



LEGISLATIVE UPDATES



February 7, 2025

Update No. 5

As we wrap up this week, we have officially wrapped up the first five weeks of the session. Bills are all in, except for a delayed bill or two that pops up. That means we can now really settle in, get the lay of the land, and start hammering things out. We know what we are working with and what chips we have left to play. Additionally, themes are becoming apparent. Aside from the culture bills and property tax, we are seeing legislation related to CO2, healthcare mandates, and foreign ownership.

The House has started scheduling floor sessions for 12:30 p.m. each day. This is a half hour earlier than usual. They're also periodically going later into the afternoon than usual. While these schedule changes tend to happen each session, they don't usually happen this early in the session. Leader Lefor seems to be making a solid effort to keep on top of the large number of House bills introduced as they hit the floor, even requiring a few night floor sessions in the past couple of weeks. While the House isn't behind yet, they haven't been moving through them at as quick of a pace as they were in previous weeks, either. Remember just a few weeks ago when Senate leadership was talking about Sine Die in mid-April? That seems like it was so long ago.

House Finance and Taxation DID kick out Governor Armstrong's tax proposal bill, **HB 1176**, last night with a Do-Pass recommendation after adopting an amendment that made a significant number of changes:

- Move roughly \$ 225m into a "Legacy Property Tax Relief Fund" established in the bill. These funds from legacy earnings had been previously deposited into the general fund for tax relief.
- Removed intent language that obligated future legislative assemblies to continue the relief program whether or not funds existed. Obligating future assemblies is often something legislators are not fond of doing.
- Reduced the primary residence credit from \$1550 to \$1450. Legislators are currently significantly "over budget" and looking for ways to cut the fat, but that's a problem we have (and solve) every session.
- Added a small income tax reduction piece, increasing the income limit of the 0% tax bottom bracket from \$45,000 to roughly \$53,000. The committee chairman has long been a proponent of income tax reduction and elimination over property tax reduction, so this is no surprise.

The committee also made amendments that adjust the "reform" part of the bill dealing with property tax caps. These amendments included:

- Exempting emergency fund levies from the 3% cap.
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- Exempting townships who have not yet reached their statutory limit of 18 mills from the 3% increase cap.
 - Allowing political subdivisions who have animal shelter and fire department capital improvement levies outside of their general funds one year of transition before subjecting them to the 3% cap.
 - In the original bill, political subdivisions were allowed to exceed the 3% cap with voter approval. The amendments still allow that to happen but require the election to occur at a statewide election like a primary or November general. If it must occur at a special election, it will then require 60% approval rather than a simple majority. A political subdivision can also opt themselves OUT of the caps ONLY by voter approval for a period of ten years.

They also amended the homestead tax credit changes in the bill by keeping the increases to the income thresholds from \$40,000 to \$50,000 and \$70,000 to \$80,000 but removing the increases to the current credit amounts. The committee then gave the bill a 12-2 Do Pass recommendation before rereferring it to appropriations for further work.

ICBND DAY AT THE CAPITOL

It's not too late to register for next week's ICBND Day at the Capitol on February 12! ICBND's Board of Directors and Emerging Leaders will meet with and hear from **Governor Kelly Armstrong, Legislative Leadership, DFI Commissioner Lisa Kruse, and BND President & CEO Don Morgan** for an exclusive breakfast on the 18th floor of the State Capitol before attending committee hearings and floor session later in the day. For more information and to register, please visit <https://www.icbnd.com/events/day-at-the-capitol>.

UPDATES FROM ICBND'S PRIORITY TRACKING LIST

We have only two hearings on bills of primary interest next week. The hearing for **SB 2364**, the bill dealing with UCC and investment securities, will be held on Tuesday in Senate Judiciary. We had hoped to get it scheduled for Wednesday to align with our day at the Capitol, but it did not work out. The good news is there is always plenty of action at the Capitol.

House IBL was doing committee work on **HB 1441** (legal specie tender) this week. After amending the bill in a way that basically neutered it, a Do Pass motion failed. Rep. Vollmer then made a Do Not Pass motion, which passed. It will likely receive a vote on the House floor today. In discussion prior to voting on the motion, Rep. Koppelman made some comments on the committee's work thus far this session you may find interesting ([watch here](#), 11:36).

“Well, Mr. Chairman I think it's a little, um, interesting how pro-banking and anti-everything else this committee has kind of ended up in the way that we have taken action on bills, and I think it's representative of some of what we've seen in our state investment strategy in which we've constantly say, hey, you know, what about gold, what about cryptocurrency or what about other alternative assets, and it's like, well, you don't need a bill we can already do that, and then they

never do. And then we bring things forward and we appease the banking industry, and it's still no. I think it's kind of a sad outcome..."

Interesting thoughts. Anyway, here's what we've been up to this week:

HB 1378

Thank you to all who took the time to email their legislators on **HB 1378**, the escrow interest mandate bill! By Monday morning we had built a formidable coalition of opposition, which included the North Dakota Association of Realtors and The Title Team. We spent the morning whipping votes, and it was clear legislators had been hearing from you all weekend. By the time the bill was heard during the afternoon floor session, it was easily defeated in a 14-78 vote. Representatives Vollmer, Swiontek, Louser, and Klemin spoke in favor of defeating the bill. If you wish to watch the floor debate and subsequent vote, you can do so [here](#) (starts at 1:56:33 mark) **Again, thank you!**

HB 2014

On Tuesday, Senate Appropriations Education and Environment Division held a hearing for an amendment to **SB 2014**, the bill that includes the appropriation for the Bank of North Dakota. The amendment is considered a policy change, which prompted need for the hearing. If adopted, information related to participation loans through the Bank of North Dakota would no longer be subject to open records. ICBND testified in support of this amendment.

HB 1278

On Wednesday, House IBL heard **HB 1278**, the cash management bill. House Majority Leader Lefor presented the bill and was the lone speaker in support of the bill. Lefor presented to the committee amendments that had been worked on by a multitude of parties, including BND, OMB, Treasurer Beadle, and Governor Armstrong's office. The amendments gut the bill and leave just the creation of a cash management advisory board consisting of 8 members, four of which are legislative appointees. The purpose of the board would be to review existing policies and, when necessary, develop policies in coordination with the state treasurer and BND for the management of money in the state treasury. The bill includes a sunset of June 2028. There was no other testimony in opposition or neutral positions. BND President Don Morgan was called to the podium to answer some technical questions by the committee. The committee's questions focused mostly on the composition of the board. ICBND did not take a position on the bill based on assurances that the bill introduced would not move forward, however, we are watching it very closely.

HB 1608

Later on Wednesday, House IBL also heard **HB 1608**. This bill would require employers to provide at least 24 hours of time off for rest and religious observation per week to every individual employee on a day of their choosing. The bill was introduced by Rep. Heilman (R-Bismarck) after the swift defeat of his bill to repeal the repeal of blue laws. Rep. Heilman was the only person to testify in support of the bill, and the committee quickly gave it a Do Not Pass recommendation. It promptly moved to floor and was defeated by the full body before the was over.

NEXT WEEK'S HEARING SCHEDULE

Monday, February 10

9:00 AM	HB 1475	Relating to leaves of absence from employment for members of the legislative assembly.	House IBL	327C
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Tuesday, February 11

9:00 AM	SB 2364	Relating to the law governing perfection and priority of security interests in investment property.	Senate Judiciary	Peace Garden
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Wednesday, February 12

No hearings scheduled at this time.

Thursday, February 13

No hearings scheduled at this time.

Friday, February 14

No hearings scheduled at this time.

LEGISLATIVE DEADLINES

February 28	Crossover date for bills
March 3-4	Recess
March 5	Reconvene from crossover break.
March 12	Crossover date for resolutions
May 2	Session limited to 80 legislative days.

Legislator contact information can be found at <https://ndlegis.gov/contact-my-legislators>, and you can check on any legislative activities through the Legislative Council's web page at ndlegis.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 receiving these updates, please let me know.

Sincerely,

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