



## Legislative Update January 6, 2023

### **SECTION 1: GENERAL**

The 68<sup>th</sup> General Assembly of the North Dakota Legislature convened Tuesday, January 3, 2023. That same day, Governor Burgum delivered his State of the State address to the joint session of the Legislature which has grown its Republican supermajority to 82-12 in the House and 43-4 in the Senate. 41 of the 141 legislators are new to their position so there are many new faces finding their way around the Capitol.

As a refresher, here is an overview of the session:

- Session is 80 days, maximum.
  - The day will only count if they gavel in on the chamber floor to conduct legislative actions.
  - They will save days just in case for special situations
- There are 141 legislators.
  - There are 2 chambers comprised of Senators and Representatives.
  - All districts have 2 Representatives and 1 Senator. (Districts 4 and 9 are subdivided into A and B areas, impacting their Representative selection)
  - Every bill has a committee hearing and a floor vote.
- Session is divided into 3 "periods"
  - First period will shift to second period when bills that pass one chamber cross the hall to be voted on in the remaining chamber.
  - Third period is conference committee where changes between the 2 chambers are worked out and agreed upon by subcommittees representing both chambers.

The Governor used his State of the State address Tuesday afternoon to urge the legislature to:

- Address workforce challenges given his estimation of as many as 32,000 job openings in the state.
- Pass legislation to eliminate state income taxes for lower-earning residents while shrinking taxes for higher earners to a flat tax of 1.5 percent saving taxpayers (and costing the state) \$500 million over the biennium. Thus far, corporate tax relief has not been a part of the discussion by the executive or legislative branch.
- Embrace his proposed \$18.4 billion budget proposal for the biennium which includes a \$5.86 billion general fund, the state's main operating fund. That would be an overall record budget but includes federal funding and comes amid recent inflation. For perspective, the 2021-23 budget is \$17.8 billion with a \$5 billion general fund, including federal coronavirus aid.
- Roll back the state's anti-corporate farming law for animal agriculture. He cited the state's lagging statistics compared to neighboring states for hogs, dairy, and cattle operations. This will be a very contentious issue. You can assume that the Farmers Union buses are fueled up and ready for a road trip.

As in the past, my weekly Legislative Updates will generally be comprised of the following:

- General discussion of the week's activities
- Bill hearings and results of the current week
- Bill hearings of interest for the following week (taken from the ICBND Tracking List); and

- The ICBND Tracking List. This is a moving target as bills will continue to be dropped over the next several weeks but is provided as a reference.

Over 300 bills have already been filed and Legislative Council says they have another 550 in the hopper. And we still have a couple weeks before filing deadlines. We've got a long way to go!

## **SECTION 2: BILL UPDATES FROM ICBND "PRIORITY" TRACKING LIST**

**HB 1008**— is the Department of Financial Institutions (DFI) budget for the 2023-2025 biennium. Commissioner Kruse is requesting additional full-time employees (FTE's) primarily for the licensure and examination of non-depository entities under the department's supervision. ICBND testified in support of the DFI's budget bill this morning. As with all budget bills, it will be some time before any action is taken.

**HB 1068** — is model legislation brought forth by DFI that would establish state regulation for non-depository mortgage loan servicers and would bring them under the DFI's supervision. Currently, this segment of the mortgage loan servicing industry is not regulated and represents 45 percent of the business nationwide. Several states have already implemented similar legislation and the DFI would work with those states in regulating this segment of the market. It would require two FTE's which would be paid for by those mortgage loan servicing companies. No action was taken in House IBL on Wednesday.

**HB 1106** — was heard on 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. House Industry, Business and Labor (IBL) Committee members had some concern of "fence building" and Committee Chair Scott Louser is holding the bill for more input. We expect it back in Committee in a couple weeks.

**HB 1107** — like HB 1106, this bill was brought forth 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 at the hearing, we plan to amend language to ensure those activities performed by BND for community banks fall outside the board's purview. The Committee is also holding this bill for further review and comment before another hearing ensues.

**SB 2090** — was also brought by DFI and modernizes ND Century Code for non-depository residential mortgage lenders and money brokers. One specific change is that an order becomes effective when issued rather than when served. The department has at times had difficulty serving entities with orders so this would hasten the effects of an order. The bill received a 5-0 "do pass" recommendation from the Senate Industry and Business Committee (no longer Industry, Business and Labor in the Senate) Wednesday and passed 43-0 on the Senate floor this afternoon.

**SB 2092** — is another DFI bill that among other things allows for the voluntary liquidation of a credit union by its board and members. It also passed the Senate Industry and Business (IB) Committee with a 5-0 "do pass" recommendation and received unanimous approval on the Senate floor this afternoon.

**SB 2119** — is another DFI bill pertaining to non-depository entities. It is model language referred to as money transmission modernization. It received a 5-0 "do pass" recommendation out of Senate IB Committee on Wednesday and another unanimous vote on the Senate floor this afternoon.

**SB 2211** — was heard in Senate Transportation Committee Thursday afternoon and allows an "opt-in" option for electronic vehicle titling (finally!). The bill was brought by the ND DOT. ICBND testified in support of the bill, and it received a 5-0 "do pass" recommendation from the Committee.

**SECTION 3: BILL HEARINGS NEXT WEEK**

<b>Date and Time</b>	<b>Bill Number</b>	<b>Short Title</b>	<b>Committee</b>
01/09/2023 09:00	<b>HB 1019</b>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of career and technical education.	House Appropriations - Education and Environment Division
01/11/2023 10:00	<b>HB 1118</b>	Relating to an individual income tax credit; to provide an effective date; and to provide an expiration date.	House Finance and Taxation
01/12/2023 08:30	<b>HB 1014</b>	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.	House Appropriations - Government Operations Division
01/12/2023 10:15	<b>HB 1088</b>	Relating to membership of the state investment board.	House Government and Veterans Affairs
01/12/2023 02:00	<b>HB 1014</b>	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.	House Appropriations - Government Operations Division

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](http://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
<b>HB 1008</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Appropriations Committee 01/06 H Committee Hearing - 10:00 AM	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<b>HB 1014</b>	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.
<b>HB 1019</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Appropriations Committee 01/09 H Committee Hearing - 09:00 AM	A BILL for an Act to provide an appropriation for defraying the expenses of the department of career and technical education.
<b>HB 1020</b>	House: INTRODUCED 01/16 H Committee Hearing - 02:00 PM 01/16 H Committee Hearing - 03:00 PM	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.
<b>HB 1058</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Judiciary Committee 01/04 H Committee Hearing - 01:30 PM	Relating to small claims.
<b>HB 1068</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Industry, Business and Labor Committee 01/04 H Committee Hearing - 03:00 PM	Relating to residential mortgage loan servicers; and to provide a penalty.
<b>HB 1080</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Transportation Committee 01/06 H Committee Hearing - 10:45 AM	Relating to allowing electronic proof of motor vehicle registration.
<b>HB 1082</b>	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).
<b>HB 1083</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Judiciary Committee	Relating to the adoption of the Revised Uniform Law on Notarial Acts (2021).
<b>HB 1088</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Government and Veterans Affairs Committee 01/12 H Committee Hearing - 10:15 AM	Relating to membership of the state investment board.
<b>HB 1095</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Industry, Business and Labor Committee	Relating to the inclusion of comprehensive medication management services in health benefit plans.
<b>HB 1106</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Industry, Business and Labor Committee 01/04 H Committee Hearing - 10:30 AM	Relating to appraisal management companies.
<b>HB 1107</b>	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.
<b>HB 1108</b>	House: INTRODUCED 01/03 H Introduced, first reading, referred Energy and Natural Resources Committee	Relating to international climate control regulations.
<b>HB 1118</b>	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.
<b>HB 1146</b>	House: INTRODUCED 01/03 H Introduced, first reading,	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

	(emergency), referred Industry, Business and Labor Committee	provide for application; to provide an expiration date; and to declare an emergency.
<b>SB 2090</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Industry and Business Committee 01/04 S Committee Hearing - 10:30 AM	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.
<b>SB 2092</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Industry and Business Committee 01/04 S Committee Hearing - 11:15 AM	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.
<b>SB 2111</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Transportation Committee 01/05 S Committee Hearing - 11:00 AM	Relating to certificate of title to be allowed in electronic form.
<b>SB 2118</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, (emergency), referred Energy and Natural Resources Committee	Relating to abandoned motor vehicles; and to declare an emergency.
<b>SB 2119</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Industry and Business Committee 01/04 S Committee Hearing - 01:15 PM	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.
<b>SB 2136</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Finance and Taxation Committee	Relating to the homestead tax credit; and to provide an effective date.
<b>SB 2140</b>	Senate: INTRODUCED 01/03 S Introduced, first reading, (emergency), referred Human Services Committee	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.