



Legislative Update January 13, 2017

GENERAL

Well, it didn't take me long to miss something in my legislative updates. I failed to mention in last week's update that ICBND held its legislative reception on January 5 with nearly 400 people passing through the doors of the beautiful North Dakota Heritage Center. As we've done the past several sessions, ICBND co-sponsors this event with the ND Grocers Association and the ND Heritage Society and Foundation. We're the envy of many of our association counterparts as we have a standing reservation at the Heritage Center for the first week of each session. We had an excellent turnout of legislators, cabinet officials, and ICBND members, and we were especially pleased that Governor Burgum was able to join us for the evening!

Week two was not short on controversial subject bills. Some of those subjects are grittier than others, and some, quite frankly, are just darn entertaining. Who knew that two license plates or one could be so controversial? After much debate, HB 1084 was defeated by a vote of 34-57 on the House floor. Two license plates it is!

On the Senate side, a bill that would have changed dozens of references, such as "husband and wife", to gender-neutral terms failed by a vote of 15-31. The subject matter of other controversial bills introduced this week included constitutional carry gun rights, speed limit increases, minimum wage increases, daylight savings time, education savings, Sunday opening, a resolution to phase out the Office of the State Treasurer, implementation of the medical marijuana law, and porn vending. Hearings should be interesting.

Finances, of course, will be a prime topic of this session as well. Tax Commissioner Rauschenberger announced this week that we continue to see declines in taxable sales and purchases. Third quarter statewide figures released yesterday were at \$4.62 billion for the months of July, August, and September. This was a 19.9 percent decline from the same period in 2015 and marked the sixth consecutive quarter in which double-digit declines in total taxable sales and purchases were reported. Of the state's top 15 industry sectors, only construction saw an increase at 3.8 percent. The commissioner also warned that it's unlikely the drop has hit bottom. Third quarter numbers, by the way, are the figures to be used for the state's updated revenue forecast which will be done later this quarter.

Now, back to the business of independent community banking. Week two was somewhat slow relative to ICBND Priority Bills, but the hearing schedule will be much busier next week. In the following pages you will find ICBND's Priority Bill and Bill Status list. The "Priority" list naturally is the tracking list of issues that are most germane to community banking. We also monitor other bills in a more comprehensive list but I've not included those in this report in order to retain some sense of brevity.

BILL HEARINGS AND UPDATES FROM THIS WEEK

SB 2100 – This bill was introduced by Commissioner Entringer to add a "Virtual Currency" definition to the North Dakota Money Transmitter Act. The bill was heard in the Senate Industry, Business and Labor Committee late last week and the committee took no action at that time mostly because I think they were

justifiably confused by the whole concept of virtual currency. This week they amended the bill to a legislative management study regarding the feasibility and desirability of regulating virtual currency such as bitcoin. The amended bill passed the Senate 46-0.

SB 2130 – This bill was introduced by the Bank of North Dakota relative to defaulted student loan collection. The bill was heard in the Senate Education Committee on Wednesday. The somewhat complicated bill requests authority from the state to recover collection fees from defaulted borrowers much the same as BND has been able to collect historically under the federal guarantee program. Second, the bill asks that once loans are in default, that the process change from a judicial process to an administrative process. I testified in support of the bill relative to the interests of ICBND stating that it's important to our membership that BND remain financially strong and that they should have the tools necessary to protect their assets in order to continue to fund programs that are important to community banking. The committee did not act on the bill yet.

BILL HEARINGS NEXT WEEK

<u>Date and Time</u>	<u>Bill Number</u>	<u>Short Title</u>	<u>Committee</u>
01/16/2017 09:00	<u>HB 1164</u>	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date.	House Finance and Taxation
01/16/2017 09:00	<u>SB 2160</u>	Relating to the duties of a recorder and providing notice of foreclosure of tax liens; and to provide an effective date.	Senate Finance and Taxation
01/16/2017 09:30	<u>HB 1170</u>	Relating to criminal forfeitures; to amend and reenact subsection 4 of section 4-24-12, subsection 4 of section 5-01-16, sections 12.1-06.1-05 and 12.1-06.1-06, subsection 7 of section 12.1-23-16, subsection 4 of section 12.1-28-02, sections 19-03.1-36, 20.1-10-03, 20.1-10-04, and 20.1-10-07, subsection 1 of section 27-20-03, sections 29-27-02.1, 39-03-18, 39-08-01.3, 39-30-04, 40-11-13, 54-12-14, and 57-36-14, subsection 2 of section 57-36-33, section 62.1-01-02, and subsection 2 of section 62.1-05-01 of the North Dakota Century Code, relating to forfeiture remedies, forfeiture of property, forfeiture funds, and forfeiture procedures; and to repeal sections 19-03.1-36.1, 19-03.1-36.2, 19-03.1-36.3, 19-03.1-36.4, 19-03.1-36.5, 19-03.1-36.6, 19-03.1-36.7, and 28-01-20, and chapters 29-31.1 and 32-14 of the North Dakota Century Code, relating to forfeiture proceedings, forfeiture disposition, seizure and transfer of forfeitable property, and actions to recover forfeitures.	House Judiciary
01/16/2017 10:00	<u>HB 1223</u>	Relating to allowing employers to purchase private insurance or self-insurer for worker's compensation coverage.	House IBL
01/16/2017 11:00	<u>SB 2159</u>	Relating to management of a limited liability company.	Senate IBL
01/16/2017 02:00	<u>HB 1162</u>	Relating to competition between the government and private industry and to require a report to the legislative management.	House IBL
01/17/2017 09:00	<u>HB 1177</u>	Relating to the collection of property by affidavit and the effect of the affidavit.	House Judiciary
01/18/2017 10:25	<u>HB 1228</u>	Relating to actions to contest the validity of a trust, trust decanting, and directed trustees; to amend and reenact sections 47-02-27.4, 59-04.2-03, and 59-16-13 of the North Dakota Century Code, relating to exclusions from the rule against perpetuities and a trustee's duty to inform; to repeal sections 59-14-01, 59-14-04, and 59-16-08 of the North Dakota Century Code, relating to the capacity of a settlor of a revocable trust, actions contesting the validity of a trust, and powers to direct a trustee; and to provide for retroactive application.	House Judiciary

01/18/2017 10:30	<u>SB 2192</u>	Relating to the housing incentive fund tax credit; to amend and reenact sections 54-17-40 and 54-17-41 of the North Dakota Century Code, relating to the housing incentive fund and housing finance agency report; to provide a transfer; and to provide an appropriation.	Senate IBL
01/19/2017 08:30	<u>SB 2014</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide for transfers; and to provide a statement of legislative intent.	Senate Appropriations
01/19/2017 08:30	<u>SB 2074</u>	Relating to the infrastructure revolving loan fund, the housing incentive fund, the transfer of North Dakota mill and elevator profits to the general fund, and the coal development trust fund; to provide legislative intent; and to provide an exemption.	Senate Appropriations
01/19/2017 09:00	<u>SB 2167</u>	Relating to the adoption of central standard time; and to repeal section 40-01-20 of the North Dakota Century Code, relating to daylight saving time.	Senate Transportation
01/19/2017 01:30	<u>SB 2014</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide for transfers; and to provide a statement of legislative intent.	Senate Appropriations
01/19/2017 01:30	<u>SB 2074</u>	Relating to the infrastructure revolving loan fund, the housing incentive fund, the transfer of North Dakota mill and elevator profits to the general fund, and the coal development trust fund; to provide legislative intent; and to provide an exemption.	Senate Appropriations
01/20/2017 09:00	<u>HB 1126</u>	Relating to public warehouse and grain buyer licensing, conditions and attributes of licensure and accepting delivery of grain when a licensee is insolvent, the insolvency process, the credit-sale contract indemnity fund and the grain indemnity fund; to repeal sections 60-02-02, 60-02-25.1, 60-02-39, 60-02.1-02, 60-02.1-25, 60-04-03.2, and 60-10-03 of the North Dakota Century Code, relating to duties of the commission, receipt holders' lien, warehouse closure, grain of insolvent warehouseman as trust asset, and suspension of indemnity fund assessments; and to provide for a transfer.	House Agriculture

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 or contact the office at info@icbnd.com or 701.258.7121.

Sincerely,



Barry D. Haugen
barryh@icbnd.com
office: 701.258.7121
cell: 701.955.4308



ICBND PRIORITY LIST AND BILL STATUS

Bill	Title
<u>HB 1126</u>	Relating to public warehouse and grain buyer licensing, conditions and attributes of licensure and accepting delivery of grain when a licensee is insolvent, the insolvency process, the credit-sale contract indemnity fund and the grain indemnity fund; to repeal sections 60-02-02, 60-02-25.1, 60-02-39, 60-02.1-02, 60-02.1-25, 60-04-03.2, and 60-10-03 of the North Dakota Century Code, relating to duties of the commission, receiptholders' lien, warehouse closure, grain of insolvent warehouseman as trust asset, and suspension of indemnity fund assessments; and to provide for a transfer.
<u>HB 1162</u>	Relating to competition between the government and private industry and to require a report to the legislative management.
<u>HB 1164</u>	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date.
<u>HB 1169</u>	Relating to the possession of firearms and licensing of individuals to carry firearms; and to repeal sections 62.1-02-10 and 62.1-02-10.1 of the North Dakota Century Code, relating to the possession of firearms and licensing of individuals to carry firearms.
<u>HB 1170</u>	Relating to criminal forfeitures; to amend and reenact subsection 4 of section 4-24-12, subsection 4 of section 5-01-16, sections 12.1-06.1-05 and 12.1-06.1-06, subsection 7 of section 12.1-23-16, subsection 4 of section 12.1-28-02, sections 19-03.1-36, 20.1-10-03, 20.1-10-04, and 20.1-10-07, subsection 1 of section 27-20-03, sections 29-27-02.1, 39-03-18, 39-08-01.3, 39-30-04, 40-11-13, 54-12-14, and 57-36-14, subsection 2 of section 57-36-33, section 62.1-01-02, and subsection 2 of section 62.1-05-01 of the North Dakota Century Code, relating to forfeiture remedies, forfeiture of property, forfeiture funds, and forfeiture procedures; and to repeal sections 19-03.1-36.1, 19-03.1-36.2, 19-03.1-36.3, 19-03.1-36.4, 19-03.1-36.5, 19-03.1-36.6, 19-03.1-36.7, and 28-01-20, and chapters 29-31.1 and 32-14 of the North Dakota Century Code, relating to forfeiture proceedings, forfeiture disposition, seizure and transfer of forfeitable property, and actions to recover forfeitures.
<u>HB 1177</u>	Relating to the collection of property by affidavit and the effect of the affidavit.
<u>HB 1219</u>	Relating to the process for converting manufactured housing to real property.
<u>HB 1223</u>	Relating to allowing employers to purchase private insurance or self-insurer for worker's compensation coverage.
<u>HB 1228</u>	Relating to actions to contest the validity of a trust, trust decanting, and directed trustees; to amend and reenact sections 47-02-27.4, 59-04.2-03, and 59-16-13 of the North Dakota Century Code, relating to exclusions from the rule against perpetuities and a trustee's duty to inform; to repeal sections 59-14-01, 59-14-04, and 59-16-08 of the North Dakota Century Code, relating to the capacity of a settlor of a revocable trust, actions contesting the validity of a trust, and powers to direct a trustee; and to provide for retroactive application.
<u>HB 1263</u>	Relating to the state's minimum wage.
<u>HB 1297</u>	Relating to creation of the affordable housing revolving loan fund; to provide a continuing appropriation; and to provide for a transfer.
<u>SB 2008</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<u>SB 2014</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide for transfers; and to provide a statement of legislative intent.

<u>SB 2068</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<u>SB 2074</u>	Relating to the infrastructure revolving loan fund, the housing incentive fund, the transfer of North Dakota mill and elevator profits to the general fund, and the coal development trust fund; to provide legislative intent; and to provide an exemption.
<u>SB 2100</u>	Relating to definitions under the North Dakota money transmitter Act. AMENDED BILL PASSED THE SENATE 46-0.
<u>SB 2130</u>	Relating to defaulted student loan collection; to amend and reenact sections 15-62.1-04, 15-62.1-06, 15-62.1-07, and 15-62.1-10 of the North Dakota Century Code, relating to defaulted student loan collection; and to provide for a retroactive application.
<u>SB 2159</u>	Relating to management of a limited liability company.
<u>SB 2160</u>	Relating to the duties of a recorder and providing notice of foreclosure of tax liens; and to provide an effective date.
<u>SB 2167</u>	Relating to the adoption of central standard time; and to repeal section 40-01-20 of the North Dakota Century Code, relating to daylight saving time.
<u>SB 2192</u>	Relating to the housing incentive fund tax credit; to amend and reenact sections 54-17-40 and 54-17-41 of the North Dakota Century Code, relating to the housing incentive fund and housing finance agency report; to provide a transfer; and to provide an appropriation.