

## Where was the Action this Week?

Another legislative week is in the books and fortunately, the bill introduction faucet is turned off. This past Monday was the bill introduction deadline for members of the Senate. The House deadline has already passed. In the absence of getting approval from the Delayed Bills Committee, which is rarely given, no more bills will be introduced this session.

The final total of House bills is 546, which compares to 436 in 2017. The final total in the Senate is 361 bills compared to 344 in 2017. This is the highest number of bills in the last 10 years.

Committee hearings are now going at full pace. As for NDBA, we testified on the following bills:

### Bills of NDBA Interest

NDBA testified on the following bills:

#### **HB 1494 – Relates to interest rates set by the Bank of North Dakota**

The House Industry Business and Labor Committee heard HB 1494 Monday, January 21. Representative Sebastian Ertelt introduced the bill. The bill provides that – contrary to provisions of law – BND, in making a loan, shall set interest at the market rate. This would not apply to a political subdivision loan except when this subdivision that is a taxing district imposes additional property or sales tax, or applies special assessments to repay the loan. The major concern of the bill is that it would apply to all BND loans. Todd Steinwand testified in a neutral position on behalf of the bank, noting the bank had a concern with the section requiring the bank to set all of its interest rates at the market and suggested that language be amended out of the bill. NDBA's Rick Clayburgh testified in opposition to the bill. The committee took no action, but appeared interested in killing the bill.

#### **SB 2262 – Relating to credit card skimming devices**

The Senate Industry Business and Labor Committee heard SB 2262 Wednesday, January 23. NDBA's Rick Clayburgh explained the purpose of this NDBA-sponsored bill, noting NDBA worked with the Attorney General's office on drafting the bill. Clayburgh explained it is currently a crime to use a skimming device to steal someone's credit card information, but it is not a crime to possess a skimming device. SB 2262 would make it a crime to (1) possess a skimming device; and (2) possess someone's personal information if possession of these items was intended to carry out bad activity. The bill is very broadly written with the intent for the bill to cover future technologies. Parrell Grossman testified on behalf of the Attorney General's office, explaining the details of the bill. ICBND and the North Dakota Retail and Petroleum Dealers Association testified in support. The Committee gave the bill a 6-0 Do-Pass recommendation and it is now waiting final action on the Senate floor.

#### **SB 2179 – Relating to the prevention of financial exploitation; and to a financial institution's duty of confidentiality**

After acting on SB 2262, the Senate Industry Business and Labor Committee re-opened the hearing on SB 2179. Chairman Klein asked Parrell Grossman to explain amendments prepared by the Attorney General's office. Grossman noted he had worked with NDBA's Rick Clayburgh and Tracy Kennedy, along with Jeff Olson from the Credit Union Association, to address concerns raised during the hearing the week before. Grossman explained the amendments added NDBA suggested language to replace "reasonable belief" with "good faith belief" to make the language consistent with existing North Dakota law and extend immunity protection to an institution's employees, officers and directors. Further amendments eliminate the constraints on a financial institution when they

*2019 North Dakota  
Legislative Session*

deem they want to deny or hold a financial transaction. Finally, the provision of the bill allowing an institution to share information with a non-listed family member was removed to eliminate any concerns with Gramm-Leach-Bliley. The committee adopted the amendments and gave the bill a 6-0 do-pass recommendation. The bill is now waiting final action on the Senate floor.

## **SB 2357 – Relating to Bank of North Dakota loans for federal workers affected by the federal shutdown**

The Senate Government and Veterans Affairs Committee heard SB 2357 Thursday afternoon, January 24. Senate Minority Leader Joan Heckaman introduced the legislation. SB 2357 requires the Bank of North Dakota (BND) to make interest free loans, regardless of credit history to federal employees who, due to the federal shutdown, are working without being paid wages or are on a salary furlough. BND's Eric Hardmeyer testified on the bill explaining a number of concerns. He offered an amendment to change the bill from a direct loan program to a guarantee repayment of loans made by a North Dakota financial institution to a North Dakota resident employed by the Federal Government. NDBA's Rick Clayburgh testified in opposition to the bill. He noted North Dakota banks are already addressing the needs of furloughed employees. He explained the constitutional concerns with BND providing no-interest loans and venturing into the retail lending market in direct competition with North Dakota banks. Clayburgh said the Association would be neutral if the Senate adopted BND's suggested amendment. ICBND and the credit unions also testified in opposition. Committee members requested a sunset amendment to the bill. The hearing was closed without committee action.

Note: The North Dakota Bankers Association, Independent Community Banks of North Dakota and Credit Union Association of the Dakotas issued a joint press release on Thursday, January 24, encouraging federal employees affected by government shutdown to visit with their local financial institution about assistance programs. The release noted "many local financial institutions have already responded with low- and no-interest loan options along with other accommodations they will make for customers during this difficult time."

## **NDBA's High Priorities to Date**

Since last Friday, NDBA has added several newly-introduced bills to its tracking list:

<b>Bill</b>	<b>Title</b>
<a href="#"><b>HB 1008</b></a>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions.
<a href="#"><b>HB 1014</b></a>	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.
<a href="#"><b>HB 1106</b></a>	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.
<a href="#"><b>HB 1110</b></a>	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.
<a href="#"><b>HB 1217</b></a>	Relating to competition between the government and private industry and to require a report to the legislative management.
<a href="#"><b>HB 1220</b></a>	Relating to priority of agricultural supplier liens; and to provide for application.
<a href="#"><b>HB 1263</b></a>	Relating to custody and disposition of abandoned motor vehicles; to provide a penalty; and to declare an emergency.
<a href="#"><b>HB 1467</b></a>	Relating to the definition of agriculture commissioner and 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.
<a href="#"><b>HB 1485</b></a>	Relating to protection against the disclosure of personal information; and to provide a penalty.
<a href="#"><b>HB 1524</b></a>	Relating to the regulation of data brokers; and to provide a penalty.
<a href="#"><b>SB 2093</b></a>	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.
<a href="#"><b>SB 2098</b></a>	Relating to the Bank of North Dakota residential mortgage loan program; and to declare an emergency.

<a href="#">SB 2179</a>	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.
<a href="#">SB 2219</a>	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.
<a href="#">SB 2262</a>	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.
<a href="#">SB 2271</a>	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation.
<a href="#">SB 2346</a>	Relating to records confidentiality for warehousemen and grain buyers and assessment refunds for grain producers; to amend and reenact subsection 5 of section 60-02-07 and sections 60-02-11, 60-02.1-07, 60-02.1-37, 60-02.1-38, 60-04-09, 60-04-10, 60-10-01, 60-10-02, 60-10-03, 60-10-04, 60-10-05, 60-10-06, 60-10-07, 60-10-09, 60-10-10, 60-10-13, 60-10-14, and 60-10-15 of the North Dakota Century Code, 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.
<a href="#">SB 2357</a>	A BILL for an Act to provide for Bank of North Dakota loans for federal workers affected by the federal shutdown; and to declare an emergency.
<a href="#">SCR 4006</a>	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.

## NDBA Bankers Day at the Capitol, Bank Management Conference & Legislative

More than 70 bankers attended NDBA's Bankers Day at the Capitol on Wednesday. There, they heard from Lt. Governor Brent Sanford, Attorney General Wayne Stenehjem, House Majority Leader Chet Pollert, Senate Minority Leader Joan Heckaman, Senator Jessica Unruh, Representative Shannon Roers-Jones, Representative Austen Schauer and Senator Dale Patten, a retired banker and former NDBA Board member. After those presentations, bankers attended committee hearings and then, over lunch, heard from NDBA lobbyists about NDBA's high priority issues. After lunch, participants observed floor sessions in the House and Senate and had the option of taking a tour of the Capitol.

Thursday brought a joint meeting of the NDBA Board and Legislative Committee. NDBA's Rick Clayburgh and Tracy

Kennedy gave the group a rundown of progress on NDBA-sponsored bills and, most importantly, got member input on bills sponsored by others but affecting banking interests.

After the joint committee meeting, bankers participated in the NDBA Bank Management Conference, where they heard and interacted with experts who provided 1) insight into making digital personal; 2) guidance on economic prospects and how they affect portfolio strategies; and 3) ideas to incorporate a philosophy of Fundamism, a deliberate approach to happiness in the workplace. More details about these events will be published in the next NDBA Bulletin.

## NDBA Joint Board and Legislative Committee Meeting

On Thursday morning, the NDBA Board of Directors and Legislative Committee held a joint meeting to receive updates on the NDBA legislative program and to establish positions for issues and legislation that have arisen since the Legislative Committee meeting in November. Rick and Tracy updated the committee about bills upon which NDBA provided testimony this week and asked the group for instructions about any NDBA position with respect to a number of bills, including:

- HB 1008 – ND Department of Financial Institutions Appropriation – support \$300,000 to restore operating funds to previous biennium levels
- HB 1106 – Establishment of an invisible reinsurance pool for the individual health insurance market – support with removal of MEWA
- HB 1217 – Competition between government and private industry – monitor and support BND exemption
- HB 1467 – Moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner – neutral
- HB 1485 – Relating to disclosure of personal information – oppose
- SB 2179 – Prevention of financial exploitation – support with amendments
- SB 2271 – Housing incentive fund funding – support
- SB 2346 – Warehouse and grain buyer legislation – testify to amend
- SB 2357 – BND loans for federal workers affected by the federal shutdown – oppose
- SCR 4006 – 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 - support

## Hearings for the Week of January 28

DATE AND TIME	BILL NUMBER	SHORT TITLE	COMMITTEE	ROOM
01/28/2019 02:30 PM	<a href="#">HB 1509</a>	Relating to a paid family medical leave program; to provide an appropriation; and to provide for a transfer.	House Industry, Business and Labor	Peace Garden
01/28/2019 02:30 PM	<a href="#">HB 1448</a>	Relating to exclusion of people from coverage of automobile insurance.	House Industry, Business and Labor	Peace Garden
01/29/2019 09:00 AM	<a href="#">SB 2252</a>	Relating to deferred presentment service transaction fees; to provide a penalty; and to provide for application.	Senate Industry, Business and Labor	Roosevelt Park
01/29/2019 11:00 AM	<a href="#">HB 1513</a>	Relating to an individual income tax deduction for the amount paid to employ an intern; to amend and reenact subdivisions k and m of subsection 2 of section 57-38-30.3 and subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual income tax deduction for planned gifts and workforce recruitment expenditures and individual income tax credits that may be claimed by a taxpayer; to repeal sections 57-38-01.21, 57-38-01.24, and 57-38-01.25 of the North Dakota Century Code, relating to the planned gift tax credit, internship employment tax credit, and workforce recruitment tax credit; and to provide an effective date.	House Finance and Taxation	Fort Totten
01/29/2019 03:00 PM	<a href="#">HB 1507</a>	Relating to human trafficking prevention training; and to provide a penalty.	House Judiciary	Prairie
01/30/2019 08:30 AM	<a href="#">SB 2271</a>	Relating to the housing incentive fund; to provide a transfer; and to provide an appropriation.	Senate Appropriations	Harvest
01/30/2019 09:00 AM	<a href="#">HB 1222</a>	Relating to the elimination of individual and corporate income tax and the imposition of a flat individual and corporate income tax at a rate of one percent; to repeal sections 40-57.1-04, 40-57.1-04.4, 40-63-04, 40-63-06, 40-63-07, 40-63-09, and 40-63-10 and chapters 52-02.1, 57-38, 57-38.1, 57-38.3, 57-38.4, 57-38.5, and 57-38.6 of the North Dakota Century Code, relating to the elimination of individual and corporate income tax; and to provide an effective date.	House Finance and Taxation	Fort Totten
01/30/2019 09:30 AM	<a href="#">HB 1319</a>	Relating to the suspension of income tax return filing requirements; to amend and reenact sections 57-38-01.28, 57-38-30, and 57-38-30.3 of the North Dakota Century Code, relating to replacing the corporate, individual, estate, and trust income tax rate schedule with a flat income tax rate of zero percent; and to provide an effective date.	House Finance and Taxation	Fort Totten

DATE AND TIME	BILL NUMBER	SHORT TITLE	COMMITTEE	ROOM
01/30/2019 10:00 AM	<a href="#">SB 2326</a>	Relating to general powers of a corporation and limited liability company and registration requirements; and to amend and reenact sections 10-06.1-17, subsection 4 of section 10-15-53.1, subsection 1 of section 10-19.1-47, subsection 3 of section 10-19.1-146, subsection 2 of section 10-31-02.2, subsections 5 and 6 of section 10-31-13, subsection 3 of section 10-32.1-89, subsection 3 of section 10-33-139, section 10-35-29, subsection 3 of section 10-36-07, section 43-54-05, subsection 3 of section 45-10.2-108, section 45-11-04.1, subsection 4 of section 45-22-03, and subsection 3 of section 45-22-21.1, and section 47-22-05 of the North Dakota Century Code, relating to registration and reports of corporations, limited liability companies, and partnerships.	Senate Industry, Business and Labor	Roosevelt Park
01/30/2019 10:45 AM	<a href="#">SCR 4006</a>	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.	Senate Industry, Business and Labor	Roosevelt Park
01/30/2019 10:45 AM	<a href="#">SCR 4006</a>	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.	Senate Industry, Business and Labor	Roosevelt Park
01/30/2019 11:00 AM	<a href="#">SB 2115</a>	Relating to child support; to repeal section 14-09-09.37 of the North Dakota Century Code, relating to child support; and to provide a continuing appropriation.	Senate Appropriations	Harvest
01/31/2019 08:30 AM	<a href="#">SB 2346</a>	Relating to records confidentiality for warehousemen and grain buyers and assessment refunds for grain producers; to amend and reenact subsection 5 of section 60-02-07 and sections 60-02-11, 60-02.1-07, 60-02.1-37, 60-02.1-38, 60-04-09, 60-04-10, 60-10-01, 60-10-02, 60-10-03, 60-10-04, 60-10-05, 60-10-06, 60-10-07, 60-10-09, 60-10-10, 60-10-13, 60-10-14, and 60-10-15 of the North Dakota Century Code, 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.	Senate Agriculture	Roosevelt Park
01/31/2019 08:30 AM	<a href="#">HB 1135</a>	Relating to parking spaces for the mobility impaired; and to provide a penalty.	House Political Subdivisions	Prairie
01/31/2019 09:00 AM	<a href="#">HB 1220</a>	Relating to priority of agricultural supplier liens; and to provide for application.	House Agriculture	Peace Garden

## Hearings for the Week of January 28 continued

DATE AND TIME	BILL NUMBER	SHORT TITLE	COMMITTEE	ROOM
01/31/2019 09:30 AM	<a href="#">HB 1467</a>	Relating to the definition of agriculture commissioner; and 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.	House Agriculture	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)

<http://www.legis.nd.gov/contact-my-legislators>



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!***