



Legislative Update January 6, 2017

GENERAL

The 65th General Assembly of the North Dakota Legislature convened Tuesday, January 3 with Governor Doug Burgum's first State of the State address. In his speech, the Governor characterized the state's revenue challenge as an opportunity to reinvent state government and embrace technology to hold down costs and build a workforce and economy for the 21st century.

Not surprising, Governor Burgum's address was short on details. He did however lay the framework for his priorities including rightsizing government, rethinking education and addiction treatment, improving tribal relations, property tax reform, and more efficient utilization of infrastructure which he refers to as his Main Street Initiative.

While the governor called for a zero-based budgeting process starting with the next full budget cycle, he's currently finalizing his budget proposals for the upcoming biennium and will be introducing them later this month via amendments. Going forward, the governor has implored cabinet members and legislators to spend less time defending the institutional aspect of government and more time reinventing government.

In an effort to dig right in to committee work and save legislative days, the legislature did not gavel in on Wednesday or Thursday. Instead, committee work largely focused on Appropriations hearings and revenue forecasting. It became abundantly clear that Republican leadership strives to avoid the allotment process or a special session this next biennium via a conservative revenue forecast. Both Appropriations committees passed a revenue forecast Thursday afternoon that is much less optimistic than that put forward by the former governor last month.

The committee-approved forecast projects about \$170 million less in general fund revenues, \$146 million of which is in the form of reduced sales and use taxes. The legislative general fund forecast also does not yet include transfers from the Bank of North Dakota (BND) or transfers in excess of the \$300 million statutory maximum from oil and gas production taxes. The former governor's general fund revenue forecast included \$200 million in transfers from BND over the next biennium along with an incremental \$700 million (\$1 billion total) from oil and gas production taxes. The legislature also trimmed the former governor's realized oil price forecast by \$3 to \$5 per barrel, but left production as previously assumed.

Obviously, the revenue challenges will result in additional pressure to reduce agency budgets, tax incentives, and program funding. That's the punchline for this session. Our bill tracking list is not very extensive yet, but that will change as bill introduction heats up over the next couple weeks.

BILL HEARINGS THIS WEEK

HB 1048 – This bill seeks to eliminate the certified nonprofit development corporation investment tax credit. The bill passed unanimously out of committee and passed 90-0 on the House floor Friday afternoon.

SB 2008 and SB 2068 – These represent the legislative budget bill and former governor’s budget bill, respectively, for the Department of Financial Institutions. Both were heard in Senate Appropriations Thursday afternoon with no action yet taken. There is about \$260,000 difference in the two bills with the former governor’s budget bill (2068) representing the higher amount.

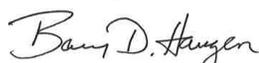
BILL HEARINGS NEXT WEEK

01/09/2017 08:30 AM	<u>HB</u> <u>1005</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer.	House App	Medora
01/09/2017 09:00 AM	<u>HB</u> <u>1045</u>	Relating to the angel fund investment tax credit and the seed capital investment tax credit; and to provide an effective date.	House F&T	Fort Totten
01/09/2017 10:30 AM	<u>SB</u> <u>2140</u>	Relating to limitations on insurance rebates.	Senate IBL	Roosevelt Park
01/10/2017 08:00 AM	<u>HB</u> <u>1112</u>	Relating to licensing and insurance producers; and to declare an emergency.	House IBL	Peace Garden
01/10/2017 08:00 AM	<u>HB</u> <u>1100</u>	Relating to confidentiality for risk-based capital reports.	House IBL	Peace Garden
01/10/2017 08:30 AM	<u>SB</u> <u>2078</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; and to declare an emergency.	Senate App	Harvest
01/10/2017 08:30 AM	<u>SB</u> <u>2018</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; and to provide for a transfer.	Senate App	Harvest
01/10/2017 09:00 AM	<u>SB</u> <u>2103</u>	Relating to fees chargeable by the insurance commissioner.	Senate IBL	Roosevelt Park
01/10/2017 10:00 AM	<u>SB</u> <u>2105</u>	Relating to exemption of insurance producer records.	Senate IBL	Roosevelt Park
01/11/2017 08:00 AM	<u>HB</u> <u>1147</u>	Relating to authority of county mutual insurance companies.	House IBL	Peace Garden
01/11/2017 09:30 AM	<u>SB</u> <u>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.	Senate Education	Sheyenne River

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,



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INDEPENDENT COMMUNITY BANKS
of NORTH DAKOTA

BILL TRACKING LIST

Bill	Title
<u>HB 1005</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer.
<u>HB 1045</u>	Relating to the angel fund investment tax credit and the seed capital investment tax credit; and to provide an effective date.
<u>HB 1048</u>	Relating to the certified nonprofit development corporation investment tax credit; to repeal section 57-38-01.17 of the North Dakota Century Code, relating to the certified nonprofit development corporation investment tax credit; and to provide an effective date.
<u>HB 1088</u>	Relating to data breach response and remediation costs.
<u>HB 1100</u>	Relating to confidentiality for risk-based capital reports.
<u>HB 1112</u>	Relating to licensing and insurance producers; and to declare an emergency.
<u>HB 1124</u>	Relating to a public warehouse or grain buyer licensee insolvency.
<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 1147</u>	Relating to authority of county mutual insurance companies.
<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 2018</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; and to provide for a transfer.
<u>SB 2026</u>	Relating to revisions of agriculture laws regarding the agriculture commissioner, the northern crops institute, eggs, miscellaneous agriculture laws, the state fair association, county extension agents, the county fair association, agricultural experiment stations, and the agricultural products utilization commission; to amend and reenact subsection 2 of section 57-15-06.7 of the North Dakota Century Code, relating to counties levying taxes to fund extension agents; to authorize the legislative council to make certain statutory redesignations; to repeal chapters 4-01, 4-02, 4-02.1, 4-05.1, 4-08, 4-11.1, 4-13.2, 4-14, 4-14.1, 4-14.2, 4-19, 4-21.1, 4-21.2, 4-22, 4-23, 4-24, 4-30, 4-32, 4-33, 4-35, 4-35.1, 4-35.2, 4-36, 4-37, 4-40, 4-41, 4-43, and 19-07 of the North Dakota Century Code, relating to the agriculture commissioner, agricultural fair associations, the state fair association, agricultural experiment stations, county agents, potato production contracts, the poultry division, unfair discrimination in the purchase of farm products, the agriculturally derived fuel tax fund, the northern crops institute, forestry and tree distribution, nurseries and nursery stock, the trees for North Dakota program, soil conservation districts, agricultural conservation and adjustment, miscellaneous agriculture laws, dairy products regulations, the interstate pest control compact, plant pests, the pesticide act, chemigation regulation, pesticide and pesticide container disposal, the agricultural development act, agriculture in the classroom, crop

	production products, industrial hemp, meatpacking plant assistance, and eggs; to provide a penalty; and to provide an effective date.
<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 2078</u>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; and to declare an emergency.
<u>SB 2100</u>	Relating to definitions under the North Dakota money transmitter Act.
<u>SB 2103</u>	Relating to fees chargeable by the insurance commissioner.
<u>SB 2105</u>	Relating to exemption of insurance producer records.
<u>SB 2124</u>	Relating to the achieving a better life experience plan.
<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 2140</u>	Relating to limitations on insurance rebates.