



May 2, 2025

Update No. 17

Oof – it has been a *week*, to say the least. In case you needed proof that the Legislature is bogged down, let me offer it in few ways:

- The conference committee on HB 1176, one of two remaining property tax bills, met six more times this week in just the first three days. Multiple amendments have failed on a House/Senate divide, and several meetings have adjourned without discussion because neither side will budge. Wednesday's afternoon conference committee was wrapping up when Senator Weber suggested he and Representative Bosche arm wrestle for it. Senator Weber has a natural ability to lighten the mood, but despite a round of laughs, even his best effort didn't last long. Representative Headland, serving as committee chair, adjourned with the admonishment, "there's no need for us to schedule another meeting until you [the Senate] decide to come to the table with something" and the statement that the House would begin taking action on HB 1168, the other property tax bill. The Senate passed HB 1168 last Friday afternoon and returned it to the House. True to Headland's word, the conference committee for HB 1168 met twice yesterday. Apparently, Chairman Headland and Senator Rummel had reached a deal on amendments to the bill prior to the second meeting. When the meeting was called to order, Headland explained the amendment and a motion was made to adopt it. When the vote was called, all three House members voted yes. The clerk moved to the Senate side, and Rummel was yes, while the remaining two Senators (Bekkedahl and Powers) voted no. Visibly agitated, Chairman Headland pounded the gavel and adjourned the meeting. When the cameras went off, the Chairman asked Rummel, "What happened? Where do we go from here?" At that point, the Senator realized that he had forgotten to inform the other Senators that he made a deal. So, the committee was called back to order, a new motion was made to move the amendment, and this time it passed 5-1. The amendments reduced the primary residence credit to \$1000 and removed the "skin in the game" language. If the conference committee report is adopted and HB 1168 passed by both bodies, it would render HB 1176 unnecessary. However, if they opt not to abandon HB 1176 and it is adopted after HB 1168, it will supersede the language in HB 1168. We'll see what happens today.
- Because not enough work had been completed, there were no floor sessions on Wednesday. This means Wednesday doesn't count against the constitutional limit of 80 legislative days, pushing Day 80 all the way back to May 10. They had hoped to save ten days, but it's not looking great.
- If you've wondered what policy legislators do while the appropriators toil and the conference committees fight, it's generally nothing good. While a spirited game of pinochle can always be found if you know which corners to look in, sooner or later even the most vicious card sharks tire of the game. That's when shenanigans ensue. The rules committee has been meeting this week to

discuss rules for *the next* legislative session – rumors are their proposal includes allowing committee chairman to kill a bill in committee (without a floor vote).

• At the end of Thursday's late night floor session, the Senate announced that it would meet "in a conclave not held at the Vatican" until a compromise was reached on the DOT budget. The conference committee has met 4 times this week without finding agreement. The bill does include a 5 cent increase to the gas tax, bonding for Highway 85, changes to the oil and gas tax distribution, and deposits of legacy fund earnings for the highway fund and property tax relief fund. There are a lot of issues left to work out, including where HB 1176 and 1168 end up, as those property tax decisions will affect the legacy fund earnings numbers.

Prior to this morning's floor sessions, 19 bills remained, and 11 conference committees were still working. Leadership was still hoping to adjourn this week, but it looks like it will either be a very, very late night tonight or day of work on Saturday if that's going to be possible. They did make time to reconsider, and pass, **HB 1298**, which may be an indicator of how bad they'd like to get out of town. The bill increases interstate speed limits to 80 mph.

But it can be easy to get bogged down when many of the newsworthy items coming from the Capitol all week revolved around individual current and former legislators rather than policy. As a result of new details being made public in the case of former Senator Ray Holmberg, Democrat law makers proposed a delayed bill on Monday that would have made elected officials and other state leaders mandatory reporters. You may recall a similar resolution was debated and failed earlier in the session. When bills are introduced after the bill deadlines, a committee aptly named the Delayed Bills Committee gets to decide whether the bill will be granted a hearing and debated by the full body. That committee denied the Democrats' offering. On Tuesday afternoon, news broke that the House Majority Caucus Chair would be resigning his leadership position, a very unusual move. Additionally, no less than three legislators have been absent for at least a partial day due to unexpected medical issues. The Session is certainly starting to take a visible toll on many.

Assuming the legislature adjourns by Monday, we'll have a summary report next week. Many legislators were kicked out of their long-term hotel stays Wednesday night, so the pressure is on.

UPDATES FROM ICBND'S PRIORITY TRACKING LIST

I thought we would clear out all our bills in time for this week's report. Unfortunately, I was wrong. Yesterday evening the Senate rejected the conference committee report for **SB 2014**, the North Dakota Industrial Commission budget bill. This bill includes the Bank of North Dakota's budget and many other agencies, including the budget for the ND Housing Finance Agency, Department of Mineral Resources, and the Mill & Elevator Association. Conference committee amendments added a study to be completed by BND on economic development opportunities to sustain the economies of communities in western North Dakota as oil and gas development activities decrease. In addition, the funds (totaling \$60m) for PACE, AgPACE, biofuels PACE, and the beginning farmer revolving loan fund were combined into a single line item, allowing BND to allocate funds to each program as necessary. Previously, specific amounts had been designated for each program within the budget, but the bank had been allowed to direct funds to whichever program had the most demand. This change simply aligns policy with the current practice. The bill also included a line of credit for the North Dakota Pipeline Authority (up to \$100m) and increased loan guarantees from the strategic investment and improvements fund (SIIF) to \$160m to be used to address the challenges in the building of a west to east natural gas pipeline. This would be done by allowing the state to purchase capacity on this theoretical pipeline if needed. With even Senate Majority Leader Hogue speaking on the floor against this addition, it is likely what doomed the report to failure. Rejecting the report sends the bill back to the conference committee for further work. The conference committee had a meeting scheduled for 11 a.m. this morning, but it has been cancelled, signaling that there is still negotiating to do.

As expected, the Governor signed **HB 1584** this week. As a reminder, HB 1584 is the bill that regulates pharmacy benefits managers. Both ICBND and the NDBBT opposed the bill because it seeks to preempt the ERISA protections currently provided to self-funded insurance plans and will increase pharmaceutical costs for users of our plans and drive-up premiums for employees and employers.

NEXT WEEK'S HEARING SCHEDULE
Monday, May 5
No committee hearings currently scheduled at this time.
Tuesday, May 6
No committee hearings currently scheduled at this time.
Wednesday, May 7
No committee hearings currently scheduled at this time.
Thursday, May 8
No committee hearings currently scheduled at this time.
Friday, May 9
No committee hearings currently scheduled at this time.
LEGISLATIVE DEADLINES
May 10 Session limited to 80 legislative days.

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

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.

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