



## Legislative Update March 31, 2017

### **SECTION 1: GENERAL**

The Capitol gets a little quiet at this time of the legislative session. Conference committees haven't started yet so most of the activity relates to appropriations committees and floor sessions. Lobbyists tend to be a bit less visible as we subtly avoid committee vice chairmen who are busy trying to secure sponsorships for committee parties. Committee vice chairmen get the unenviable task of rounding up money for their committee's session-end parties. That's where we come in. I suppose turnout is fair play as we spend most of session bugging them!

Early this week, Governor Burgum executed his veto power for the first time on a bill aimed at limiting bonuses for executive branch employees. HB 1153, which states executive branch bonuses can't exceed the lesser of \$5000 or 10 percent of an employee's salary, was the result of the legislature's ire relating to bonuses that former Governor Dalrymple doled out to a handful of employees in the prior biennium. The bill breezed through both chambers (91-1 and 36-10) so it was interesting to see this as the governor's first utilization of the veto. The House dug its heels in Wednesday overriding the veto by a vote of 84-7 after floor speeches supporting the override by both the majority and minority leaders. The veto met a much different fate in the Senate Thursday as it was easily sustained by a vote of 13-33. Overriding the veto in the Senate would have required 31 "yes" votes so it wasn't even close.

The energy industry appears to be on its way to success through a measure that would create a new state agency. SB 2327 would create the Department of Environmental Quality out of the Environmental Health Section of the state's Department of Health. The new department would be a cabinet level agency bringing with it 150 of the agency's employees. Supporters of the bill cited primacy as a driving force behind the move anticipating more opportunity for the state to implement federal environmental regulations. Naturally, opponents expressed concern that approving this measure further grows government. The House ultimately approved the 153 page bill 69-23 and it now goes back to the Senate for concurrence since amendments were implemented.

In an abrupt move Wednesday, the House Finance and Taxation Committee turned SB 2206 into a study. In its original form, the measure had the state taking over county social services funding while making property tax relief permanent. House GOP leadership is concerned about sustaining the funding and property tax relief during this budget crunch. If this bill passes as amended, it will effectively "kick the can down the road" another couple years for this long-studied concept.

And, just in case you thought there was carte blanche support for all things guns, the Senate reminded us otherwise as they killed HB 1310. The bill, which passed the House 73-19, would have granted up to ten North Dakota school districts the option to permit trained staff to have a concealed firearm on school premises. The Senate voted the bill down by a vote of 18-27.

Finally, in discussions with Senate and House leadership yesterday, it appears there remains a budget gap of about \$100 million. While some of that shortfall will be mitigated by further budget cuts, the plug amount will likely come from transfers in excess of the \$300 million statutory maximum from oil and gas production taxes.

## **SECTION 2: BILL UPDATES FROM ICBND “PRIORITY” TRACKING LIST**

**SB 2014** – is the Industrial Commission budget (which includes the Bank of North Dakota) and was addressed a couple times this week in the Government Ops Division of the House Appropriations Committee. There’s a very small faction (1 influential person basically) that is intent on implementing some cuts to the Bank of North Dakota’s budget. Knowing that there would be pressure to make cuts and transfer capital (to the General Fund) we’ve advocated since before the session the importance of BND having the financial and human capital to efficiently implement the programs that are critical to our member banks. This budget will most likely end up in conference committee so it’s not done yet.

**SB 2008** – is the DFI budget bill. I reported last week that we were successful in fighting back an effort to include language that would require a study of merging the securities department and the DFI. Well, we were temporarily successful. It came back Wednesday as the Government Ops Division of the House Appropriations Committee brought some language back for reconsideration. At least we were successful in softening it so that it reads “the governor may undertake a study...”. The governor could conduct such a study anyway in his bid to reinvent government, but I guess this gives a soft push from the legislature which, quite frankly, may prompt him to not do it!

**SB 2276** – relates to prohibitions on nonprofit corporations pledging restricted assets as collateral. The bill was amended to our satisfaction in the House Judiciary Committee which gave the amended measure a 15-0 “do pass” recommendation last week and the full House unanimously approved the measure Thursday. Because it was amended, the bill now goes back to the Senate for concurrence.

**SB 2340** – is the North Dakota Land Title Association’s bill to implement flat fees for certain document filings with the county recorders. The county recorders were displeased with the first round of amendments in the House and were successful in getting the bill sent back to the Political Subdivisions Committee for reconsideration. The latest iteration is a \$20 filing fee for documents up to six pages in length and \$65 for documents ranging in length from seven to 25 pages. ICBND has not taken a position on this bill but continues to monitor.

## **SECTION 3: BILL HEARINGS NEXT WEEK – None for next week.**

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.

Sincerely,



Barry D. Haugen  
President

[barryh@icbnd.com](mailto:barryh@icbnd.com)

cell: 701.955.4308

office: 701.258.7121



## ICBND PRIORITY LIST AND BILL STATUS DETAIL

Bill	Status	Title
HB 1126	House: INTRODUCED Senate: PASSED 03/28 S Second reading, passed as amended, yeas 45 nays 0 03/29 H Returned to House (12)	Relating to public warehouse and grain buyer licensing and insolvencies of public warehouses and grain buyers; to repeal sections 60-02-39 and 60-02.1-25 of the North Dakota Century Code, relating to warehouse closures; and to provide for a legislative management study.
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: PASSED Governor: SIGNED 03/24 H Signed by Governor 03/23 03/27 Filed with Secretary Of State 03/24	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 approval of property tax incentives granted by a city; to amend and reenact subsection 7 of section 40-57.1-03, section 40-58-20.2, and subsection 3 of section 54-35-26 of the North Dakota Century Code, relating to approval of property tax incentives granted by a city and evaluation of economic development tax incentives; to provide for a legislative management study; and to provide an effective date.
HB 1219	House: PASSED Senate: PASSED Governor: SIGNED 03/23 H Signed by Governor 03/22 03/27 Filed with Secretary Of State 03/23	Relating to the process for converting manufactured housing to real property.
HB 1223	House: DEFEATED 01/27 H Amendment adopted, placed on calendar	Relating to allowing employers to purchase private insurance for worker's compensation coverage.

	01/31 H Second reading, failed to pass, yeas 19 nays 72	
HB 1228	House: PASSED Senate: PASSED Governor: SIGNED 03/22 H Signed by Governor 03/21 03/23 Filed with Secretary Of State 03/22	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	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: DEFEATED 03/20 S Reported back, do not pass, placed on calendar 6 0 0 03/21 S Second reading, failed to pass, yeas 0 nays 47	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: 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 03/22 S Committee Hearing - 10:00 AM 03/30 S Reported back amended, do pass, amendment placed on calendar 4 2 0	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	Relating to the essential service worker home ownership program, housing incentive fund tax credits,

	03/09 H Committee Hearing - 03:15 PM 03/15 H Committee Hearing - 08:30 AM	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 Governor: SIGNED 03/17 S Signed by Governor 03/15 03/20 Filed with Secretary Of State 03/16	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: PASSED	Relating to residency requirements of bank directors.

	House: PASSED Governor: SIGNED 03/28 S Sent to Governor 03/30 S Signed by Governor 03/29	
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: PASSED 03/30 H Amendment adopted, placed on calendar 03/30 H Second reading, passed as amended, yeas 90 nays 0	Relating to the prohibition of the diversion of restricted assets and the priority of those assets in a dissolution.
SB 2296	Senate: PASSED House: PASSED Governor: SIGNED 03/23 S Sent to Governor 03/27 S Signed by Governor 03/24	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: INTRODUCED House: PASSED 03/28 H Second reading, passed as amended, yeas 83 nays 9 03/29 S Returned to Senate (12)	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: INTRODUCED House: PASSED 03/29 H Second reading, passed as amended, yeas 88 nays 4 03/30 S Returned to Senate (12)	Relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.
SB 2340	Senate: PASSED	Relating to fees charged by a county recorder for filing

	House: INTRODUCED 03/21 H Reported back amended, do pass, amendment placed on calendar 9 5 1 03/22 H Rereferred to Political Subdivisions	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: PASSED 03/22 H Signed by Speaker 03/22 H Filed with Secretary Of State 03/22	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.