



## Legislative Update February 10, 2017

### GENERAL

It was a relatively slow week for banking issues at the North Dakota Capitol, but there was certainly no shortage of interesting issues. Five bills that were spurred by the recent pipeline protests were heard on the House floor Monday with all but one of those measures passing. As approved by the House, it would prohibit the wearing of masks, hoods and face coverings during the commission of a criminal offense. The other related measures increased penalties for rioting, trespassing, and causing damage to personal property. Legislators opposing the bills felt they were knee-jerk reactions to a single event, while compelling arguments in favor of the bills said they provide additional protection for innocent citizens adversely affected by bad actors.

For those of you who dislike the disruption of time changes, this was not your week. SB 2167 sought to do away with daylight savings time as well as make the entire state subject to Central Time. It was defeated in the Senate Tuesday by a vote of 11-33. I'm quite certain we will see another version of this in 2019.

SB 2344 was the main event Wednesday with the Senate Human Services Committee convening to a packed house in the Capitol's largest hearing room. The 81 page bill, which is sponsored by majority and minority leadership from both chambers, seeks changes to the Compassionate Care Act law (aka medical marijuana) that was passed resoundingly via initiated measure. Legislative leadership said the amendments are necessary to provide adequate regulations for a drug that remains illegal under federal law. The amendments also limit the form to liquids and pills, allow four manufacturing centers and eight dispensaries each of which would require certification fees up to \$100,000, as well as further limiting purchase quantities. Opponents, of course, argue that the people have spoken and while the original measure may not be perfect, it did not need an overhaul. Because this bill is an amendment to an initiated measure, it requires a two-thirds majority in both chambers for passage.

Inevitably, the issue of banking marijuana related businesses will arise in North Dakota as it has in other states. With a new US Attorney General sworn in yesterday morning, I'm not sure I'd rely on past "turn the other cheek" guidance. Marijuana is still an illegal controlled substance and banking it is still technically laundering. I'm not sure there's enough fee income to overcome those obstacles.

### BILL UPDATES FROM THIS WEEK

**HB 1263** – sought to increase the minimum wage to \$9.25 from \$7.25, but was defeated on the House floor Monday by a vote of 13-77 largely along party lines.

**HB 1327** – sought to allow "do-it-yourself" homeowners to circumvent inspection requirements. ICBND testified in opposition to this bill last week along with many others. The bill was killed on the House floor this afternoon by a vote of 24-66.

**HB 1352** – is the towing bill that ICBND testified against late last week. It was clear during the hearing that the committee members are sympathetic to towing/storage companies that have issues with

abandoned vehicles piling up in storage yards, including pipeline protestor vehicles. Interested parties have been working on amendments that would address appropriate notification standards to lienholders and prescribe maximum daily storage fees. While not perfect, these amendments should at least mitigate our more significant concerns.

**HB 1382** – originally introduced by Representative Rick Becker sought to establish an education savings account program through the state treasurer’s office. The bill experienced significant resistance and was amended to provide for a legislative management study of the feasibility and desirability of developing a school choice program. The amended bill received a 9-3 “do pass” recommendation out of the House Education Committee.

**SB 2266** – was amended to an interim study of possibly merging the state securities agency and the department of financial institutions. The amended bill passed 43-2 on the Senate floor.

**SB 2276** – was not on our tracking list as it was a benign bill relating to judgments imposing fines or assessing costs. Last minute amendments were made that would prohibit entities from pledging, as collateral, those funds which were donated for a special purpose. The problem exists with how a lender would know if collateral was donated for a special purpose. The amendments apparently emanate from some of the issues with the DSU Foundation. While the bill snuck through the Senate 45-0, ICBND and other financial trade associations will likely be opposing in the House.

**SB 2340** – was the ND Land Title Association’s bill to implement a \$55 flat fee for residential mortgages stamped as such. Due to a lack of consensus, ICBND was neutral on this bill. Since its hearing last Friday, amended language has been discussed by folks from the land title, county recorders and oil groups. While amendments have not yet been drafted, I’ve been told they will seek a flat rate of \$15 for documents from 1-4 pages and \$60 for documents that are between 5 and 25 pages. Other amendments are being considered that more directly affect oil industry filings.

**BILL HEARINGS NEXT WEEK**

02/13/2017 09:00	<u>SB 2234</u>	Relating to the establishment of an essential service worker home ownership incentive program and essential service worker home ownership incentive fund; to amend and reenact subsection 3 of section 54-17-40 of the North Dakota Century Code, relating to the housing incentive fund; to provide an appropriation and transfer; and to provide a continuing appropriation.	Senate Approps
02/14/2017 09:00	<u>SB 2100</u>	Relating to definitions under the North Dakota money transmitter Act.	House IBL

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](http://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](mailto:info@icbnd.com) or 701.258.7121.

Sincerely,



Barry D. Haugen  
[barryh@icbnd.com](mailto:barryh@icbnd.com)  
 office: 701.258.7121  
 cell: 701.955.4308



## ICBND PRIORITY LIST AND BILL STATUS DETAIL

Bill	Status	Title
HB 1126	House: INTRODUCED 02/08 H Amendment adopted 02/08 H Rereferred to Appropriations	Relating to public warehouse and grain buyer licensing and insolvencies of public warehouses and grain buyers; and to repeal sections 60-02-39 and 60-02.1-25, of the North Dakota Century Code, relating to warehouse closures.
HB 1162	<b>House: PASSED</b> 01/27 H Amendment adopted, placed on calendar 01/31 H Second reading, passed, yeas 83 nays 8	Relating to competition between the government and private industry and to require a report to the legislative management.
HB 1164	<b>House: DEFEATED</b> 01/16 H Reported back, do not pass, placed on calendar 11 2 1 01/19 H Second reading, failed to pass, yeas 14 nays 76	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date.
HB 1169	House: INTRODUCED 01/06 H Introduced, first reading, referred Energy and Natural Resources Committee 01/26 H Committee Hearing - 09:00 AM	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.
HB 1177	<b>House: DEFEATED</b> 01/19 H Amendment adopted, placed on calendar 01/23 H Second reading, failed to pass, yeas 9 nays 81	Relating to the collection of property by affidavit and the effect of the affidavit.
HB 1219	House: INTRODUCED 02/06 H Reported back amended, do pass, amendment placed on calendar 11 0 3 02/07 H Amendment adopted, placed on calendar	Relating to the process for converting manufactured housing to real property.
HB 1223	<b>House: DEFEATED</b> 01/27 H Amendment adopted, placed on calendar 01/31 H Second reading, failed to pass, yeas 19 nays 72	Relating to allowing employers to purchase private insurance for worker's compensation coverage.
HB 1228	House: INTRODUCED 01/18 H Committee Hearing - 10:25 AM 01/23 H Committee Hearing - 09:00 AM	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.

HB 1263	<b>House: DEFEATED</b> 01/31 H Reported back, do not pass, placed on calendar 12 2 0 02/06 H Second reading, failed to pass, yeas 13 nays 77	Relating to the state's minimum wage.
HB 1297	<b>House: WITHDRAWN</b> 01/20 H Request return from committee 01/20 H Withdrawn from further consideration	Relating to creation of the affordable housing revolving loan fund; to provide a continuing appropriation; and to provide for a transfer.
HB 1303	<b>House: PASSED</b> Senate: INTRODUCED 02/01 S Received from House 02/02 S Introduced, first reading, (emergency), referred Government and Veterans Affairs Committee	A BILL for an Act to prohibit state agencies from filling vacant employee positions; to provide for a report; and to declare an emergency.
HB 1327	<b>House: FAILED</b> 02/02 H Committee Hearing - 08:00 AM 02/03 H Reported back, do not pass, placed on calendar 13 1 0, failed to pass, yeas 24 nays 66	Relating to exceptions from inspections for home repairs performed by a homeowner.
HB 1352	House: INTRODUCED 01/16 H Introduced, first reading, referred Transportation Committee 02/02 H Committee Hearing - 02:30 PM	Relating to custody and disposition of abandoned motor vehicles.
HB 1382	House: INTRODUCED 02/07 H Reported back amended, do pass, amendment placed on calendar 9 3 2 02/08 H Amendment adopted, placed on calendar	Relating to the establishment of an education savings account program.
SB 2008	Senate: INTRODUCED 01/03 S Introduced, first reading, referred Appropriations Committee 01/05 S Committee Hearing - 03:00 PM	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
SB 2014	Senate: INTRODUCED 01/19 S Committee Hearing - 08:30 AM 01/19 S Committee Hearing - 01:30 PM	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.
SB 2068	<b>Senate: DEFEATED</b> 01/26 S Reported back, do not pass, placed on consent calendar 14 0 0 01/27 S Second reading, failed to pass, yeas 0 nays 45	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
SB 2074	<b>Senate: DEFEATED</b> 01/26 S Reported back, do not pass, placed on consent calendar 14 0 0 01/27 S Second reading, failed to pass, yeas 0 nays 45	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.
SB 2100	<b>Senate: PASSED</b> House: INTRODUCED 02/09 H Introduced, first reading, referred Industry, Business and Labor Committee 02/14 H Committee Hearing - 09:00 AM	Relating to definitions under the North Dakota money transmitter Act.
SB 2130	<b>Senate: DEFEATED</b> 01/27 S Amendment adopted, placed on calendar	Relating to defaulted student loan collection; to amend and reenact sections 15-62.1-04, 15-62.1-

	01/30 S Second reading, failed to pass, yeas 8 nays 37	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.
SB 2159	<b>Senate: PASSED</b> 01/18 S Amendment adopted, placed on calendar 01/18 S Second reading, passed, yeas 45 nays 0	Relating to management of a limited liability company; and to provide for retroactive application.
SB 2160	<b>Senate: PASSED</b> 01/27 S Amendment adopted, placed on calendar 01/30 S Second reading, passed, yeas 45 nays 0	Relating to the duties of a recorder and providing notice of foreclosure of tax liens; and to provide an effective date.
SB 2167	<b>Senate: DEFEATED</b> 02/03 S Reported back, do not pass, placed on calendar 6 0 0 02/07 S Second reading, failed to pass, yeas 11 nays 33	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.
SB 2192	Senate: INTRODUCED 01/19 S Rereferred to Appropriations 01/27 S Committee Hearing - 08:30 AM	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.
SB 2212	<b>Senate: PASSED</b> 01/31 S Amendment adopted, placed on calendar 02/01 S Second reading, passed, yeas 46 nays 0	Relating to residency requirements of bank directors.
SB 2234	Senate: INTRODUCED 02/03 S Rereferred to Appropriations 02/13 S Committee Hearing - 09:00 AM	Relating to the establishment of an essential service worker home ownership incentive program and essential service worker home ownership incentive fund; to amend and reenact subsection 3 of section 54-17-40 of the North Dakota Century Code, relating to the housing incentive fund; to provide an appropriation and transfer; and to provide a continuing appropriation.
SB 2260	<b>Senate: DEFEATED</b> 01/25 S Reported back, do not pass, placed on calendar 6 0 1 01/26 S Second reading, failed to pass, yeas 0 nays 46	Relating to exemptions from money broker regulation.
SB 2266	<b>Senate: PASSED</b> 02/03 S Amendment adopted, placed on calendar 02/03 S Second reading, passed, yeas 43 nays 2	Relating to the insurance commissioner taking over the duties of the department of securities and the securities commissioner; to provide for correction of statutory references; and to provide appropriation transfers.
SB 2276	<b>Senate: PASSED</b> 02/02 S Amendment adopted, placed on calendar 02/03 S Second reading, passed, yeas 45 nays 0	Relating to the prohibition of the diversion of restricted assets, the priority of those assets in a dissolution, and judgments imposing fines or assessing costs.
SB 2296	<b>Senate: PASSED</b> 02/02 S Reported back, do pass, place on calendar 6 0 0 02/03 S Second reading, passed, yeas 45 nays 0	Relating to pledge of security in place of depository bond; and to repeal section 21-04-11 of the North Dakota Century Code, relating to records of securities.
SB 2305	<b>Senate: DEFEATED</b> 02/06 S Reported back, do not pass, placed on	Relating to a corporate income tax credit for reimbursement of employee child care expenditures;

	calendar 5 1 0 02/07 S Second reading, failed to pass, yeas 12 nays 32	and to provide an effective date.
SB 2317	Senate: INTRODUCED 01/23 S Introduced, first reading, referred Industry, Business and Labor Committee 02/07 S Committee Hearing - 09:00 AM	Relating to insurance producer charges for fees for services.
SB 2335	<b>Senate: PASSED</b> 02/01 S Amendment adopted, placed on calendar 02/02 S Second reading, passed, yeas 46 nays 0	Relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.
SB 2340	Senate: INTRODUCED 01/23 S Introduced, first reading, referred Political Subdivisions Committee 02/03 S Committee Hearing - 10:00 AM	Relating to fees charged by a county recorder for filing mortgage disclosures.
SB 2344	Senate: INTRODUCED 01/27 S Introduced, first reading, (emergency), referred Human Services Committee 02/08 S Committee Hearing - 09:45 AM	Relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to amend and reenact sections 19-24-01, 19-24-02, 19-24-03, 19-24-04, 19-24-05, 19-24-06, 19-24-07, 19-24-08, 19-24-09, 19-24-10, 19-24-11, 19-24-12, and 19-24-13 of the North Dakota Century Code, relating to implementation of the North Dakota Compassionate Care Act to authorize medical marijuana; to provide a report to the legislative management; to provide a penalty; to provide a continuing appropriation; and to declare an emergency.
HCR 3009	House: INTRODUCED 01/27 H Committee Hearing - 09:45 AM 01/27 H Reported back, do pass, placed on consent calendar 13 0 1	A concurrent resolution urging Congress to amend the 2014 farm bill to allow counties to use raw yield data from insurance companies to supplement the national agriculture statistics survey to calculate payments under the Agriculture Risk Coverage program when an insufficient number of surveys are returned to accurately calculate payments.