

This Week at the Legislature

The pace on the floor of the House has picked up considerably with the recognition that they have many bills to act on before the Crossover deadline next week. Hearings are continuing in the newly formed House and Senate Ethics Committees, with HB 1521 on the House side and SB 2148 in the Senate. The efforts to implement Measure 1 has already taken many hours of testimony in both committees. There are plans to get both bills out of committee and on the floor schedule sometime next week. Appropriations Committees are putting finishing touches on re-referred bills and some agency bills so they can be ready to ship across the hall before Crossover.

SB 2205 – Relating to Foreclosure of Real Estate

The Senate Industry Business and Labor Committee heard SB 2205, Monday, February 11. Dean Rindy, a Fargo Attorney, introduced the bill. He explained the purpose of the bill is to relieve a foreclosing mortgagee from the unnecessary, time consuming and expensive task of locating the record title holder of abandoned property subject to a defaulted mortgage. He noted that the notice before foreclosure contained in 32-19-20 states “at least thirty days and not more than ninety days before the commencement of any action or proceeding for the foreclosure of a mortgage on real estate, a written notice shall be served on the title owner of record of the real estate.” SB 2205 is intended to alleviate a meaningless act of trying to serve a property owner who has abandoned the property with no apparent intention of returning to the property. Nick Hacker, President of North Dakota Guaranty and Title Company and a member of the Land Title Association, spoke in support of the legislation. NDBA and ICBND supported the bill. No one testified in opposition. The hearing was closed and the committee gave the bill a 6 – 0 Do Pass Recommendation. On Tuesday, February 12, the Senate passed SB 2205 43 to 2.

HB 1485 – Protection Against the Disclosure of Personal Information

The House Industry Business and Labor Committee re-opened the hearing on HB 1485 on Tuesday, February 12. The bill provides consumers numerous significant rights regarding information collected or maintained by businesses. At the beginning of the hearing, Representative Kasper presented amendments to make some changes to the bill including adding a study and a provision to delaying the implementation of the legislation until after the 2021 Legislative session. The purpose was to allow the next Legislature to fix any issues that might have come up during the study, but still requiring businesses to start preparing for the new privacy law. After an eventful hearing, the committee rejected Representative Kasper’s amendment, and ultimately moved to make the bill a study. The bill was passed out of committee on a 12-2 Do Pass recommendation. The bill is now awaiting House action.

HB 1110 – Revised Uniform Law on Notarial Acts

The Senate Judiciary Committee heard HB 1110, Tuesday, February 12. HB 1110 is an amendment to the Revised Uniform Law on Notarial Acts adopted in North Dakota in 2011 and is intended to create new law to authorize remote notarizations through the use of an emerging technology. Al Jaeger testified in support of the bill on behalf of the Secretary of State’s Office. He noted they recently have implemented new software that allows them to implement this bill. Nick Hacker from ND Guarantee and Title Company testified in support of the bill. He noted that his company would utilize this technology and would find it very useful in North Dakota. He explained one of the biggest problems they face are home closings for deployed service members since these individuals need to go to embassies or consulates to sign documents. No one opposed the bill. The committee hearing was closed with no action taken by the committee.

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Legislative Session*

SB 2346 – Warehouse, Grain Buyer and Indemnity Fund

The Senate Appropriations Committee heard SB 2346, Thursday, February 14. The bill was introduced by Senator Wanzek and relates to warehouse and grain buyer licensing, scale ticket conversions, claims distributions, assessments and refunds, subrogation. The bill was amended by the Agricultural Committee to change the name of the credit sale indemnity fund to the “grain indemnity fund,” and changes the assessment to one-tenth of one percent on the value of all grain sold, not just a credit sale contract. The bill also allows a producer to opt out of the fund. In addition, the bill provides for an additional FTE to administer the licensing provisions of the statute. In addition, the PSC will have additional authority to require financial documents from applicants and to obtain financial documents whenever necessary. The bill provides open record protection documents requested and permits the commission to conduct more robust financial reviews of licensees at the time of application or as needed. The Appropriation Committee only reviews the budget impact of the bill which provides additional funding for the PSC to carry out the provisions of the bill. NDBA’s Rick Clayburgh spoke in favor of the bill. There was no opposition and the Committee gave the bill a 14–0 Do Pass recommendation. The bill now goes to the floor for full Senate consideration.

Ethics Legislation

The House and Senate newly formed House and Senate Ethics Committees have been holding hearings the past few weeks on two competing bills which are intended to implement Constitutional Measure 1, which was passed by the voters in November. The two bills are: HB 1521, sponsored by the House and Senate Republican Majority Leaders; and SB 2148, sponsored by Democrat Senator Tim Mathern and supported by the Committee who sponsored Measure 1. Below is a summary of the HB 1521. NDBA will provide a summary of SB 2148 next week after the bill has its hearing in the Senate Appropriations Committee.

HB 1521 – North Dakota Ethics Commission

HB 1521 was introduced by Majority Leaders, Rep. Pollert and Sen. Warder. The bill addresses each of the parts of Measure 1 to increase transparency, regulate lobbyists, to create an ethics commission, and to maximize participation in the political process by the people and organizations that care about the future and direction of North Dakota. The bill covers six primary topics:

1. **The Bill Increases Transparency** – The measure required more transparency. This bill sets up new transparency rules in three areas: (1) legislative and state-wide elections, (2) lobbying, and (3) Influencing of state government action.
 - The “ultimate and true source” of funds must be disclosed in these three areas if someone contributed over \$200 to (1) a legislative or statewide election, (2) a lobbying effort, or (3) in influencing state government action, unless the funds are used in relation to a family member of if the funds were used for educational or informational purposes.
 - Violators will be fined under this bill.
2. **The Bill Requires Disqualification in Conflicts of Interest** – The measure requires certain executive-branch officials to avoid conflicts of interest.
 - Under the bill, officials must disqualify themselves in a proceeding if they are biased or have a conflict of interest
 - If there is bias or a conflict of interest, the official can be fined or prosecuted.
3. **The Bill Adds Fines and Criminal Penalties for Using Campaign Funds for Personal Purposes**
4. **The Bill Regulates People who are Lobbyists**
 - This bill outlaws a lobbyist delivering a campaign contribution or acting as a conduit, which means a lobbyist can’t be a go between someone making the contribution and someone receiving the contribution.
 - We have kept the definition of lobbyist the same as is currently in the law.
 - Also, a public official may not become a lobbyist for two years after their public service.
5. **The Bill Establishes Rules for Gifts to Public Officials** – The measure prohibits lobbyists from giving gifts to public officials in various situations. This bill provides more certainty to the vague wording of the measure.
 - Lobbyists may not give gifts to a public official unless it’s in appropriate educational or social settings.
 - Violators will be fined and prosecuted.
6. **The Bill Establishes an Ethics Commission and Due Process**
 - The Ethics Commission can write rules just as other agencies write rules.

- The bill authorizes the Ethics Commission to hire staff and investigators, and it appropriates \$300,000 for operation of the Commission.
- The bill establishes due process in the making of a complaint, responding to a complaint, investigating the complaint, interviewing witnesses, and the decision-making of the Commission. The bill also establishes an appeal process.

Final Actions Taken

As House and Senate committees move through bills, they go to the floor of the original house to be voted up or down. Here is the NDBA High Priority Tracking List with House and Senate Action Notations.

Bill	Status	Title
HB 1008	House: PASSED House 78 – 14 NDBA Supports	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
HB 1014	House: No Floor Action Yet NDBA Supports	A BILL for an Act to provide for an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; and to provide for a transfer. Includes BND
HB 1106	House: No Floor Action Yet NDBA Supports with Amendments	Relating to the establishment of an invisible reinsurance pool for the individual health insurance market; to amend and reenact subsection 2 of section 26.1-03-17 of the North Dakota Century Code, relating to premium taxes and credits for insurance companies; to provide for a legislative management study; and to declare an emergency.
HB 1110	House: PASSED House 92 – 0 NDBA Supports	Relating to the adoption of the Revised Uniform Law on Notarial Acts; and to amend and reenact sections 11-18-15, 44-06.1-01, 44-06.1-03, 44-06.1-18, and 47-19-26 of the North Dakota Century Code, relating to the adoption of the Revised Uniform Law on Notarial Acts.
HB 1217	House: DEFEATED in the Senate 24 - 67 NDBA Opposed	Relating to competition between the government and private industry and to require a report to the legislative management.
HB 1220	House: PASSED House 89 - 9 NDBA Supports w/amendments	Relating to priority of agricultural supplier liens; and to provide for application. Amended in committee
HB 1263	House: PASSED House 86 – 5 NDBA Neutral	Relating to right of an owner to reclaim an abandoned vehicle; to amend and reenact sections 23.1-15-01, 23.1-15-03, 23.1-15-05, 23.1-15-06, 23.1-15-07, 39-26-02, and 39-26-06 of the North Dakota Century Code, relating to custody and disposition of abandoned motor vehicles; to provide a penalty; and to declare an emergency.
HB 1467	House: No Floor Action Yet NDBA Neutral	Relating to the definition of agriculture commissioner; and relating to moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide a penalty; and to provide a continuing appropriation.
HB 1485	House: No Floor Action Yet NDBA Opposed	Relating to protection against the disclosure of personal information; and to provide a penalty.

Bill	Status	Title
HB 1524	House: PASSED House 93 – 0	Relating to the regulation of data brokers; and to provide a penalty.
SB 2093	Senate: PASSED the Senate 47 - 0 NDBA Supports	Relating to the examination of technology service providers, the capital requirement for trust companies, the examination of trust companies, the definition of a financial institution, surety bond requirements for money brokers and collection agencies, notice requirement for deferred presentment service providers, fees for money transmitters, and reporting requirements for debt-settlement providers; and to repeal sections 13-04.1-05.1, 13-05-05.2, 13-08-05.2, and 13-09-10.1 of the North Dakota Century Code, relating to automatic renewal of license in 2009 for money brokers, automatic renewal of license in 2014 for collection agencies, deferred presentment service providers, and money transmitters.
SB 2098	Senate: PASSED the Senate 47 - 0 NDBA Supports	Relating to the Bank of North Dakota residential mortgage loan program; and to declare an emergency.
SB 2205	Senate: PASSED the Senate 43 - 2	Relating to abandoned property; and to amend and reenact sections 28-23-11, 32-19-18, 32-19-19, 32-19-23, and 32-19-27 of the North Dakota Century Code, relating to foreclosure of real estate.
SB 2179	Senate: PASSED the Senate 47 - 0 NDBA Neutral	Relating to the prevention of financial exploitation; and to amend and reenact section 6-08.1-03 of the North Dakota Century Code, relating to a financial institution's duty of confidentiality.
SB 2219	Senate: DEFEATED in the Senate 16 - 29 NDBA Opposed	Relating to the confidentiality of social security numbers; to amend and reenact sections 51-22-01, 51-22-02, and 51-22-03 of the North Dakota Century Code, relating to data processing information confidentiality; and to provide a penalty.
SB 2233	Senate: DEFEATED in the Senate 11 - 35 NDBA Opposed without Amendments	Relating to health insurance coverage for infertility treatment; and to provide for application.
SB 2262	Senate: PASSED the Senate 47 - 0 NDBA's Bill	Relating to the use and possession of re-encoders and scanning devices; to amend and reenact section 12.1-23-11 of the North Dakota Century Code, relating to the unauthorized use of personal identifying information; to repeal section 12.1-23-17 of the North Dakota Century Code, relating to the unlawful skimming of credit, debit, or other electronic payment cards; and to provide a penalty.
SB 2271	Senate: No Floor Action Yet NDBA Supports	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation.
SB 2346	Senate: No Floor Action Yet NDBA Supports with NDBA Amendments	Relating to records confidentiality for warehousemen and grain buyers and assessment refunds for grain producers; and relating to warehouse and grain buyer licensing, scale ticket conversions, claims distributions, assessments and refunds, subrogation, and unlicensed grain buyers; to provide a penalty; to provide a continuing appropriation; and to provide for reports.
SB 2357	Senate: PASSED the Senate 41 - 4 NDBA Supports with BND Amendments	A BILL for an Act to provide for a Bank of North Dakota loan guarantee program for federal workers affected by the federal shutdown; and to declare an emergency.
HCR 3026	House: PASSED House 88 – 0 NDBA Supports	A concurrent resolution urging Congress and the Internal Revenue Service to allow states to determine health benefit coverage requirements without jeopardizing health savings account eligibility.
SCR 4006	Senate: PASSED the Senate Voice Vote NDBA Supports	A concurrent resolution to recognize Monday, February 25, 2019, as "Bank of North Dakota Day" and to congratulate the Bank of North Dakota on its 100th anniversary.

Hearings for the Week of February 18/Crossover

In total, only two bills are scheduled for hearings next week.

The House and Senate are wrapping up the first half of the Legislative Session next week and are scheduled to begin their crossover break Thursday. Legislators will return to Bismarck to reconvene the second half of the session on Wednesday, February 27.

Date and Time	Bill Number	Short Title	Committee	Room
02/18/2019 09:00 AM	SB 2148	Relating to disclosures of expenditures, restrictions on public officials and lobbyists, investigations of ethics violations, and implementing requirements of article XIV of the Constitution of North Dakota; and relating to the prohibition on personal use of campaign contributions and the rulemaking procedures and requirements for the North Dakota ethics commission; to provide a penalty; and to provide an appropriation.	Senate Appropriations	Harvest
02/18/2019 10:00 AM	SCR 4006	A concurrent resolution to recognize Monday, February 25, 2019, as "Bank of North Dakota Day" and to congratulate the Bank of North Dakota on its 100th anniversary.	House Industry, Business and Labor	Peace Garden

How to Contact Your Legislators

During a legislative session, a legislator can be reached at the State Capitol through:



[Contact My Legislators](http://www.legis.nd.gov/contact-my-legislators)

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or by leaving a message with the legislative telephone message center at **1-888-NDLEGIS (635-3447)** or **701-328-3373** (local).

Otherwise, a legislator can be reached by mail, telephone or email at the address listed in the legislator's biography, or one of the lists provided below. Individual legislator contact information is listed here:



Senate

<http://www.legis.nd.gov/files/resource/miscellaneous/senateroster.pdf?20150106101229>



House

<http://www.legis.nd.gov/files/resource/miscellaneous/houseroster.pdf?20150106101310>

Over the course of the session, NDBA may ask you to call your Senator or Representative to talk to them about a particular bill or to ask them to support or oppose a particular bill.

Legislator contacts from local bankers are extremely important, so, please, if we ask, contact your legislators!

Also, local legislative forums are great to attend because they inform you about issues beyond banking and let you get to know your legislators at home where they are most responsive to your interests and concerns.

Don't be a stranger; get to know your representatives in Bismarck!