



Legislative Update March 3, 2017

GENERAL

Where the heck did that come from? While many in the Capitol were still waking up from a crossover siesta Wednesday, North Dakota House Majority Leader Al Carlson proposed a constitutional amendment to allow up to six state-owned casinos if voters so approved. The proposal would forbid state-owned casinos from being within 20 miles of a Native American reservation or within five miles of a city with more than 5,000 people. Since bill introduction deadlines have passed, the measure must gain approval from the Delayed Bills Committee prior to any hearings being scheduled. If ultimately endorsed by the legislature, voters could decide the issue in the June 2018 primary. As one might expect, controversy is swirling!

Another bill of interest that was heard before the House Energy and Natural Resources Committee this morning seeks to divide the North Dakota Department of Health into two cabinet level agencies. What seems to be an aberration in an otherwise “cut and consolidate” legislative tone, SB 2327 would take all the responsibilities involving environmental quality and remove them from the Department of Health. As proposed, the newly formed agency would be named the Department of Environmental Quality. The 153 page bill passed the Senate 27-17 before crossover.

A full slate of policy-related bills is scheduled for hearings next week including a number of ICBND-tracked measures (see page 2). Legislative leadership is purposely working to get through committee as many of these bills as possible prior to the updated revenue forecast that will be delivered on Thursday.

BILL UPDATES FROM THIS WEEK FROM ICBND “PRIORITY” TRACKING LIST:

HB 1182 – seeks to eliminate the income tax credits associated with Renaissance Zone properties. As amended, the bill would leave the property tax exemptions in place but would eliminate the income tax credits for any properties that come under the program after year end 2017. ICBND had not been tracking this bill, but has since been prompted to do so based on communications with a couple member bankers. I was somewhat surprised to learn that there are 59 communities that are considered Renaissance Zone cities in North Dakota. The amended bill was heard in the Senate Finance and Taxation Committee on Wednesday, but no action was taken. Earlier in the session, the bill narrowly passed in the House by a vote of 48-41. While it’s uncertain exactly where this lands in the Senate, we know that the governor’s office opposes the bill especially given Governor Burgum’s Main Street initiative. Whether executive veto privilege plays into this or not remains to be seen.

SB 2008 – is the Department of Financial Institutions budget bill and was heard in House Appropriations-Government Operations Division Thursday morning. This again was an introductory overview exercise allowing the agency head to report to the committee on its proposed budget and other specific items. Based on questions during the hearing, it’s clear that legislators are looking under every rock for cost savings. Even though DFI is a special funds agency, we will need to watch this closely as it’s pretty clear the pain and suffering will not only be borne by general fund agencies.

SB 2014 – is the Industrial Commission Budget and was heard in front of the House Appropriations-Government Operations Division. Testimony was limited primarily to agency heads as this represented the overview and introduction to House Appropriations. As expected, no immediate action was taken on this bill but significant committee time is allotted next week to further address the many moving parts of the Industrial Commission budget. ICBND’s primary interests following this bill relate to the Bank of North Dakota’s operations and the North Dakota Housing Finance Agency, particularly the Housing Incentive Fund.

SB 2100 – met its ultimate demise on the House Floor this week. Originally introduced by Commissioner Entringer to add “Virtual Currency” as a defined term within the North Dakota Money Transmitter Act, the bill was amended to an interim study in the Senate, fell further out of favor in the House IBL Committee, and ultimately was defeated 4-84 on the House floor. Confusion and anxiety abounded on this one – reminded me of the time I gave my parents a computer for Christmas!

SB 2160 – was heard in House Finance and Taxation Committee Wednesday afternoon. ICBND initially testified in opposition to this bill as the original bill language left lienholders out of the picture when it came to providing notice of foreclosure of tax liens. The bill was amended to our satisfaction on the House side prior to its passage there. The committee made no changes to the bill and gave it a unanimous “do pass” recommendation. The measure passed on the House floor today by a vote of 89-0.

BILL HEARINGS NEXT WEEK

<u>Date and Time</u>	<u>Bill Number</u>	<u>Short Title</u>	<u>Committee</u>
03/06/2017 09:00	<u>SB 2212</u>	Relating to residency requirements of bank directors.	House Industry, Business and Labor
03/06/2017 09:00	<u>SB 2159</u>	Relating to management of a limited liability company; and to provide for retroactive application.	House Industry, Business and Labor
03/06/2017 10:00	<u>HB 1382</u>	Relating to the establishment of an education savings account program.	Senate Education
03/07/2017 09:00	<u>SB 2266</u>	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.	House Industry, Business and Labor
03/07/2017 11:00	<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.	Senate Judiciary
03/08/2017 08:30 (Housing Finance)	<u>SB 2014</u>	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	House Appropriations - Government Operations Division

		reports; to provide statements of legislative intent; to provide exemptions; to provide an effective date; and to provide an expiration date.	
03/08/2017 02:00 (Bank of North Dakota)	<u>SB 2014</u>	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.	House Appropriations - Government Operations Division
03/09/2017 09:30	<u>HB 1219</u>	Relating to the process for converting manufactured housing to real property.	Senate Government and Veterans Affairs
03/09/2017 10:30	<u>HB 1352</u>	Relating to custody and disposition of abandoned motor vehicles and deposit of funds; to provide for a continuing appropriation; and to declare an emergency.	Senate Transportation

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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ICBND PRIORITY LIST AND BILL STATUS DETAIL

Bill	Status	Title
HB 1126	House: PASSED Senate: INTRODUCED 02/22 S Received from House 02/22 S Introduced, first reading, referred Agriculture Committee	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: INTRODUCED 02/17 S Received from House 02/17 S Introduced, first reading, referred Industry, Business and Labor Committee	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 Received from House 02/22 S Introduced, first reading, referred Judiciary Committee	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: INTRODUCED 02/17 S Introduced, first reading, referred Government and Veterans Affairs Committee 03/09 S Committee Hearing - 09:30 AM	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: INTRODUCED	Relating to actions to contest the validity of a trust, trust decanting, and directed trustees; to amend and

	02/22 S Introduced, first reading, referred Judiciary Committee 03/07 S Committee Hearing - 11:00 AM	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 02/01 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	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: PASSED Senate: INTRODUCED 02/22 S Introduced, first reading, (emergency), referred Transportation Committee 03/09 S Committee Hearing - 10:30 AM	Relating to custody and disposition of abandoned motor vehicles and deposit of funds; to provide for a continuing appropriation; and to declare an emergency.
HB 1382	House: PASSED Senate: INTRODUCED 02/17 S Introduced, first reading, referred Education Committee 03/06 S Committee Hearing - 10:00 AM	Relating to the establishment of an education savings account program.
HB 1425	House: PASSED Senate: INTRODUCED 02/22 S Received from House 02/22 S Introduced, first reading, referred Judiciary Committee	A BILL for an Act to protect the rights and privileges granted under the United States Constitution.
SB 2008	Senate: PASSED House: INTRODUCED 02/22 H Introduced, first reading, referred Appropriations Committee 03/02 H Committee Hearing - 08:30 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 - 02:00 PM 03/09 H Committee Hearing - 03:15 PM	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: INTRODUCED 02/22 H Introduced, first reading, referred Industry, Business and Labor Committee 03/06 H Committee Hearing - 09:00 AM	Relating to management of a limited liability company; and to provide for retroactive application.
SB 2160	Senate: PASSED House: PASSED 03/01 H Committee Hearing - 09:00 AM 03/01 H Reported back, do pass, place on calendar 12 0 2 03/03 H Second reading, passed, yeas 89 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	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: PASSED House: INTRODUCED 02/22 H Introduced, first reading, referred Industry, Business and Labor Committee 03/06 H Committee Hearing - 09:00 AM	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: INTRODUCED 02/20 H Introduced, first reading, referred Industry, Business and Labor Committee 03/07 H Committee Hearing - 09:00 AM	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 02/17 H Received from Senate 02/20 H Introduced, first reading, referred Judiciary Committee	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 02/20 H Received from Senate 02/22 H Introduced, first reading, referred Political Subdivisions Committee	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	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 02/17 H Received from Senate 02/20 H Introduced, first reading, referred Judiciary Committee	Relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.
SB 2340	Senate: PASSED House: INTRODUCED 02/20 H Received from Senate	Relating to fees charged by a county recorder for filing mortgage disclosures.

	02/22 H Introduced, first reading, referred Political Subdivisions Committee	
SB 2344	Senate: PASSED House: INTRODUCED 02/23 H Received from Senate 03/01 H Introduced, first reading, (emergency), referred Human Services Committee	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 Received from House 02/20 S Introduced, first reading, referred Agriculture Committee	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.