

**1999 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1168**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1168

House Industry, Business and Labor Committee

Conference Committee

Hearing Date January 12, 1999

Tape Number	Side A	Side B	Meter #
1		x	32.6-38.0
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

**CHAIRMAN BERG** called the hearing for HB 1168 to order.

**1B: 33.7 ED SATHER, Vice President of the Bank of ND,** testified in support of the bill. (See attached testimony.)

**1B: 36.0 REP. KEISER** asked why there is an emergency clause in the bill. Mr. Sather said they are requesting the clause because it facilitates the process. He gave an example of how the emergency clause would function.

**CHAIRMAN BERG** adjourned the hearing on HB 1168.

**1B: 39.2 ACTION ON BILL** Rep. Klein made a motion for a DO PASS. The motion was seconded by Rep. Brekke. A roll call vote was taken. The bill was passed and Rep. Martinson will carry it to the House floor.

Date: 1-12-99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1168

House Industry, Business and Labor Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do pass

Motion Made By Klein Seconded By Brekke

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom					
Rep. Froseth	/				
Rep. Glasheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Martinson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
January 12, 1999 5:06 p.m.

Module No: HR-06-0522  
Carrier: Martinson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1168: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1168 was placed on the Eleventh order on the calendar.**

**1999 SENATE INDUSTRY, BUSINESS AND LABOR**

**HB 1168**

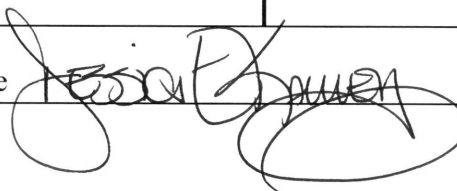
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1168

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 10, 1999

Tape Number	Side A	Side B	Meter #
2	x		2800-end
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on HB1168. All senators were present.

Ed Sather, Senior Vice President for the Bank of North Dakota, testified in support of HB1168.

His testimony is included.

Senator Mutch closed the hearing on HB1168.

Senator Sand motioned for a do pass committee recommendation on HB1168. Senator

Thompson seconded his motion. The motion carried with a 6-0-1 vote.

Senator Krebsbach will carry the bill.

Date: 2/10

Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1168

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By SAND Seconded By THOMPSON

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp		X			
Senator Thompson	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment KREBSBACH

REPORT OF STANDING COMMITTEE (410)  
April 1, 1999 2:38 p.m.

Module No: SR-59-6253  
Carrier: Krebsbach  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1168: Industry, Business and Labor Committee (Sen. Mutch, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). placed on the Fourteenth order on the calendar.



**1999 TESTIMONY**

**HB 1168**

TESTIMONY ON HOUSE BILL 1168  
BEFORE THE HOUSE  
INDUSTRY, BUSINESS AND LABOR  
COMMITTEE  
JANUARY 12, 1999

Mr. Chairman and members of the committee, my name is Ed Sather and I am a Senior Vice President of the Bank of North Dakota. I am testifying in support of HB 1168.

First I will provide some background on securing public deposits. North Dakota law (NDCC 21-04-09) permits the deposit of public funds in any financial institution in excess of federal insurance limitations only if the deposit is secured. In order to secure the deposit, financial institutions pledge securities (governments, agency, and state and local municipal bonds). Last session the Legislature authorized a financial institution to use a letter of credit issued by the Bank of North Dakota to secure public deposits.

Since the letter of credit provision became available in 1997, several banks have used this new option. Sound bank underwriting requires that BND have security for the letters of credit it issues.

Section 1 of the bill places a statutory requirement on letters of credit issued in connection with section 21-04-09. It establishes when the security interest attaches that no filing is required to perfect the security interest and gives the Bank the first priority as to all creditors.

Section 2 of the bill establishes that the Bank does not need to file a financing statement to perfect a security interest in the collateral securing a letter of credit issued in connection with section 21-04-09.

The bill will streamline the process and make it less difficult for BND and financial institutions to use BND letters of credit to secure public deposits.

TESTIMONY ON HOUSE BILL 1168  
BEFORE THE SENATE  
INDUSTRY, BUSINESS AND LABOR  
COMMITTEE  
FEBRUARY 10, 1999

Mr. Chairman and members of the committee, my name is Ed Sather and I am a Senior Vice President of the Bank of North Dakota. I am testifying in support of HB 1168.

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