Dakota Century Code, relating to exclusions from the rule against perpetuities and a trustee's duty to inform; to repeal sections 59-14-01, 59-14-04, and 59-16-08 of the North Dakota Century Code, relating to the capacity of a settlor of a revocable trust, actions contesting the validity of a trust, and powers to direct a trustee; and to provide for retroactive application.
HB 1263	Relating to the state's minimum wage. 12-2 "DO NOT PASS RECOMMENDATION" OUT OF HOUSE IBL COMMITTEE.
HB 1297	Relating to creation of the affordable housing revolving loan fund; to provide a continuing appropriation; and to provide for a transfer. WITHDRAWN FROM FURTHER CONSIDERATION.
HB 1303	A BILL for an Act to prohibit state agencies from filling vacant employee positions; and to declare an emergency. AMENDED BILL GIVEN UNANIMOUS "DO PASS" RECOMMENDATION OUT OF HOUSE APPROPRIATIONS. PASSED 84-8 IN THE HOUSE.
HB 1327	Relating to exceptions from inspections for home repairs performed by a homeowner. UNANIMOUS "DO NOT PASS" OUT OF HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE.
HB 1352	Relating to custody and disposition of abandoned motor vehicles.

HB 1382	Relating to the establishment of an education savings account program.
SB 2008	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
SB 2014	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide for transfers; and to provide a statement of legislative intent.
SB 2068	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions. DFI BUDGET PREPARED FOR GOVERNOR VOTED 14-0 "DO NOT PASS" IN SENATE APPROPRIATIONS. FAILED 0-45 IN SENATE.
SB 2074	Relating to the infrastructure revolving loan fund, the housing incentive fund, the transfer of North Dakota mill and elevator profits to the general fund, and the coal development trust fund; to provide legislative intent; and to provide an exemption. BND AND INDUSTRIAL COMMISSION BUDGET PREPARED FOR GOVERNOR DALRYMPLE VOTED 14-0 "DO NOT PASS" IN SENATE APPROPRIATIONS. FAILED 0-45 IN SENATE.
SB 2100	Relating to definitions under the North Dakota money transmitter Act. AMENDED BILL PASSED THE SENATE 46-0.
SB 2130	Relating to defaulted student loan collection; to amend and reenact sections 15-62.1-04, 15-62.1-06, 15-62.1-07, and 15-62.1-10 of the North Dakota Century Code, relating to defaulted student loan collection; and to provide for a retroactive application. "DO PASS" VOTE OF 4-1-1 OUT OF SENATE EDUCATION. AMENDED BILL FAILED 8-37 IN THE SENATE.
SB 2159	Relating to management of a limited liability company; and to provide for retroactive application. AMENDED BILL PASSED THE SENATE 45-0.
SB 2160	Relating to the duties of a recorder and providing notice of foreclosure of tax liens; and to provide an effective date. AMENDED SATISFACTORILY AND RECEIVED 6-0 "DO PASS" OUT OF SENATE FINANCE AND TAXATION COMMITTEE. AMENDED BILL PASSED THE SENATE 45-0.
SB 2167	Relating to the adoption of central standard time; and to repeal section 40-01-20 of the North Dakota Century Code, relating to daylight saving time.
SB 2192	Relating to the housing incentive fund tax credit; to amend and reenact sections 54-17-40 and 54-17-41 of the North Dakota Century Code, relating to the housing incentive fund and housing finance agency report; to provide a transfer; and to provide an appropriation. 7-0 "DO PASS" OUT OF SENATE IBL, REREFERRED TO APPROPRIATIONS.
SB 2212	Relating to residency requirements of bank directors. AMENDED BILL RECEIVED 7-0 "DO PASS" OUT OF SENATE IBL. PASSED 46-0 IN SENATE.
SB 2234	Relating to the establishment of an essential service worker home ownership incentive program and essential service worker home ownership incentive fund; to provide an appropriation and transfer; and to provide a continuing appropriation.
SB 2260	Relating to exemptions from money broker regulation. 6-0-1 "DO NOT PASS" RECOMMENDATION OUT OF SENATE IBL. FAILED 0-46 IN THE SENATE.
SB 2266	Relating to the insurance commissioner taking over the duties of the department of securities and the securities commissioner; to provide for correction of statutory references; and to provide appropriation transfers. HOGHOUSE AMENDMENT IN SENATE IBL TURNED THIS INTO A STUDY OF MERGER OF SECURITIES/DFI. UNANIMOUS "DO PASS" OUT OF COMMITTEE.
SB 2296	Relating to pledge of security in place of depository bond; and to repeal section 21-04-11 of the North Dakota Century Code, relating to records of securities.
SB 2305	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date.
SB 2317	Relating to insurance producer charges for fees for services.

SB 2335	Relating to endangerment or exploitation of a vulnerable adult; and to provide a penalty. 7-0 "DO PASS" RECOMMENDATION OUT OF SENATE HUMAN SERVICES COMMITTEE.
SB 2340	Relating to fees charged by a county recorder for filing mortgage disclosures.
SB 2344	Relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to amend and reenact sections 19-24-01, 19-24-02, 19-24-03, 19-24-04, 19-24-05, 19-24-06, 19-24-07, 19-24-08, 19-24-09, 19-24-10, 19-24-11, 19-24-12, and 19-24-13 of the North Dakota Century Code, relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to provide a report to the legislative management; to provide a penalty; to provide a continuing appropriation; and to declare an emergency.
HCR 3009	A concurrent resolution urging Congress to amend the 2014 farm bill to allow counties to use raw yield data from insurance companies to supplement the national agriculture statistics survey to calculate payments under the Agriculture Risk Coverage program when an insufficient number of surveys are returned to accurately calculate payments. 13-0 "DO PASS" OUT OF HOUSE AG COMMITTEE.