



Legislative Update April 14, 2023

SECTION 1: GENERAL

Remember last week when we defeated SB 2266 and thwarted the credit unions' field of membership expansion? That was fun! This week at the Capitol was not as eventful, at least for banking related issues.

The 68th Assembly of the North Dakota Legislature is now transitioning to Conference Committee meetings including many of the budget bills. Conference Committees are assembled when the chamber of origin does not necessarily agree with amendments made and passed by the second chamber. It's interesting to watch allegiances shift from party to chamber during this point of the session. R's and D's are less relevant as House and Senate members face off in Conference Committee advocating for their respective chamber.

Governor Burgum has not been shy with his veto pen this session. The legislative branch flexed its muscles against a couple of those vetoed measures this week. HB 1463 sought to exempt the legislature from holding recorded roll call votes on nonprocedural votes for consideration of amendments to legislation. It's a process that's used all the time by both chambers. But apparently, it's not been lawful. Who knew! The governor called them out on it saying the bill "would allow the legislature to adopt far-reaching amendments affecting the central policy or fiscal impact of a bill without affording the public the accountability of a recorded roll call vote". His additional comments were pretty scathing indicating that maybe they should follow the current law rather than just changing it.

You can probably imagine how his comments sat with legislators. In a chamber that can barely agree on what day it is, the House overrode the veto by a vote of 88-0 bright and early Monday morning. The Senate followed suit with a 45-1 override Tuesday.

The House also overrode HB 1273 Monday by a vote of 71-17. That bill sought to prohibit ranked-choice and approval voting in North Dakota. The bill's origins relate to the approval voting system that has been established in Fargo. The governor vetoed the bill calling it an egregious example of state overreach infringing on local control. Legislative sessions are fraught with local-vs-state control issues, and this certainly falls into that category. House members disagreed claiming ranked-choice and approval voting systems fly in the face of the American voting tradition of "one person, one vote". The Senate has yet to take an override vote.

As for next week, SB 2206 and HB 1487 will be our highest priorities as we follow them through the Conference Committee process. We hope to adjust exemptions downward on SB 2206 and strip the interchange study from HB 1487.

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

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 a couple weeks ago. As expected, it ended up in Conference Committee with a couple meetings held late this week and is scheduled again for Monday morning.

SB 2092 – is one of the Department of Financial Institution's bills to modernize some of the language in the credit union code. For example, it would allow voluntary liquidation of a credit union. Banks have that ability today, but it hadn't been previously in code applying to credit unions. More interesting, however, was the amendment that was added by the House calling for a "shall consider" study by Legislative Management to undertake a comparative taxation between federal and state banks and credit unions in North Dakota. We were most interested in having this in place while we were in the midst of the SB 2266 fight over expanding fields of membership for credit unions. We defeated that bill last week, and this study became less relevant. In Conference Committee this morning, conferees stripped the study from the bill and left it otherwise unchanged. We didn't fight it and legislators are likely worn out from this industry fight. Now it will go back to each chamber for concurrence.

SB 2206 – is a bill that originally sought 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 met again on this bill Tuesday and seem compelled to change a number of the exemption levels which apparently have been in place since 2009. A subcommittee was established which met three times this week and brought its recommendation to the full House IBL Committee Wednesday afternoon. That recommendation which alters a number of the exemption amounts in code was given a 10-1 "do pass" recommendation. It was brought to the House floor yesterday but due to an error in the engrossed bill language it was rereferred to the Committee. This bill will end up in Conference Committee and maybe we can ratchet downward some of those exemption levels.

SB 2392 – SB 2392 as amended would specifically exclude "a United States central bank digital currency" from the definition of "Deposit Account" in the just-passed UCC amendments represented by HB 1082 which the governor signed. The bill was heard Tuesday morning in the House IBL Committee. ICBND testified neutral on the bill. It received a "do pass" recommendation from the Committee and passed 82-8 on the House floor Wednesday. This legislation really doesn't do anything, but it's served to relieve some anxiety of those who thought HB 1082 somehow paved the way for a central bank digital currency.

SECTION 3: BILL HEARINGS NEXT WEEK

Date and Time	Bill Number	Short Title	Committee
04/17/2023 10:00 AM	SB 2206	Relating to insurance cash value exemptions and homestead exemption.	House Industry, Business and Labor

SECTION 4: CONFERENCE COMMITTEE MEETINGS NEXT WEEK

Date and Time	Bill Number	Committee	Room	Representatives	Senators
04/17/2023 09:00 AM	HB 1429	House IBL	327C	Warrey, Schauer, Tveit	Larsen, Kessel, Boehm
04/17/2023 10:00 AM	HB 1008	House Appropriations – Gov. Ops.	Brynild Haugland	Meier, Pyle, Monson	Roers, Erbele, Vedaa
04/17/2023 02:30 PM	HB 1487	House IBL	327C	Koppelman, Johnson, Dakane	Paulson, Myrdal, Larson
04/17/2023 03:00 PM	HB 1487	House IBL	327C	Koppelman, Johnson, Dakane	Paulson, Myrdal, Larson

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,

A handwritten signature in blue ink that reads "Barry D. Haugen". The signature is written in a cursive, flowing style.

Barry D. Haugen

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ICBND BILL TRACKING LIST

Bill	Status	Title
HB 1008	House: CONF. COMM Senate: CONF. COMM 04/07 H Conference committee appointed Meier Pyle Monson 04/11 S Conference committee appointed J. Roers Erbele Vedaa	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions; to provide an exemption; and to provide for a legislative management study.
HB 1014	House: CONF. COMM Senate: PASSED 04/13 H Refused to concur 04/13 H Conference committee appointed Kempenich Brandenburg Mock	Relating to fuel production facility loan guarantee reserve funding, the housing incentive fund, the powers of the North Dakota pipeline authority, definitions for the clean sustainable energy authority, and an appropriation from the state fiscal recovery fund; to provide a contingent appropriation; to provide for a transfer; to provide an exemption; to provide for a report; to provide an effective date; 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: PASSED Governor: SIGNED 04/07 H Sent to Governor 04/12 H Signed by Governor 04/11	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: PASSED Senate: PASSED	Relating to the inclusion of comprehensive medication management services in health benefit plans.

	Governor: SIGNED 04/10 H Signed by Governor 04/07 04/13 Filed with Secretary Of State 04/10	
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: PASSED Governor: SIGNED 04/07 H Sent to Governor 04/12 H Signed by Governor 04/11	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 03/13 S Committee Hearing - 10:15 AM 04/03 S Reported back, do not pass, placed on calendar 6 0 0	Relating to an individual income tax credit; to amend and reenact sections 57-38-30.3 and 57-38-75 of the North Dakota Century Code, 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; to repeal section 57-38-01.28 of the North Dakota Century Code, relating to the marriage penalty credit; and to provide an effective date.
HB 1135	House: PASSED Senate: PASSED 04/13 H Signed by Speaker 04/13 H Sent to Governor	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: CONF. COMM Senate: PASSED 04/13 H Refused to concur	Relating to an online tax portal for electronically accessible statewide property information and tax information.

	04/13 H Conference committee appointed Schobinger Schatz Mitskog	
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: PASSED 04/12 H Concurred 04/12 H Second reading, passed, yeas 68 nays 24	Relating to the disposition of proceeds from tax lien foreclosures.
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 Governor: SIGNED 03/31 H Signed by Governor 03/30 04/04 Filed with Secretary Of State 04/03	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: CONF. COMM Senate: CONF. COMM 04/07 S Conference committee appointed Luick Myrdal Lemm 04/13 H Appoint Rep. Beltz to replace Rep. Christy on conference committee	Relating to authorized livestock farm corporation and authorized livestock farm limited liability company requirements, and 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, livestock 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 Governor: SIGNED 04/07 H Signed by Governor 04/06 04/13 Filed with Secretary Of State 04/10	Relating to the authority to deposit money into institution accounts at the Bank of North Dakota.
HB 1393	House: PASSED Senate: PASSED Governor: SIGNED 03/30 H Signed by Governor 03/29 04/04 Filed with Secretary Of State 03/30	Relating to grain and seed warehouses, grain buyers, insolvent grain warehousemen, uniform accounting for public elevators and warehouses, and credit-sale contracts indemnity from title 60; to amend and reenact subsection 4 of section 41-07-10 and section 51-23-04 of the North Dakota Century Code, relating to cross-references to repealed laws; to repeal chapters 60-02, 60-02.1, 60-04, 60-05, and 60-10 of the North Dakota Century Code, 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: CONF. COMM Senate: CONF. COMM 04/04 H Conference committee appointed Warrey Schauer Tveit 04/07 S Conference committee appointed Larsen Kessel Boehm	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: CONF. COMM Senate: CONF. COMM 04/11 H Conference committee appointed Koppelman J. Johnson Dakane 04/13 S Conference committee appointed Paulson Myrdal Larson	Relating to financial entities use of merchant codes to track firearm and ammunition-related purchases; to provide a penalty; to provide a continuing appropriation; and to provide for a legislative management study.

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 03/15 S Signed by Governor 03/14 03/24 Filed with Secretary Of State 03/15	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: CONF. COMM House: CONF. COMM 04/07 S Conference committee appointed Barta Larsen Klein 04/13 H Conference committee appointed Ostlie Warrey Wagner	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; 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: PASSED House: PASSED Governor: SIGNED 04/11 S Sent to Governor 04/13 S Signed by Governor 04/12	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: PASSED 04/12 S Signed by President 04/12 S Sent to Governor	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; and to provide an expiration date.
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: PASSED Governor: SIGNED 04/07 S Signed by Governor 04/06 04/13 Filed with Secretary Of State 04/10	Relating to the interstate insurance product regulation compact.
SB 2198	Senate: INTRODUCED House: PASSED 04/13 H Second reading, passed as amended, yeas 92 nays 0 04/13 S Returned to Senate (12)	Relating to state employee family medical leave.
SB 2206	Senate: PASSED House: INTRODUCED 04/13 H Rereferred to Industry, Business and Labor 04/17 H Committee Hearing - 10:00 AM	Relating to insurance cash value exemptions and homestead exemption.
SB 2210	Senate: PASSED House: PASSED Governor: SIGNED 03/30 S Signed by Governor 03/29 04/04 Filed with Secretary Of State 03/30	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: PASSED House: PASSED Governor: SIGNED 04/11 S Sent to Governor 04/13 S Signed by Governor 04/12	Relating to escrow accounts.
SB 2266	Senate: PASSED House: DEFEATED 04/05 H Reported back, do not pass, placed on calendar 9 5 0 04/06 H Second reading, failed to pass, yeas 39 nays 53	Relating to credit union membership.
SB 2296	Senate: PASSED House: DEFEATED	Relating to adjudicative proceeding procedures.

	03/23 H Amendment adopted, placed on calendar 03/24 H Second reading, failed to pass, yeas 35 nays 52	
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: INTRODUCED House: PASSED 04/12 H Emergency clause carried 04/13 S Returned to Senate (12)	Relating to the legacy and budget stabilization fund advisory board and legacy fund definitions; and to declare an emergency.
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 03/16 H Committee Hearing - 10:00 AM 04/13 H Reported back amended, do pass, amendment placed on calendar 12 1 0	Relating to the power of counties and municipalities to prohibit local development by a foreign adversary; to amend and reenact section 47-01-09 of the North Dakota Century Code, relating to the prohibition on ownership of real property by a foreign adversary; to provide a legislative management study; and to provide an expiration date.
SB 2392	Senate: PASSED House: PASSED 04/12 H Second reading, passed, yeas 82 nays 8 04/13 S Returned to Senate	Relating to the definition of deposit account.
HCR 3036	House: PASSED Senate: PASSED 04/11 S Signed by President 04/13 H Signed by Speaker	Relating to the adoption of a Central Bank Digital Currency in the United States.