



Legislative Update February 17, 2023

SECTION 1: GENERAL

I have to admit it was nice to get away from the Capitol today and participate in ICBND's Emerging Leader Winter Session, February Board Meeting, and UND Hockey event in Grand Forks with 60 of your community banking colleagues.

As is customary for this stage of the legislative session, emotions begin to run high with spirited floor debate on controversial issues, many of them social. There are about a dozen bills that seek to restrict health care, activities, and personal expression for transgender residents. Some of those hit the chamber floors this week with lengthy debate. ICBND does not track these bills, but they provide for interesting, and sometimes painful, watching.

Election skepticism also remains alive and well. The legislature is handling dozens of Republican-led election related bills which is a nationwide trend continued from 2021 in the wake of the 2020 presidential election. Many have been acted upon including Senate Bill 2308 which would have banned mail-in balloting. It was defeated 8-38 in the Senate this week. Several election-related bills remain to be voted upon in the waning days before crossover.

As you know, tax relief has been a priority for Governor Burgum and legislative leadership. What form that relief takes has varying opinions. Senator Don Schaible introduced Senate Bill 2066 to provide property tax relief. His original proposal would have reduced property taxes by about 25 percent statewide. The bill was amended and would now provide most taxpayers with about two-thirds of that relief, or about 16.7 percent overall property tax cut. The amended bill received a 42-4 passing vote Wednesday in the Senate. Governor Burgum and others strongly favor income tax relief and are skeptical that property tax relief dollars will actually end up in the property owner's pockets. Legislative leadership has indicated that the ultimate relief will likely be a combination of income and property tax cuts.

Crossover will occur a week from today. Next week's activities will be dominated by floor debates and finalization of appropriations bills. Committee action will be very limited.

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

HB 1082 – is an expansive 109-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 last week. I testified in support of the bill along with NDBA, and the North Dakota Bar Association. The Committee worked on the bill this week and gave the amended bill a 10-3 "do pass" recommendation Tuesday. It hit the House floor Wednesday and passed by a vote of 84-9. For the life of me, I cannot understand the opposition rationale of those 9 far right "no" votes. Safe to say that conspiracy theories are alive and well this session.

HB 1225 – is a good bill for community banking that had an interesting path to passage in the House. It would require the development of an online portal for electronically accessible statewide property information and property tax information. As reported in testimony, 31 counties already do this. Having access electronically to this information statewide would provide value to community bank lenders and appraisers. The House Appropriations Committee didn't love the idea of the state funding the remaining counties to implement this. As a result, it came out of Committee with a 17-3 "do not pass" recommendation. The full House thought otherwise and passed the bill 48-42 on Monday.

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 "do not pass" recommendation last week during Committee work. For the second day in a row, HB 1283 was laid over one calendar day so it will hopefully be killed on the floor Monday.

HB 1429 – is a bit of a "catch all" ESG bill that was worked on in the House Industry Business and Labor Committee Monday. We don't have concerns with this bill as amended but we need to keep a close eye on it throughout this legislative session. It will be voted on in the chamber next week.

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 last week and gave it a 8-5 "do not pass" recommendation. Like HB 1283, this bill was also laid over for the second day in a row. I expect spirited floor debates on both of these bills next week which were both brought by Representative Anna Novak.


HB 1487 – is a gun and ammunition tracking bill that would prohibit specific tracking of gun and ammunition purchases. This would broadly apply to entities including financial institutions and the others in the payment card chain. We testified in opposition to the original bill language as it was problematic to community banks. ICBND and others were heavily involved in amending the bill. As amended, we did not oppose the bill. The amended bill received a 11-2 "do pass" recommendation from the House IBL Committee on Wednesday. Interestingly, the retail lobby did not engage on this bill, and I think they potentially have the most adverse exposure.

HB 1505 – would prohibit employers and others from requiring any form of vaccination for its employees. We viewed this as an infringement on employers' rights and opposed the bill. It received a 9-5 "do not pass" recommendation from the House Human Services Committee and was defeated on the House floor Wednesday by a 31-60 vote.

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 and failed on the House floor late last week by a 5-88 vote.

SB 2333 – would allow for annual legislative sessions although the total number of legislative days cannot exceed the 80 days per biennium. It received a 5-1 “do pass” recommendation from its policy committee and a 9-7 “do pass” from Senate Appropriations. After a lengthy floor debate, it received a 21-26 failing vote. Thank goodness!!

SECTION 3: BILL HEARINGS NEXT WEEK

Date and Time	Bill Number	Short Title	Committee	Room
02/20/2023 10:20 AM 	<u>SB 2296</u>	Relating to agency adjudications and judicial deference in administrative hearings.	Senate Judiciary	Peace Garden

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: PASSED Senate: INTRODUCED 02/14 S Received from House 02/15 S Introduced, first reading, referred Appropriations Committee	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 Senate: INTRODUCED 01/16 S Received from House 02/13 S Introduced, first reading, referred Judiciary Committee	Relating to small claims.
HB 1068	House: PASSED 02/16 H Amendment adopted, placed on calendar 02/16 H Second reading, passed, yeas 90 nays 2	Relating to residential mortgage loan servicers; to provide a penalty; and to provide an appropriation.
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: PASSED 02/15 H Second reading, passed, yeas 84 nays 9 02/16 S Received from House	Relating to the adoption of the Uniform Commercial Code amendments (2022).
HB 1083	House: PASSED Senate: INTRODUCED 01/27 S Received from House 02/13 S Introduced, first reading, referred Judiciary Committee	Relating to the adoption of the Revised Uniform Law on Notarial Acts (2021).
HB 1095	House: PASSED 02/16 H Amendment adopted, placed on calendar 02/16 H Second reading, passed, yeas 91 nays 0	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 Senate: INTRODUCED 02/03 S Received from House	Relating to the regulation of real estate appraisers; and to provide a penalty.

	02/10 S Introduced, first reading, referred Workforce Development Committee	
HB 1108	House: PASSED Senate: INTRODUCED 02/15 S Received from House 02/16 S Introduced, first reading, referred Energy and Natural Resources Committee	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: 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 Senate: INTRODUCED 01/19 S Received from House 02/13 S Introduced, first reading, referred Industry and Business Committee	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: PASSED Senate: INTRODUCED 02/14 S Received from House 02/15 S Introduced, first reading, referred Finance and Taxation Committee	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 Senate: INTRODUCED 01/23 S Received from House 02/13 S Introduced, first reading, referred Industry and Business Committee	Relating to a cost-benefit analysis for a measure or policy affecting the legacy fund.
HB 1267	House: PASSED Senate: INTRODUCED 01/25 S Received from House 02/10 S Introduced, first reading, referred Finance and Taxation Committee	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 02/15 H Reported back, do not pass, placed on	Relating to fair access to financial products and services; and to provide a penalty.

	calendar 12 1 1 02/16 H Laid over one legislative day	
HB 1291	House: PASSED Senate: INTRODUCED 02/06 S Received from House 02/13 S Introduced, first reading, referred Judiciary Committee	Relating to execution of a judgment.
HB 1323	House: PASSED Senate: INTRODUCED 01/20 S Received from House 02/13 S Introduced, first reading, referred Industry and Business Committee	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 Senate: INTRODUCED 02/07 S Received from House 02/10 S Introduced, first reading, referred Education Committee	Relating to the authority to deposit money into institution accounts at the Bank of North Dakota.
HB 1393	House: PASSED Senate: INTRODUCED 02/15 S Received from House 02/16 S Introduced, first reading, referred Agriculture and Veterans Affairs Committee	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	Relating to a paid family medical leave program and an income tax credit for contributions paid into the

	calendar 7 5 2 02/02 H Second reading, failed to pass, yeas 16 nays 77	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 02/15 H Reported back, do not pass, placed on calendar 8 5 1 02/16 H Laid over one legislative day	Relating to the investment and management of public funds.
HB 1487	House: PASSED 02/16 H Amendment adopted, placed on calendar 02/16 H Second reading, passed, yeas 83 nays 9	Relating to financial entities use of merchant codes to track firearm and ammunition-related purchases; to provide a penalty; and to provide a continuing appropriation.
HB 1505	House: DEFEATED 02/13 H Laid over one legislative day 02/14 H Second reading, failed to pass, yeas 31 nays 60	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 02/03 H Second reading, failed to pass, yeas 13 nays 80	Relating to the state minimum wage.
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 House: INTRODUCED 01/09 H Received from Senate 02/16 H Introduced, first reading, referred Industry, Business and Labor Committee	Relating to residential mortgage lenders; 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 House: INTRODUCED 01/09 H Received from Senate 02/16 H Introduced, first reading, referred Industry, Business and Labor Committee	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 House: INTRODUCED 01/12 H Received from Senate 02/16 H Introduced, first reading, referred Transportation Committee	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 House: INTRODUCED 01/09 H Received from Senate 02/16 H Introduced, first reading, referred Industry, Business and Labor Committee	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: PASSED 02/15 S Second reading, passed, yeas 45 nays 1 02/16 H Received from Senate	Relating to the homestead tax credit; to provide an appropriation; and to provide an effective date.
SB 2140	Senate: PASSED 02/14 S Second reading, passed, yeas 38 nays 6, Emergency clause carried 02/15 H Received from Senate	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: DEFEATED 02/16 S Amendment adopted, placed on calendar 02/16 S Second reading, failed to pass, yeas 4 nays 43	Relating to public employee telehealth benefits; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.
SB 2172	Senate: PASSED House: INTRODUCED 01/27 H Received from Senate 02/15 H Introduced, first reading, referred Industry, Business and Labor Committee	Relating to the interstate insurance product regulation compact.
SB 2198	Senate: PASSED 02/10 S Second reading, passed, yeas 45 nays 0 02/13 H Received from Senate	Relating to state employee family medical leave.
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 02/09 S Second reading, passed, yeas 24 nays 23 02/10 H Received from Senate	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: PASSED 02/15 S Second reading, passed, yeas 43 nays 3 02/16 H Received from Senate	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 Rereferred to Appropriations 02/16 S Reported back, do pass, place on calendar 9 7 0	Relating to annually reconvened sessions of the legislative assembly.
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