



Legislative Update March 17, 2017

SECTION 1: GENERAL

The legislative update will be a bit truncated this week as I've been away from the Capitol at the ICBA National Convention since Monday. Additionally, it was a relatively light week for community banking related hearings (see section 2 below – SB 2276 and SB 2340) and Jack McDonald had those well in hand.

The week was not without some fireworks however given the interesting and entertaining aspects of casinos, guns, Sunday Closing and budget machinations. Speaking of gambling, legislative leadership clings to a self-imposed 70 day deadline meaning they would wrap up before Easter. I will take the "over" in case anyone cares to place a friendly wager. I hope I'm wrong!

Judiciary committees in both chambers had a full hearing docket this week. On the House side, Concurrent Resolution 3033, also known as the casino bill, was introduced by House Majority Leader Al Carlson and was heard Monday for nearly two hours. As expected, significant opposition testimony was provided by charitable gaming and tribal officials. The Senate Judiciary Committee held a marathon Tuesday with hearings on seven pro-gun bills starting with the "constitutional carry" bill bright and early Tuesday morning. No further action was taken this week by the respective committees.

North Dakota's Sunday Closing law was again a headlining act at the Capitol Tuesday as the Senate took up the bill that would have allowed retailers to open on Sunday Mornings. And, as in the House, it was the subject of great debate. We all know the arguments on both sides of this issue. If you recall, the repeal, which was introduced by Representative Pamela Anderson, was originally voted down in the House earlier this session before being brought back the next day for reconsideration and passage by one vote. The bill under consideration by the Senate left in place current law that prevented a retailer from being required to open. Naturally, a close vote was expected and ultimately the bill failed 22-25. The long and winding road for this measure may have ended as it did not come up for reconsideration Wednesday. We will see it again in two years or possibly before if the issue becomes an initiated measure.

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

SB 2212 – relates to residency requirements for North Dakota state chartered banks. As amended in the House IBL Committee, the measure states that at least two-thirds of a bank's directors must be citizens of the United States as opposed to current statute stating that two-thirds must be residents of North Dakota. SB 2212 hit the House floor Tuesday and was approved 89-3 and returned to the Senate for concurrence.

SB 2266 – was not originally of interest to us as it related to the insurance commissioner taking over the duties of the department of securities, but via a "hoghouse" amendment was turned into an interim study of possibly merging the state securities agency and the Department of Financial Institutions and got through the Senate by a vote of 43-2. After a significant debate in Committee, the bill received a 9-4 "do not pass" recommendation from the House IBL Committee and was narrowly defeated on the House floor Wednesday by a vote of 43-48.

SB 2276 – relates to prohibitions on nonprofit corporations pledging restricted assets as collateral. As originally drafted, we had some concerns about how a lender would know if collateral that a nonprofit wanted to pledge was donated for a particular purpose. The bill was heard in the House Judiciary Committee Wednesday and an amendment was offered that requires donated assets be designated as temporarily or permanently restricted in accordance with FASB codification and be disclosed on the nonprofit corporation’s financial statements. The amendment further states that a nonprofit may pledge, grant a security interest in, or borrow from assets initially designated as temporarily restricted only for such purposes that are in accordance with the donor’s restrictions. A wholesale prohibition would exist on permanently restricted assets. The Committee did not take action on the bill yet.

SB 2340 – is the North Dakota Land Title Association’s bill to implement flat fees for certain document filings with the county recorders. The bill was amended and approved in the Senate and was the subject of much debate in the House Political Subdivisions Committee yesterday and today. As further amended in committee, the bill now prescribes a \$15 flat fee for all documents that are one to four pages in length and \$60 for all documents that range in length from five pages to twenty-five pages.

HB 1219 – is a good piece of legislation easing the process of converting manufactured housing to real property by eliminating the need to transfer the certificate of origin or certificate of title once the process of affixing manufactured housing to real property is consummated. Ultimately, this will help alleviate secondary market financing issues for these types of properties. ICBND, the other financial institution trade associations, the ND Land Title Association, and the ND Realtors Association all testified in strong support of the bill which received unanimous passage on the Senate floor Monday.

HB 1352 – related to the custody and disposition of abandoned motor vehicles. ICBND testified in opposition to this bill, but as previously reported, the bill has been satisfactorily amended. The measure breezed through committee last week and passed the Senate 47-0 Tuesday afternoon. Next time I need testimony that seems to inexplicably mesmerize legislators, I’m going to engage George from Ace Towing!

SECTION 3: BILL HEARINGS NEXT WEEK

<u>Date and Time</u>	<u>Bill Number</u>	<u>Short Title</u>	<u>Committee</u>
03/20/2017 10:30	<u>SB 2335</u>	Relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.	House Judiciary

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,



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



ICBND PRIORITY LIST AND BILL STATUS DETAIL

Bill	Status	Title
HB 1126	House: PASSED Senate: INTRODUCED 02/22 S Introduced, first reading, referred Agriculture Committee 03/16 S Committee Hearing - 09:00 AM	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	House: PASSED Senate: DEFEATED 03/15 S Reported back, do not pass, placed on calendar 6 1 0 03/16 S Second reading, failed to pass, yeas 5 nays 41	Relating to competition between the government and private industry and to require a report to the legislative management.
HB 1164	House: DEFEATED 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: PASSED Senate: INTRODUCED 02/22 S Introduced, first reading, referred Judiciary Committee 03/14 S Committee Hearing - 08:30 AM	Relating to carrying a handgun; to amend and reenact sections 62.1-04-02 and 62.1-04-04 of the North Dakota Century Code, relating to carrying concealed firearms or dangerous weapons; and to provide a penalty.
HB 1177	House: DEFEATED 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 1182	House: PASSED Senate: INTRODUCED 02/20 S Introduced, first reading, referred Finance and Taxation Committee 03/01 S Committee Hearing - 02:00 PM	Relating to renaissance zone tax credits and exemptions; to repeal sections 40-63-06 and 40-63-07 of the North Dakota Century Code, relating to renaissance zone income tax credits; and to provide an effective date.
HB 1219	House: PASSED Senate: PASSED 03/15 S Signed by President 03/15 H Signed by Speaker	Relating to the process for converting manufactured housing to real property.
HB 1223	House: DEFEATED 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: PASSED Senate: PASSED	Relating to actions to contest the validity of a trust, trust decanting, and directed trustees; to amend

	03/14 S Signed by President 03/15 H Signed by Speaker	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	House: DEFEATED 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	House: WITHDRAWN 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	House: PASSED Senate: INTRODUCED 02/02 S Introduced, first reading, (emergency), referred Government and Veterans Affairs Committee 03/17 S Committee Hearing - 09:30 AM	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	House: DEFEATED 02/03 H Reported back, do not pass, placed on calendar 13 1 0 02/10 H Second reading, failed to pass, yeas 24 nays 66	Relating to exceptions from inspections for home repairs performed by a homeowner.
HB 1352	House: INTRODUCED Senate: PASSED 03/14 S Emergency clause carried 03/15 H Returned to House (12)	Relating to custody and disposition of abandoned motor vehicles; and to declare an emergency.
HB 1382	House: PASSED Senate: DEFEATED 03/09 S Reported back, do not pass, placed on calendar 6 0 0 03/10 S Second reading, failed to pass, yeas 14 nays 32	Relating to the establishment of an education savings account program.
HB 1425	House: PASSED Senate: INTRODUCED 02/22 S Introduced, first reading, referred Judiciary Committee 03/22 S Committee Hearing - 10:00 AM	A BILL for an Act to protect the rights and privileges granted under the United States Constitution.
SB 2008	Senate: PASSED House: INTRODUCED 03/02 H Committee Hearing - 08:30 AM 03/15 H Committee Hearing - 10:30 AM	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
SB 2014	Senate: PASSED House: INTRODUCED 03/09 H Committee Hearing - 03:15 PM 03/15 H Committee Hearing - 08:30 AM	Relating to the essential service worker home ownership program, housing incentive fund tax credits, and essential service worker home ownership fund tax credits; to amend and reenact sections 15-62.1-07, 28-25-11, 54-17-40, and 57-

		62-02 of the North Dakota Century Code, relating to loan guarantee fees, suspension of occupational or professional licenses, the housing incentive fund, and coal development trust fund allocations; to repeal section 54-17-41 of the North Dakota Century Code, relating to housing incentive fund reports; to provide statements of legislative intent; to provide exemptions; to provide an effective date; and to provide an expiration date.
SB 2068	Senate: DEFEATED 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	Senate: DEFEATED 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	Senate: PASSED House: DEFEATED 02/23 H Reported back, do not pass, placed on calendar 14 0 0 03/01 H Second reading, failed to pass, yeas 4 nays 84	Relating to definitions under the North Dakota money transmitter Act.
SB 2130	Senate: DEFEATED 01/27 S Amendment adopted, placed on calendar 01/30 S Second reading, failed to pass, yeas 8 nays 37	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.
SB 2159	Senate: PASSED House: PASSED 03/13 S Signed by President 03/14 S Sent to Governor	Relating to management of a limited liability company; and to provide for retroactive application.
SB 2160	Senate: PASSED House: PASSED Governor: SIGNED 03/14 S Signed by Governor 03/13 03/16 Filed with Secretary Of State 03/13	Relating to the duties of a recorder and providing notice of foreclosure of tax liens; and to provide an effective date.
SB 2167	Senate: DEFEATED 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: DEFEATED 02/16 S Reported back, do not pass, placed on calendar 14 0 0 02/17 S Second reading, failed to pass, yeas 0 nays 45	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	Senate: INTRODUCED House: PASSED 03/14 H Second reading, passed as amended, yeas 89 nays 3 03/15 S Returned to Senate (12)	Relating to residency requirements of bank directors.
SB 2234	Senate: DEFEATED 02/16 S Reported back, do not pass, placed on calendar 14 0 0 02/17 S Second reading, failed to pass, yeas 0 nays 45	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	Senate: DEFEATED 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	Senate: PASSED House: DEFEATED 03/13 H Amendment adopted, placed on calendar 03/15 H Second reading, failed to pass, yeas 43 nays 48	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	Senate: PASSED House: INTRODUCED 02/20 H Introduced, first reading, referred Judiciary Committee 03/15 H Committee Hearing - 10:00 AM	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	Senate: PASSED House: INTRODUCED 02/22 H Introduced, first reading, referred Political Subdivisions Committee 03/16 H Committee Hearing - 09:30 AM	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 2301	Senate: PASSED House: INTRODUCED 02/22 H Introduced, first reading, referred Industry, Business and Labor Committee 03/20 H Committee Hearing - 08:30 AM	Relating to specialty pharmacy services; to provide a penalty; and to provide for application.
SB 2305	Senate: DEFEATED 02/06 S Reported back, do not pass, placed on calendar 5 1 0 02/07 S Second reading, failed to pass, yeas 12 nays 32	Relating to a corporate income tax credit for reimbursement of employee child care expenditures; and to provide an effective date.
SB 2317	Senate: DEFEATED 02/15 S Reported back, do not pass, placed on calendar 4 3 0 02/17 S Second reading, failed to pass, yeas 13 nays 32	Relating to insurance producer charges for fees for services.
SB 2335	Senate: PASSED House: INTRODUCED 02/20 H Introduced, first reading, referred	Relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.

	Judiciary Committee 03/20 H Committee Hearing - 10:30 AM	
SB 2340	Senate: PASSED House: INTRODUCED 02/22 H Introduced, first reading, referred Political Subdivisions Committee 03/16 H Committee Hearing - 10:00 AM	Relating to fees charged by a county recorder for filing mortgage disclosures.
SB 2344	Senate: PASSED House: INTRODUCED 03/01 H Introduced, first reading, (emergency), referred Human Services Committee 03/21 H Committee Hearing - 09:30 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: PASSED Senate: INTRODUCED 02/20 S Introduced, first reading, referred Agriculture Committee 03/17 S Committee Hearing - 09:00 AM	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.