



## Legislative Update February 10, 2023

### **SECTION 1: GENERAL**

Today marks the 27<sup>th</sup> legislative day of the 68<sup>th</sup> Assembly of the North Dakota Legislature. Remember that the session is limited to 80 legislative days and we're just two weeks shy of the Crossover break. If the legislative session were a hockey game, Crossover represents the end of the first period where surviving bills cross to the next chamber. The 2<sup>nd</sup> period of my hockey analogy is a sort of "restart" of the session with those surviving bills being heard and acted upon in the second chamber. The 3<sup>rd</sup> period is represented by conference committee activities. Bills that are amended and passed by the second chamber but not concurred by the originating chamber end up going to conference committee.

You will see in Section 2 of this report that some more bad bills received "do not pass" recommendations from their respective committees this week and hopefully they die on the chamber floors. Unfortunately, we were not able to turn away community banking's highest priority bill as Senate Bill 2266 passed on the Senate floor Thursday by the slimmest possible margin – one vote.

As you likely know by now, [Senate Bill 2266](#) is the credit union field of membership expansion bill. On Tuesday afternoon, the Senate Industry and Business Committee introduced amendments as follows:

- **Added "working or attending school" to the current law which states "residing within a geographic area..."**. This was language that the credit unions had in their proposal.
- **Increased the field of membership radius from 75 miles to 125 miles**. Remember, the credit unions' bill proposed 250 miles.
- **Reinstated language that would NOT allow "leapfrogging" by branches**. The credit unions proposal struck that language from current code in order to "leapfrog".
- **Eliminated a credit union's ability to apply to the credit union board for the same field of membership as a federal credit union**.

The amendment and the amended bill received 4-0 "do pass" recommendations from the Committee. While some characterized this as a "compromise", the opponents (ICBND and NDBA) did not. So, we had our lobbying work cut out for us with the full Senate. That's where community bankers really stepped up to the plate. I'm sure you've gotten sick of me bugging you on this bill, but community bankers reached out to their Senators and your messages were heard. A number of you even showed up Thursday to help us lobby in the Senate chamber. Thank you for everything you did. Unfortunately, our collective efforts came up just short. 23 Senators voted against the bill while 24 voted for it. Ouch!

We spent the rest of Thursday and Friday morning exploring our options for reconsideration of the bill which by rule can only happen the next day. Long story short, we were unsuccessful in convincing Senators from the opposing side to bring the bill back for reconsideration. Losing sucks and I personally apologize for not being successful killing this in the Senate. No excuses. But we will need you again as we transition our opposition of SB 2266 to the House.

Thanks again for taking time to advocate for community banks on this issue! I hope you have a nice weekend.

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

**HB 1082** – is an expansive 107-page bill brought forth by the Uniform Law Commission which addresses several Uniform Commercial Code amendments. Many of these are related to digital assets which bring certainty, clarity and uniformity as to the definition of “digital assets” and how to perfect security interests in digital assets. The bill was heard in the House Judiciary Committee on Tuesday morning. I testified in support of the bill along with NDBA, and the North Dakota Bar Association. The Committee has yet to take action, but we fully expect the bill will pass and will be helpful to community banking.

**HB 1283** – was the worst of the environmental, social, and governance (ESG) bills for community banks - think “bans on bans”. While the intent was to protect the energy industry in North Dakota, the language of the bill was extremely problematic in its reporting and penalty provisions along with the creation of a “blacklist” of banks that may have declined financial services to entities based on reasons other than prescribed in the bill. For example, a credit decision based on character could trigger a reporting event and potential blacklisting. The bill meant to target woke megabanks, but it missed the mark. Fortunately, the House Industry, Business and Labor Committee gave the bill a 12-1-1 “do not pass” recommendation Monday afternoon during Committee work. There will be an ESG bill or two that survive, but we believe we’ve insulated state-chartered banks from being the target.

**HB 1469** – is another ESG bill that sought to blacklist financial institutions from being able to have public funds invested with them if that financial institution promoted any political, social, environmental, ideological, or other nontraditional goal or standard that conflicts with the state’s energy or agriculture industries. Here’s the problem – as defined by whom? And of course, we don’t believe blacklisting banks is the answer to pretty much anything. Community banks support ag and energy every day. We opposed the bill. The House Industry, Business and Labor Committee took this bill up in Committee work Monday afternoon and gave it a 8-5-1 “do not pass” recommendation. We are confident this bill will not pass the House.

**HB 1527** – sought to force unnecessary burdens on employers in determining an employee’s immigration status and would have required employers use E-verify. This legislation would only apply to private employers. It was a bad bill brought by Representative Matt Heilman. We oppose the bill, and it received a 13-0-1 “do not pass” from the House Industry, Business and Labor Committee.

## **SECTION 3: BILL HEARINGS NEXT WEEK**

<b>Date and Time</b>	<b>Short Title</b>	<b>Committee</b>
02/13/2023 09:00 AM	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
02/13/2023 11:00 AM	Relating to public employee insulin drug and supplies 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
02/14/2023 10:00 AM	Relating to health insurance coverage of telehealth.	Senate Human Services
02/15/2023 10:00 AM	Relating to annually reconvened sessions of the legislative assembly.	Senate Appropriations
02/17/2023 09:00 AM	Relating to allowing electronic proof of motor vehicle registration.	Senate Transportation

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,

A handwritten signature in blue ink that reads "Barry D. Haugen". The signature is written in a cursive style with a large, stylized 'B'.

Barry D. Haugen

[barryh@icbnd.com](mailto:barryh@icbnd.com)

cell: 701.955.4308

office: 701.258.7121



## ICBND BILL TRACKING LIST

Bill	Status	Title
HB 1008	House: INTRODUCED 01/17 H Committee Hearing - 03:00 PM 02/09 H Reported back amended, do pass, amendment placed on calendar 18 2 3	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions; and to provide an exemption.
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: PASSED 01/13 H Second reading, passed, yeas 92 nays 0 01/16 S Received from House	Relating to small claims.
HB 1068	House: INTRODUCED 01/26 H Reported back, do pass, place on calendar 18 0 5 01/27 H Rereferred to Appropriations	Relating to residential mortgage loan servicers; and to provide a penalty.
HB 1080	House: PASSED Senate: INTRODUCED 02/08 S Introduced, first reading, referred Transportation Committee 02/17 S Committee Hearing - 09:00 AM	Relating to allowing electronic proof of motor vehicle registration.
HB 1082	House: INTRODUCED 01/03 H Introduced, first reading, referred Judiciary Committee 02/07 H Committee Hearing - 09:00 AM	Relating to the adoption of the Uniform Commercial Code amendments (2022); relating to the adoption of the Uniform Commercial Code amendments (2022).
HB 1083	House: PASSED 01/26 H Second reading, passed, yeas 92 nays 0 01/27 S Received from House	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: DEFEATED 01/31 H Reported back, do not pass, placed on calendar 13 0 1 02/01 H Second reading, failed to pass, yeas 6 nays 87	Relating to appraisal management companies.
HB 1107	House: PASSED 02/02 H Second reading, passed, yeas 90 nays 3 02/03 S Received from House	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	Relating to international climate control regulations.

	and Natural Resources Committee 01/13 H Committee Hearing - 10:00 AM	
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: DEFEATED 02/07 H Reported back, do not pass, placed on calendar 8 4 2 02/09 H Second reading, failed to pass, yeas 39 nays 54	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: PASSED Senate: PASSED Governor: SIGNED 02/03 H Signed by Governor 02/02 02/07 Filed with Secretary Of State 02/02	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; to provide for a transfer; and to declare an emergency.
HB 1215	House: PASSED 01/18 H Second reading, passed, yeas 85 nays 6 01/19 S Received from House	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.
HB 1225	House: INTRODUCED 01/26 H Committee Hearing - 09:00 AM 02/09 H Reported back, do not pass, placed on calendar 17 3 3	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: PASSED 01/20 H Second reading, passed, yeas 89 nays 0 01/23 S Received from House	Relating to a cost-benefit analysis for a measure or policy affecting the legacy fund.
HB 1267	House: PASSED 01/24 H Second reading, passed, yeas 52 nays 41 01/25 S Received from House	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 02/02 H Committee Hearing - 09:15 AM	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 01/24 H Committee Hearing - 08:00 AM	Relating to fair access to financial products and services; and to provide a penalty.
HB 1291	House: PASSED 02/03 H Second reading, passed, yeas 90 nays 3 02/06 S Received from House	Relating to execution of a judgment.
HB 1323	House: PASSED 01/19 H Second reading, passed, yeas 91 nays 0 01/20 S Received from House	Relating to a claimant's right to maintain a construction lien for furnishing materials and improvements.
HB 1345	House: INTRODUCED 01/11 H Introduced, first reading, referred Agriculture Committee 01/20 H Committee Hearing - 09:00 AM	Relating to state purchasing contracts.

HB 1347	House: DEFEATED 01/31 H Reported back, do not pass, placed on calendar 12 1 1 02/01 H Second reading, failed to pass, yeas 3 nays 90	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.
HB 1371	House: INTRODUCED 01/13 H Introduced, first reading, referred Agriculture Committee 01/27 H Committee Hearing - 09:30 AM	Relating to agricultural definitions, ownership exceptions for beekeeping, agriculture support services, cattle backgrounding and feedlot operations, and raising or producing of livestock by persons that have limited landholdings.
HB 1374	House: DEFEATED 02/02 H Request return from committee 02/06 H Second reading, failed to pass, yeas 14 nays 79	Relating to competition between the government and private industry; and to require a report to legislative management.
HB 1392	House: PASSED 02/06 H Second reading, passed, yeas 93 nays 0 02/07 S Received from House	Relating to the authority to deposit money into institution accounts at the Bank of North Dakota.
HB 1393	House: INTRODUCED 01/16 H Introduced, first reading, referred Agriculture Committee 02/09 H Committee Hearing - 08:30 AM	Relating to grain and seed warehouses, grain buyers, insolvent grain warehousemen, uniform accounting for public elevators and warehouses, and credit-sale contracts indemnity; to provide a penalty; and to provide a continuing appropriation.
HB 1420	House: DEFEATED 02/01 H Reported back, do not pass, placed on calendar 10 3 1 02/02 H Second reading, failed to pass, yeas 20 nays 73	Relating to a small business diversity revolving loan fund; to provide a continuing appropriation; to provide an appropriation; and to provide a transfer.
HB 1429	House: INTRODUCED 01/17 H Introduced, first reading, referred Industry, Business and Labor Committee 01/23 H Committee Hearing - 09:00 AM	Relating to state contracts with certain companies that boycott energy, mining, and production agriculture.
HB 1460	House: DEFEATED 02/01 H Reported back, do not pass, placed on calendar 7 5 2 02/02 H Second reading, failed to pass, yeas 16 nays 77	Relating to a paid family medical leave program and an income tax credit for contributions paid into the paid family medical leave fund on behalf of eligible employees; to provide an appropriation; to provide for a transfer; and to provide an effective date.
HB 1469	House: INTRODUCED 01/18 H Introduced, first reading, referred Industry, Business and Labor Committee 02/06 H Committee Hearing - 09:00 AM	Relating to the investment and management of public funds.
HB 1487	House: INTRODUCED 01/18 H Introduced, first reading, referred Industry, Business and Labor Committee 02/01 H Committee Hearing - 08:00 AM	Relating to financial institutions use of merchant codes to track firearm and ammunition-related purchases; and to provide a penalty.
HB 1505	House: INTRODUCED 02/07 H Committee Hearing - 09:00 AM 02/09 H Reported back amended, do not pass, placed on calendar 9 5 0	Relating to a prohibition on requiring a vaccination; and to provide a penalty.
HB 1507	House: DEFEATED 02/01 H Reported back, do not pass, placed on calendar 10 3 1	Relating to the state minimum wage.

	02/03 H Second reading, failed to pass, yeas 13 nays 80	
HB 1527	House: DEFEATED 02/07 H Reported back, do not pass, placed on calendar 13 0 1 02/09 H Second reading, failed to pass, yeas 5 nays 88	A BILL for an Act to create and enact chapter 34-16 of the North Dakota Century Code, related to illegal aliens and private employment; and to provide a penalty.
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: RECONSIDERED 01/24 S Reconsidered 01/24 S Rereferred to Energy and Natural Resources	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 02/07 S Amendment adopted 02/07 S Rereferred to Appropriations	Relating to the homestead tax credit; and to provide an effective date.
SB 2140	Senate: PASSED 02/08 S Reconsidered 02/08 S Rereferred to Appropriations	Relating to public employee insulin drug and supplies 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.
SB 2160	Senate: INTRODUCED 01/26 S Rereferred to Human Services 02/14 S Committee Hearing - 10:00 AM	Relating to health insurance coverage of telehealth.
SB 2172	Senate: PASSED 01/26 S Second reading, passed, yeas 47 nays 0 01/27 H Received from Senate	Relating to the interstate insurance product regulation compact.
SB 2198	Senate: INTRODUCED 02/09 S Committee Hearing - 03:00 PM	Relating to state employee family medical leave.

	02/09 S Reported back, do pass, place on calendar 6 0 0	
SB 2210	Senate: PASSED 02/02 S Second reading, passed, yeas 47 nays 0 02/03 H Received from Senate	Relating to individual retirement and employee benefit trusts.
SB 2217	Senate: PASSED 01/26 S Second reading, passed, yeas 26 nays 21 01/27 H Received from Senate	Relating to the calculation of interchange fees for electronic payment transactions; and to provide a penalty.
SB 2263	Senate: PASSED 01/26 S Second reading, passed, yeas 47 nays 0 01/27 H Received from Senate	Relating to escrow accounts.
SB 2266	Senate: PASSED 02/08 S Amendment adopted, placed on calendar 02/09 S Second reading, passed, yeas 24 nays 23	Relating to credit union membership.
SB 2296	Senate: INTRODUCED 01/16 S Introduced, first reading, referred Judiciary Committee 02/01 S Committee Hearing - 03:00 PM	Relating to agency adjudications and judicial deference in administrative hearings.
SB 2300	Senate: INTRODUCED 01/16 S Introduced, first reading, referred Industry and Business Committee 01/25 S Committee Hearing - 11:15 AM	Relating to notice to owner and law enforcement of abandoned vehicles.
SB 2320	Senate: PASSED 01/30 S Second reading, passed, yeas 47 nays 0 01/31 H Received from Senate	Relating to fees chargeable by abstracters.
SB 2330	Senate: INTRODUCED 01/16 S Introduced, first reading, referred Industry and Business Committee 02/07 S Committee Hearing - 09:00 AM	Relating to the legacy and budget stabilization fund advisory board and legacy fund definitions; and to repeal section 6-09-49.1 of the North Dakota Century Code, relating to the legacy infrastructure loan fund.
SB 2333	Senate: INTRODUCED 02/03 S Reported back, do pass 5 1 0 02/03 S Rereferred to Appropriations	Relating to annually reconvened sessions of the legislative assembly.