



Legislative Update January 13, 2023

SECTION 1: GENERAL

Tax relief bills were a hot topic at the Legislature this week. The Republican supermajority and Governor Burgum are in general agreement that it's time for tax relief. What that exactly looks like at the end of the day remains to be seen. The Governor is aggressively pushing the legislature to get his income tax relief proposal through both chambers and be the first to reach his desk for signature well in advance of all the other spending bills. Legislative leadership seems more inclined to support a mix of income and property tax relief. The Governor has been vocal about his focus on income tax relief and critical of property tax relief that, in his opinion, may or may not ultimately end up in the taxpayers' pockets. Legislators, however, tend to be more sensitive to their constituents' complaints about property taxes.

The Governor's income tax relief bill (HB 1158) was introduced by Representative Headland (House Finance and Taxation Committee Chairman) on Wednesday and would eliminate personal income tax for single filers making \$44,725 or less and \$74,750 or less for married filers. Higher earners would pay a flat tax of 1.5 percent saving North Dakotans \$250 million per year or \$500 million for the biennium. Governor Burgum, in rare testimony, led a parade of testimony in support of the bill with Representative SuAnn Olson providing lone-wolf opposition testimony.

Competing tax relief bills include Senator Don Schaible's proposed measure to cut property taxes (SB 2066) and Representative Pat Heinert's (HB 1118) income tax credit expansion bill. SB 2066 would reduce property taxes by about 25 percent statewide and will be heard next week while HB 1118 (heard this week) would extend the income tax credit passed in 2021 for another two years. I expect negotiations will move along quickly toward a final tax relief bill or bills.

For whatever reason, community banking seems to be in the crosshairs this session. Just this week, bills were filed trying to implement a ban on bans specific to financial institutions (HB 1283) and to disallow credit or debit interchange on taxes and fees associated with retail sales (SB 2217). We were not afforded a "heads up" on either of these bills but we will be fully prepared to defend the position of community banking. And in the coming weeks we fully expect the credit unions to introduce a bill that would dramatically increase their field of membership boundaries for state-chartered credit unions. We will certainly be busy and may be reaching out for help so please stay tuned. We're also fully engaging with our friends at ICBA.

And finally, this legislative assembly will determine the answer to the age-old question that we've all asked ourselves a thousand times - should or should not curling be designated as the official sport of North Dakota. So, one way or another, we can finally put that to rest, and all sleep a bit easier.

SECTION 2: BILL UPDATES FROM ICBND “PRIORITY” TRACKING LIST

HB 1014– is the Industrial Commission budget bill which affects the North Dakota Housing Finance Agency (NDHFA) and the Bank of North Dakota (BND). NDHFA and BND provided testimony supporting their budget proposals for the coming biennium to the House Appropriations Government Operations Division. ICBND is on record supporting both budgets.

This Committee also reviewed the Department of Financial Institutions budget last week and will bring it up again this coming week as well as the NDHFA and BND budgets in subsequent weeks. I feel like I’ve already spent a lifetime in the Brynhild Haugland room with this Committee. To say this Committee wanders into the vastness of irrelevance would be a gross understatement.

HB 1080 – would allow electronic proof of motor vehicle registration. Proof could be in the form of an app on a smartphone device and producing proof would not require the owner of the device to relinquish control of that device. The bill received a 10-3 “do pass” recommendation from the House Transportation Committee late last week and passed 86-6 on the House floor Wednesday.

HB 1106 – was back in the House, Industry, Business and Labor (IBL) Committee Wednesday and would require employees of, or contractors to, appraisal management companies to be permitted in North Dakota by the ND Real Estate Appraiser Qualifications and Ethics Board. The Committee heard additional testimony on the bill, primarily in opposition, and Committee Chair Louser assigned a subcommittee to work with interested parties on this bill and HB 1107.

HB 1107 – was brought to House IBL Committee last week by the Appraiser Board and relates to regulation of appraisers. Our primary concern with this bill is to make sure that it exempts the Bank of North Dakota (BND) and its evaluation and appraisal review business from oversight of the Appraiser Board. In discussions with board members and others, we plan to amend language to ensure those activities performed by BND for community banks fall outside the board’s purview. This bill was not heard in Committee this week but will be part of the assignment to the subcommittee created for HB 1106 so that all interested parties can participate in both bills which will likely become one. ICBND will be an active participant in the subcommittee work.

HB 1146 – would mandate fertility health benefits in the ND PERS health insurance plan. The concern with this bill is the expansion of such benefits to private self-funded health insurance plans such as the ND Banks Benefits Trust Plan. The bill was heard in the House IBL Committee on Tuesday morning, but no action was taken.

SB 2111 – was brought to the Senate Floor Wednesday afternoon and allows an “opt-in” option for electronic vehicle titling. The bill was brought by the ND DOT and ICBND testified in support of the bill. It received a 5-0 “do pass” recommendation from the Committee and passed 44-3 in the full Senate.

SB 2136 – was heard in the Senate Finance and Tax Committee on Tuesday and would nearly double the Homestead Tax Credit for low-income earners in the state. The Committee took no action on the bill at this time.

SECTION 3: BILL HEARINGS NEXT WEEK

Date and Time	Bill Number	Short Title	Committee
01/16/2023 09:00	<u>HB 1215</u>	Relating to the filing of business incentive reports; and to repeal chapter 54-60.1 of the North Dakota Century Code, relating to business incentives, agreements, and reports administered by the department of commerce.	House Industry, Business and Labor
01/17/2023 09:30	<u>HB 1095</u>	Relating to the inclusion of comprehensive medication management services in health benefit plans.	House Human Services
01/17/2023 11:00	<u>HB 1267</u>	Relating to the disposition of proceeds from tax lien foreclosures.	House Finance and Taxation
01/17/2023 02:30	<u>HB 1283</u>	Relating to fair access to financial products and services; and to provide a penalty.	House Industry, Business and Labor
01/17/2023 02:30	<u>HB 1323</u>	Relating to a claimant's right to maintain a construction lien for furnishing materials and improvements.	House Industry, Business and Labor
01/17/2023 03:00	<u>HB 1008</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.	House Appropriations-GO
01/18/2023 09:00	<u>HB 1227</u>	Relating to a cost-benefit analysis for a measure or policy affecting the legacy fund.	House Finance and Taxation
01/18/2023 09:15	<u>HB 1199</u>	A BILL for an Act to provide an appropriation to the department of career and technical education for the statewide area and career center initiative grant program; to authorize a Bank of North Dakota line of credit; to provide an exemption; and to declare an emergency.	House Appropriations
01/18/2023 02:30	<u>HB 1347</u>	Relating to the state treasurer and financial institutions engaged in boycotts of energy companies; and to amend and reenact section 6-01-02 of the North Dakota Century Code, relating to definitions.	House Industry, Business and Labor

Legislator contact information can be found at <http://www.legis.nd.gov/contact-my-legislators> and you can check on any legislative activities through the Legislative Council's web page at www.legis.nd.gov.

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.

Sincerely,



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ICBND BILL TRACKING LIST

Bill	Status	Title
HB 1008	House: INTRODUCED 01/06 H Committee Hearing - 10:00 AM 01/17 H Committee Hearing - 03:00 PM	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
HB 1014	House: INTRODUCED 01/12 H Committee Hearing - 08:30 AM 01/12 H Committee Hearing - 02:00 PM	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 for a transfer; and to provide an exemption.
HB 1058	House: INTRODUCED 01/11 H Reported back amended, do pass, amendment placed on calendar 13 0 0 01/12 H Amendment adopted, placed on calendar	Relating to small claims.
HB 1068	House: INTRODUCED 01/11 H Reported back, do pass, place on calendar 14 0 0 01/12 H Rereferred to Appropriations	Relating to residential mortgage loan servicers; and to provide a penalty.
HB 1080	House: PASSED 01/10 H Second reading, passed, yeas 86 nays 6 01/11 S Received from House	Relating to allowing electronic proof of motor vehicle registration.
HB 1082	House: INTRODUCED 01/03 H Introduced, first reading, referred Judiciary Committee	Relating to the adoption of the Uniform Commercial Code amendments (2022); to amend and reenact sections 41-01-09, 41-01-12, 41-01-15, 41-01-20, 41-02-02, 41-02-06, 41-02-08, 41-02-09, 41-02-10, and 41-02-12, subsection 2 of section 41-02-16, section 41-02.1-02, subsection 1 of section 41-02.1-03, sections 41-02.1-07, 41-02.1-10, 41-02.1-11, 41-02.1-12, and 41-02.1-14, subsection 2 of section 41-02.1-17, subsection 1 of section 41-03-04, subsection 1 of section 41-03-05, sections 41-03-38, 41-03-66, 41-04.1-03, 41-04.1-09, 41-04.1-10, and 41-04.1-11, subsection 3 of section 41-04.1-15, subdivision b of subsection 2 of section 41-04.1-16, subsection 1 of section 41-04.1-18, subsection 1 of section 41-04.1-19, sections 41-04.1-25, 41-05-04, 41-05-16, 41-07-02, 41-07-06, 41-08-02, 41-08-06, 41-08-29, 41-09-02, 41-09-04, and 41-09-05, subsection 2 of section 41-09-13, section 41-09-14, subsection 3 of section 41-09-17, sections 41-09-18, 41-09-19, 41-09-20, and 41-

		09-21, subsection 1 of section 41-09-24, subsection 1 of section 41-09-25, sections 41-09-30, 41-09-32, 41-09-33, 41-09-34, 41-09-36, 41-09-37, 41-09-43, 41-09-44, 41-09-50, 41-09-51, and 41-09-52, subsection 6 of section 41-09-54, section 41-09-61, subdivision b of subsection 1 of section 41-09-66, sections 41-09-68 and 41-09-80, subsection 2 of section 41-09-98, section 41-09-102, subdivision a of subsection 1 of section 41-09-105, section 41-09-108, subsection 1 of section 41-09-111, subsection 1 of section 41-09-114, section 41-09-115, subdivision a of subsection 1 of section 41-09-116, and sections 41-09-119 and 41-09-123 of the North Dakota Century Code, relating to the adoption of the Uniform Commercial Code amendments (2022).
HB 1083	House: INTRODUCED 01/03 H Introduced, first reading, referred Judiciary Committee	Relating to the adoption of the Revised Uniform Law on Notarial Acts (2021).
HB 1095	House: INTRODUCED 01/11 H Rereferred to Human Services 01/17 H Committee Hearing - 09:30 AM	Relating to the inclusion of comprehensive medication management services in health benefit plans.
HB 1106	House: INTRODUCED 01/04 H Committee Hearing - 10:30 AM 01/11 H Committee Hearing - 02:30 PM	Relating to appraisal management companies.
HB 1107	House: INTRODUCED 01/03 H Introduced, first reading, referred Industry, Business and Labor Committee 01/04 H Committee Hearing - 11:00 AM	Relating to the regulation of real estate appraisers; and to provide a penalty.
HB 1108	House: INTRODUCED 01/03 H Introduced, first reading, referred Energy and Natural Resources Committee 01/13 H Committee Hearing - 10:00 AM	Relating to international climate control regulations.
HB 1118	House: INTRODUCED 01/03 H Introduced, first reading, referred Finance and Taxation Committee 01/11 H Committee Hearing - 10:00 AM	Relating to an individual income tax credit; to provide an effective date; and to provide an expiration date.
HB 1146	House: INTRODUCED 01/03 H Introduced, first reading, (emergency), referred Industry, Business and Labor Committee 01/10 H Committee Hearing - 09:00 AM	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.
HB 1199	House: INTRODUCED 01/09 H Introduced, first reading, (emergency), referred Appropriations Committee 01/18 H Committee Hearing - 09:15 AM	A BILL for an Act to provide an appropriation to the department of career and technical education for the statewide area and career center initiative grant program; to authorize a Bank of North Dakota line of credit; to provide an exemption; and to declare an emergency.
HB 1215	House: INTRODUCED 01/09 H Introduced, first reading, referred	Relating to the filing of business incentive reports; and to repeal chapter 54-60.1 of the North Dakota Century Code, relating to business incentives,

	Industry, Business and Labor Committee 01/16 H Committee Hearing - 09:00 AM	agreements, and reports administered by the department of commerce.
HB 1225	House: INTRODUCED 01/11 H Request return from committee 01/11 H Rereferred to Appropriations	A BILL for an Act to provide an appropriation to the tax commissioner for the development of an online portal for electronically accessible statewide property information and property tax information.
HB 1227	House: INTRODUCED 01/09 H Introduced, first reading, referred Finance and Taxation Committee 01/18 H Committee Hearing - 09:00 AM	Relating to a cost-benefit analysis for a measure or policy affecting the legacy fund.
HB 1267	House: INTRODUCED 01/11 H Introduced, first reading, referred Finance and Taxation Committee 01/17 H Committee Hearing - 11:00 AM	Relating to the disposition of proceeds from tax lien foreclosures.
HB 1278	House: INTRODUCED 01/11 H Introduced, first reading, referred Government and Veterans Affairs Committee	Relating to the prudent investor rule; and to amend and reenact section 21-10-02, subsection 1 of section 21-10-08.1, and subsection 2 of section 21-10-11 of the North Dakota Century Code, relating to the state investment board and the legacy fund.
HB 1283	House: INTRODUCED 01/11 H Introduced, first reading, referred Industry, Business and Labor Committee 01/17 H Committee Hearing - 02:30 PM	Relating to fair access to financial products and services; and to provide a penalty.
HB 1291	House: INTRODUCED 01/11 H Introduced, first reading, referred Judiciary Committee	Relating to execution of a judgment.
HB 1323	House: INTRODUCED 01/11 H Introduced, first reading, referred Industry, Business and Labor Committee 01/17 H Committee Hearing - 02:30 PM	Relating to a claimant's right to maintain a construction lien for furnishing materials and improvements.
HB 1347	House: INTRODUCED 01/11 H Introduced, first reading, referred Industry, Business and Labor Committee 01/18 H Committee Hearing - 02:30 PM	Relating to the state treasurer and financial institutions engaged in boycotts of energy companies; and to amend and reenact section 6-01-02 of the North Dakota Century Code, relating to definitions.
SB 2090	Senate: PASSED 01/06 S Second reading, passed, yeas 43 nays 0 01/09 H Received from Senate	Relating to residential mortgage lenders; to amend and reenact sections 13-04.1-01, 13-04.1-02.1, 13-04.1-03, 13-04.1-08, 13-04.1-08.1, 13-04.1-09, 13-04.1-09.3, 13-04.1-10, 13-04.1-13, 13-04.1-14, and 13-04.1-17 of the North Dakota Century Code, relating to money brokers; to repeal section 13-04.1-16 of the North Dakota Century Code, relating to call reports; to provide a penalty; and to provide for application.
SB 2092	Senate: PASSED 01/06 S Second reading, passed, yeas 43 nays 0 01/09 H Received from Senate	Relating to voluntary liquidation of credit unions; to amend and reenact section 6-01-04.1 of the North Dakota Century Code, relating to the removal of officers, directors, and employees of financial corporations or institutions; and to repeal

		chapter 6-06.1 of the North Dakota Century Code, relating to voluntary liquidation of credit unions.
SB 2111	Senate: PASSED 01/11 S Second reading, passed, yeas 44 nays 3 01/12 H Received from Senate	Relating to certificate of title to be allowed in electronic form.
SB 2118	Senate: INTRODUCED 01/03 S Introduced, first reading, (emergency), referred Energy and Natural Resources Committee 01/12 S Committee Hearing - 09:30 AM	Relating to abandoned motor vehicles; and to declare an emergency.
SB 2119	Senate: PASSED 01/06 S Second reading, passed, yeas 43 nays 0 01/09 H Received from Senate	Relating to money transmitters; to amend and reenact subsection 1 of section 6-01-01.1 of the North Dakota Century Code, relating to money transmitters; to repeal chapter 13-09 of the North Dakota Century Code, relating to money transmitters; and to provide a penalty.
SB 2136	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Finance and Taxation Committee 01/10 S Committee Hearing - 10:30 AM	Relating to the homestead tax credit; and to provide an effective date.
SB 2140	Senate: INTRODUCED 01/03 S Introduced, first reading, (emergency), referred Human Services Committee 01/11 S Committee Hearing - 10:00 AM	Relating to accident and health insurance coverage of diabetes drugs and supplies; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to public employees self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.
SB 2160	Senate: INTRODUCED 01/11 S Request return from committee 01/11 S Rereferred to Human Services	Relating to health insurance coverage of telehealth.
SB 2172	Senate: INTRODUCED 01/09 S Introduced, first reading, referred Industry and Business Committee	Relating to the interstate insurance product regulation compact.
SB 2198	Senate: INTRODUCED 01/10 S Introduced, first reading, referred Workforce Development Committee	Relating to state employee family medical leave.
SB 2210	Senate: INTRODUCED 01/11 S Introduced, first reading, referred Industry and Business Committee	Relating to individual retirement and employee benefit trusts.
SB 2217	Senate: INTRODUCED 01/12 S Introduced, first reading, referred Finance and Taxation Committee	Relating to the calculation of interchange fees for electronic payment transactions; and to provide a penalty.