



Legislative Update March 31, 2023

SECTION 1: GENERAL

Governor Burgum broke out the veto pen this week. He vetoed HB 1475 which sought to increase the speed limit to 80 miles per hour on interstate highways. The House is set to vote on overriding the veto on Monday. The House originally approved the measure with a veto-proof 65-29 vote. But overriding the veto in the Senate, if they take it up, will be the heavier lift since the measure only passed by a few votes.

The governor also vetoed SB 2231 last Thursday which was then overridden by the Senate the following morning. The bill sought to bar school districts and their governing boards from creating policies to accommodate transgender students unless parents give explicit permission. The House has laid over the veto issue into next week. I fully expect to see several more vetoes in the coming weeks.

Remember last week when I promised you'd heard the last of SB 2217? Well, legislators can sometimes be tricky little gremlins. In Senate Appropriations-Government Operations Division yesterday, Senator Shawn Vedaa offered a "shall consider" Legislative Management Study amendment to explore interchange on the sales tax portion of a card transaction. It was added to HB 1487 which is the gun tracking bill. It was offered at the eleventh hour without warning or discussion and given a "do pass" recommendation by the Committee as was the amended bill. It will be the subject of Committee work in full Senate Appropriations next Thursday. So, while SB 2217 was successfully killed our work to eliminate the study is not done after all. We're disappointed, but not surprised, by this action.

SB 2266 was heard in the House Industry, Business and Labor (IBL) Committee Wednesday to a divided room of banking and credit union advocates. This is the credit union's field of membership expansion bill. After being heavily amended in our favor in the Senate, it passed by one vote. We need to defeat this unwarranted credit union expansion bill in the House. It seeks to expand the current field of membership radius for a credit union charter (not branches) from 75 mile to 125 miles. Linearly, that's a 50-mile increase. But aerially, that's a near-tripling of their service area to nearly 50,000 square miles for each state-chartered credit union.

Committee Chairman Scott Louser allowed about an hour of testimony for each side of the issue. Credit union advocates offered amendments to the bill that make it worse and provided supporting testimony. Jordan Nelson from Peoples State Bank of Velva, Sarah Getzlaff from Security First Bank, Tim Karsky with Choice, Rick Clayburgh with NDBA, and I testified in opposition to the bill and the proposed amendments. Lise Kruse and Corey Krebs from the Department of Financial Institutions offered neutral testimony and answered several questions from the Committee. As expected, the Committee did not act on the bill.

SB 2266 will be the subject of Committee work on Tuesday, April 4 at 10:00 am in the House IBL Committee. We continue to lobby Committee and House members hoping to gain a "do not pass" recommendation from Committee and a "NO" vote on the House floor. We will fare much better in this Committee than we did in the Senate, but we need every bit of help you can provide in asking your representatives for a "NO" vote on SB 2266.

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

HB 1278 – was one of the original anti-ESG bills that was ultimately sacrificed in the interest of the survival of HB 1429. It was defeated 10-36 in the Senate Thursday.

HB 1345 – is another anti-ESG bill that was also sacrificed on the Senate floor 12-34 Thursday evening on the Senate floor in the interest of HB 1429.

HB 1429 – is the surviving anti-ESG bill that includes aspects of HB 1278 and HB 1345. It has been amended to the point where we are no longer opposed. It passed the Senate by a vote of 42-4 Thursday.

SB 2206 – is a bill that we totally missed on the Senate side. No excuses. It seeks an unlimited exemption for cash value of life insurance or annuity contracts from bankruptcy or other legal action. ICBND, BND, and NDBA testified in opposition to the bill to the House Industry, Business and Labor Committee. The Committee did not take action and we will follow its activities in Committee work.

SB 2263 – is ICBND’s bill that seeks to align North Dakota Century Code with the Real Estate Settlement Procedures Act (RESPA) as it relates to escrow account surpluses following the annual computational review. The bill was slightly amended in the House before passage so it was sent back to the Senate for concurrence. The Senate today did concur with the House changes so the bill will be on its way to the governor’s desk for signature.

SB 2371 – is the surviving anti-foreign adversary ownership bill that has been the subject of a great deal of work by Representative Paul Thomas, the Attorney General’s Office, the North Dakota Land Title Association, and the business community including ICBND. It was the subject of Committee work Thursday and Friday and amendments were added that integrate the Office of Foreign Asset Control (OFAC) database and provide for a divestiture process for real property that has been deemed to be owned or controlled by a foreign adversary.

Those amendments were given a “do pass” recommendation, but the Committee has opted to take another week to fully digest the complexities and potential unintended consequences of this bill. ICBND is not opposed to the legislation as amended but will carefully monitor as it could very well still change. A special thanks goes to Nick Hacker and the North Dakota Land Title Association for taking the lead on making this bill as acceptable as possible.

SB 2392 – was approved by the Delayed Bills Committee this week and essentially seeks to amend HB 1082 which has already been signed by the governor. You may recall that HB 1082 is the Uniform Law Commission bill 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. ICBND, NDBA, and the North Dakota Bar Association supported this bill throughout the process.

After crossing to the Senate, however, there was significant opposition expressing concerns that the bill somehow endorses a central bank digital currency (CBDC). We certainly don’t believe that it does and even testified that ICBND and its members are on record opposing the idea of a CBDC controlled by the Federal Reserve. UCC laws are state laws that simply deal with the world as it is and has no part in determination by the federal government of any currency. Rather, it deals with providing a blueprint as to how to perfect a security interest in a digital asset if a bank chooses to accept digital assets as collateral. SB 2392 would specifically exclude “a central bank digital currency” from the definition of “Deposit Account”. The bill will be heard Monday morning in the Senate Industry and Business Committee. We’re still digesting this delayed bill, but I don’t believe we will oppose it.

SECTION 3: BILL HEARINGS NEXT WEEK

Date and Time	Bill Number	Short Title	Committee
04/03/2023 08:00 AM	<u>HB 1014</u>	Relating to a Bank of North Dakota retention incentive program; relating to fuel production facility loan guarantee reserve funding, the powers of the North Dakota pipeline authority, definitions for the clean sustainable energy authority, and a transfer of Bank of North Dakota profits to the general fund; to provide a contingent appropriation; to provide for a transfer; to provide an exemption; to provide for a report; and to declare an emergency.	Senate Appropriations - Government Operations Division
04/03/2023 09:00 AM	<u>SB 2140</u>	Relating to public employee insulin drug and supplies benefits; 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.	House Appropriations
04/03/2023 09:00 AM	<u>SB 2392</u>	Relating to the definition of deposit account.	Senate Industry and Business
04/03/2023 10:00 AM	<u>SB 2198</u>	Relating to state employee family medical leave.	House Industry, Business and Labor
04/04/2023 10:00 AM	<u>SB 2266</u>	Relating to credit union membership.	House Industry, Business and Labor
04/06/2023 11:00 AM	<u>HB 1487</u>	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.	Senate Appropriations

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 02/15 S Introduced, first reading, referred Appropriations Committee 03/09 S Committee Hearing - 02:30 PM	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: PASSED Senate: INTRODUCED 03/09 S Committee Hearing - 02:00 PM 03/10 S Committee Hearing - 08:30 AM	Relating to a Bank of North Dakota retention incentive program; relating to fuel production facility loan guarantee reserve funding, the powers of the North Dakota pipeline authority, definitions for the clean sustainable energy authority, and a transfer of Bank of North Dakota profits to the general fund; to provide a contingent appropriation; to provide for a transfer; to provide an exemption; to provide for a report; and to declare an emergency.
HB 1058	House: PASSED Senate: PASSED Governor: SIGNED 03/16 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/15	Relating to small claims.
HB 1068	House: PASSED Senate: INTRODUCED 03/03 S Rereferred to Appropriations 03/15 S Committee Hearing - 10:30 AM	Relating to residential mortgage loan servicers; to provide a penalty; and to provide an appropriation.
HB 1080	House: PASSED Senate: PASSED Governor: SIGNED 03/16 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/15	Relating to allowing electronic proof of motor vehicle registration.
HB 1082	House: PASSED Senate: PASSED Governor: SIGNED 03/21 H Signed by Governor 03/20 03/23 Filed with Secretary Of State 03/21	Relating to the adoption of the Uniform Commercial Code amendments (2022).
HB 1083	House: PASSED Senate: PASSED Governor: SIGNED 03/17 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/16	Relating to the adoption of the Revised Uniform Law on Notarial Acts (2021).
HB 1095	House: INTRODUCED Senate: PASSED 03/29 S Second reading, passed as amended, yeas 39 nays 7 03/30 H Returned to House (12)	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: INTRODUCED Senate: PASSED 03/22 S Second reading, passed as amended, yeas 46 nays 0 03/23 H Returned to House (12)	Relating to the regulation of real estate appraisers; and to provide a penalty.
HB 1108	House: PASSED Senate: PASSED Governor: SIGNED 03/23 H Signed by Governor 03/22 03/24 Filed with Secretary Of State 03/23	Relating to international climate control regulations.
HB 1118	House: PASSED Senate: INTRODUCED 03/03 S Introduced, first reading, referred Finance and Taxation Committee 03/13 S Committee Hearing - 10:15 AM	Relating to an individual income tax credit; relating to the imposition of a flat income tax rate of one and ninety-nine hundredths percent for individuals, estates, and trusts and rounding rules; relating to the marriage penalty credit; and to provide an effective date.
HB 1135	House: PASSED Senate: INTRODUCED 03/03 S Introduced, first reading, referred Energy and Natural Resources Committee 03/17 S Committee Hearing - 11:00 AM	Relating to exceptions to the acquisition of agricultural land by foreign governments.
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: PASSED Governor: SIGNED 03/17 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/16	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 03/22 S Rereferred to Appropriations 03/27 S Committee Hearing - 09:30 AM	Relating to an online tax portal for electronically accessible statewide property information and tax information.
HB 1227	House: PASSED Senate: PASSED Governor: SIGNED 03/17 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/16	Relating to a cost-benefit analysis for a measure or policy affecting the legacy fund.
HB 1267	House: PASSED Senate: INTRODUCED 03/27 S Committee Hearing - 09:00 AM	Relating to the disposition of proceeds from tax lien foreclosures.

	03/30 S Reported back amended, do pass, amendment placed on calendar 6 0 0	
HB 1278	House: PASSED Senate: DEFEATED 03/29 S Reported back, do not pass, placed on calendar 5 0 0 03/30 S Second reading, failed to pass, yeas 10 nays 36	Relating to the powers and duties of the state investment board, restrictions on perpetual contracts, required reports, and the prohibition on social investments; and to provide for a legislative management study.
HB 1283	House: DEFEATED 02/17 H Laid over one legislative day 02/20 H Second reading, failed to pass, yeas 8 nays 85	Relating to fair access to financial products and services; and to provide a penalty.
HB 1291	House: PASSED Senate: PASSED Governor: SIGNED 03/17 H Signed by Governor 03/15 03/23 Filed with Secretary Of State 03/16	Relating to execution of a judgment.
HB 1323	House: PASSED Senate: PASSED 03/28 H Signed by Speaker 03/28 H Sent to Governor	Relating to a claimant's right to maintain a construction lien for furnishing materials and improvements.
HB 1345	House: PASSED Senate: DEFEATED 03/28 S Reported back, do not pass, placed on calendar 5 1 0 03/30 S Second reading, failed to pass, yeas 12 nays 34	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: PASSED Senate: INTRODUCED 03/03 S Introduced, first reading, referred Agriculture and Veterans Affairs Committee 03/24 S Committee Hearing - 09:00 AM	Relating to authorized livestock farm corporation requirements, initial and annual reporting requirements for authorized livestock farm corporations, and authorized livestock farm limited liability companies; relating to agricultural definitions, ownership exceptions for beekeeping, agriculture support services, cattle backgrounding and feedlot operations, raising or producing of livestock by persons that have limited landholdings, and required reporting for corporate farming; and to provide a penalty.
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: PASSED 03/28 S Reported back, do pass, place on calendar 6 0 0 03/30 S Second reading, passed, yeas 46 nays 0	Relating to the authority to deposit money into institution accounts at the Bank of North Dakota.

HB 1393	House: PASSED Senate: PASSED Governor: SIGNED 03/24 H Sent to Governor 03/30 H Signed by Governor 03/29	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: PASSED Senate: PASSED 03/30 S Amendment adopted, placed on calendar 03/30 S Second reading, passed, yeas 42 nays 4	Relating to unfair discrimination in the business of insurance and the investment and management of public funds; to amend and reenact section 21-10-08.1 of the North Dakota Century Code, relating to the prohibition on social investments; to provide an appropriation; and to provide for a legislative management study.
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: DEFEATED 02/17 H Laid over one legislative day 02/20 H Second reading, failed to pass, yeas 6 nays 87	Relating to the investment and management of public funds.
HB 1487	House: PASSED Senate: INTRODUCED 03/24 S Amendment adopted 03/24 S Rereferred to Appropriations	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 1503	House: PASSED Senate: DEFEATED 03/17 S Reported back, do not pass, placed on calendar 5 0 1 03/20 S Second reading, failed to pass, yeas 2 nays 45	Relating to ownership of real property and commercial assets by foreign adversaries; to provide for a legislative management study; and to provide an expiration date.
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: PASSED Governor: SIGNED	Relating to residential mortgage lenders; relating to money brokers; to repeal section 13-04.1-16 of the North Dakota

	03/15 S Signed by Governor 03/14 03/24 Filed with Secretary Of State 03/15	Century Code, relating to call reports; to provide a penalty; and to provide for application.
SB 2092	Senate: INTRODUCED House: PASSED 03/13 H Second reading, passed as amended, yeas 93 nays 0 03/14 S Returned to Senate (12)	Relating to voluntary liquidation of credit unions; relating to the removal of officers, directors, and employees of financial corporations or institutions; to repeal chapter 6-06.1 of the North Dakota Century Code, relating to voluntary liquidation of credit unions; and to provide for a legislative management study.
SB 2111	Senate: PASSED House: PASSED Governor: SIGNED 03/15 S Signed by Governor 03/14 03/24 Filed with Secretary Of State 03/15	Relating to certificate of title to be allowed in electronic form.
SB 2118	Senate: INTRODUCED House: PASSED 03/21 H Emergency clause carried 03/22 S Returned to Senate (12)	Relating to abandoned motor vehicles; and to declare an emergency.
SB 2119	Senate: PASSED House: PASSED Governor: SIGNED 03/16 S Signed by Governor 03/15 03/24 Filed with Secretary Of State 03/16	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 House: INTRODUCED 02/17 H Introduced, first reading, referred Finance and Taxation Committee 03/15 H Committee Hearing - 10:00 AM	Relating to the homestead tax credit; to provide an appropriation; and to provide an effective date.
SB 2140	Senate: PASSED House: INTRODUCED 03/27 H Reported back, do pass 8 5 1 03/27 H Rereferred to Appropriations	Relating to public employee insulin drug and supplies benefits; 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 03/14 H Committee Hearing - 08:00 AM 03/29 H Reported back, do pass, place on calendar 12 1 1	Relating to the interstate insurance product regulation compact.
SB 2198	Senate: PASSED House: INTRODUCED 02/17 H Introduced, first reading, referred Industry, Business and Labor Committee 04/03 H Committee Hearing - 10:00 AM	Relating to state employee family medical leave.
SB 2210	Senate: PASSED House: PASSED Governor: SIGNED 03/24 S Sent to Governor 03/30 S Signed by Governor 03/29	Relating to individual retirement and employee benefit trusts.

SB 2217	Senate: PASSED House: DEFEATED 03/16 H Amendment adopted, placed on calendar 03/21 H Second reading, failed to pass, yeas 29 nays 64	Relating to the calculation of interchange fees for electronic payment transactions; and to provide a penalty.
SB 2263	Senate: INTRODUCED House: PASSED 03/13 H Second reading, passed as amended, yeas 93 nays 0 03/14 S Returned to Senate (12)	Relating to escrow accounts.
SB 2266	Senate: PASSED House: INTRODUCED 02/17 H Introduced, first reading, referred Industry, Business and Labor Committee 03/29 H Committee Hearing - 09:00 AM	Relating to credit union membership.
SB 2296	Senate: PASSED House: DEFEATED 03/23 H Amendment adopted, placed on calendar 03/24 H Second reading, failed to pass, yeas 35 nays 52	Relating to adjudicative proceeding procedures.
SB 2300	Senate: DEFEATED 02/17 S Reported back, do not pass, placed on calendar 4 0 1 02/20 S Second reading, failed to pass, yeas 0 nays 47	Relating to notice to owner and law enforcement of abandoned vehicles.
SB 2320	Senate: PASSED House: PASSED Governor: SIGNED 03/15 S Signed by Governor 03/14 03/24 Filed with Secretary Of State 03/15	Relating to fees chargeable by abstracters.
SB 2330	Senate: PASSED House: INTRODUCED 02/17 H Introduced, first reading, referred Finance and Taxation Committee 03/14 H Committee Hearing - 10:00 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: DEFEATED 02/16 S Reported back, do pass, place on calendar 9 7 0 02/17 S Second reading, failed to pass, yeas 21 nays 26	Relating to annually reconvened sessions of the legislative assembly.
SB 2371	Senate: PASSED House: INTRODUCED 02/21 H Introduced, first reading, (emergency), referred Agriculture Committee 03/16 H Committee Hearing - 10:00 AM	Relating to the power of counties and municipalities to prohibit local development by a foreign adversary; relating to the prohibition on ownership of real property by a foreign adversary; and to declare an emergency.
SB 2392	Senate: INTRODUCED 03/30 S Introduced, first reading, referred Industry and Business Committee 04/03 S Committee Hearing - 09:00 AM	Relating to the definition of deposit account.