



LEGISLATIVE UPDATES



March 14, 2025

Update No. 10

This week, the activity in Bismarck centered around revised revenue forecasts. On Thursday, the House and Senate Appropriations committees convened for a joint session in order to hear presentations from both financial consultant company S&P Global and the Office of Management & Budget, which uses Moody's to assist in developing its forecast. The State has received two forecasts for years, after tension between the legislative and executive branches some time ago led them to seek out independent opinions. Appropriations committees will vote to adopt a forecast from which to work on Monday. Historically, they have adopted an average of the two. This is an important step in the legislative process, as whatever is adopted dictates how much the Legislature can appropriate in bills and agency budgets for the 2025-27 biennium.

Both forecasts provided this week were less positive than the one adopted in January at the start of the session but still anticipated slight increases in General Fund revenues from the previous biennium. Current General Fund revenues were currently 12.7% above forecast, but forecasters anticipated \$90 million less in sales and use tax revenue (total) in 2026-27 and 426.4 million less in oil tax revenue for the 2023-25 biennium and \$591.6 million less for the 2025-27 biennium. This is partially due to decreases in production and oil price, but also partially due to a decreased overall effective tax rate. As North Dakota's oil play ages, many wells begin to qualify as lower producing "stripper wells" and become exempt from the extraction tax (they are still subject to production tax). More than half of North Dakota oil wells now qualify as stripper wells.

Legislators are still looking to cut appropriations to balance the budget. At crossover the Legislature was around \$350 million over budget from the January forecast. They now have a little bit more work to do. You can find the reports from OMB/Moodys and S&P Below:

- [OMB Revenue Forecast](#)
- [Moody's U.S. & North Dakota Economic Outlook Report](#)

UPDATES FROM ICBND'S PRIORITY TRACKING LIST

Next week's hearing schedule includes only committee work and appropriations hearings for priority list bills that ICBND is watching, including HB 1278 (cash management) and HB 1507 (cooperative bank charters). Here is what happened this week:

On Monday, **HB 1127** was heard before the Senate Industry and Business Committee. This bill creates a data security program for non-bank financial institutions and includes amendments to several sections in chapters 6 and 13 in order update and clarify sections in ways that ensure consistency, particularly between banks and other financial corporations. By the end of the week, the committee had given the bill a Do-Pass recommendation as amended, and it had passed the House 46-1. Because the Senate amended the bill to include the permanent ban from banking provisions the House had removed, the bill may end up going to conference committee.

Also heard before Senate Industry and Business on Monday was **HB 1447**, the bill attempting to regulate crypto kiosks. The committee heard testimony from Commissioner Lise Kruse, Rick Clayburgh, NDBA; Janelle Moos, AARP; Ladd Erickson, McClean County States Attorney, and others in support of the bill. Jacob Rued, First Western fraud investigator, again testified on behalf of ICBND and NDBA in support of the bill. The committee has not yet acted on the bill.

Later that afternoon, the same committee heard **HB 1507**, the cooperative bank charter bill. This bill would allow credit unions and some federally chartered banks to convert their charters to state regulated cooperative charters. Once converted, these financial institutions would become banks. They would pay taxes like banks and be regulated like banks. If their original charters were credit union charters, they would not retain any of the exemptions previously granted to that charter. Assistant NDDFI Commissioner Corey Krebs and Rick Clayburgh, NDBA, were the only testimony in support of the bill. There was no oppositional testimony. The committee has not yet acted upon the bill and has committee work scheduled for the bill next week.

On Tuesday, the House Finance and Taxation Committee heard **SB 2310**, which increases the garnishment fee to \$40. The committee immediately gave the bill a 10-1-3 Do Pass, and it passed the House 78-12 yesterday. It will now go to the Governor for his signature.

SB 2127 was heard by House Judiciary on Tuesday. SB 2127 is the Uniform Electronic Estate Planning Documents Act. While the bill did not receive any opposition in the Senate, there was some from County Recorders this time around. While the recorders did not really oppose the bill as a whole, they were seeking some clarification on who could create the certified copy in reference to section 59-22-11. The committee amended the bill to address these concerns and then gave it an 11-0-3 Do Pass recommendation. **SB 2123**, the Uniform Special Deposits Act and final Uniform Commercial Code bill of the session, was heard on Wednesday before the House Industry, Business, and Labor committee. It was immediately given a 10-0-4 Do Pass recommendation.

NEXT WEEK'S HEARING SCHEDULE

Monday, March 17

3:15 PM	HB 1278	Cash Management – Committee Work	Senate Approps	Harvest
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Tuesday, March 18

10:30 AM	HB 1507	Cooperative Bank Charter	Senate Approps - GO	Red River
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Wednesday, March 19

There are no hearings of interest scheduled for Wednesday.

Thursday, March 20

10:00 AM	SB 2014	Confidential and exempt records of BND	House Approps - GO	Brynhild Haugland
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2:30 PM	SB 2014	Confidential and exempt records of BND	House Approps - GO	Brynhild Haugland
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Friday, March 21

There are no hearings of interest scheduled for Friday.

LEGISLATIVE DEADLINES

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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