## 1999 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1209

## 1999 HOUSE STANDING COMMITTEE MINUTES

## BILL/RESOLUTION NO. HB 1209

House Industry, Business and Labor Committee

□ Conference Committee

Hearing Date 1-18-99

Tape Number	Side A	Side B	Meter #				
2	Х		1210 - 3083				
3	Х		2468 - 3085				
Committee Clerk Signature							

Minutes: <u>Chairman Berg</u>: Introduced bill 1209 in absence of Rep. Dorso, relating to an insurance company's authorized investment of funds in a ND low-risk incentive fund.

<u>Tom Smith</u>: Domestic Insurance Companies. This bills intent creates a new subsection which deals with authorized investments for domestic insurance company's.

Rep. Dorso: This is an out growth of the bill that was passed from the last Legislative session.

The object of the bill is to encourage insurance companies to invest in other areas to help bring

the money back into ND. The bill is more of a technical correction to the last bill.

Trent Heinemeyer: NDID. For bill 1209, proposes amendments to bill.

<u>Rep. Glassheim</u>: Does anything in the amendments change the amount of income that would come into the premium fund?

<u>Mr. Heinemeyer</u>: It wouldn't change the amount of premium that would come in, but would provide them tax credits.

Page 2 House Industry, Business and Labor Committee Bill/Resolution Number Hb 1209 Hearing Date 1-18-99

John Hoeven: Supports bill 1209.

Chairman Berg: Closes the hearing.

Tape 3, side A, meter No. 2468

Rep. Keiser made a motion to move the amendments.

Rep. Severson seconded the motion.

A voice vote was taken, 15 yea 0 nay, motion passed.

Rep. Keiser made a motion for a Do Pass as Amended.

Rep. Koppang seconded the motion.

Vote was 15 yea 0 nay, motion passed.

Rep. Koppang carries the bill.

## FISCAL NOTE

(Return original and 10 copies)							
Bill/Resolution No.:	HB 1209	Amendment to:					
Requested by Legislative Co	ouncil	Date of Request: _	1-8-99				

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

## Narrative:

Chapter 26.1-50, enacted by the 1997 Legislative Assembly, established the Low Risk Incentive Fund as an incentive to encourage insurance companies doing business in North Dakota to invest in businesses in North Dakota. The Act provides a premium tax credit for insurance companies investing in such businesses and meeting certain requirements, the fiscal impact of which was determined during the enactment of the law and is capped by a maximum statutory aggregate tax credit of \$750,000.

House Bill No. 1209 amends Chapter 26.1-50 and provides additional incentives for insurance companies to participate in the program established under that chapter. The degree to which insurance companies will utilize the Low-Risk Incentive fund as an investment opportunity, thereby triggering a fiscal impact, is unknown at this time and is completely unpredictable. The maximum credit allowed would not change due to the amendments contained in House Bill No. 1209, however.

## 2. State fiscal effect in dollar amounts:

	1997-99 I	Biennium	1999-2001	Biennium	2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium: None

b.	For the 1999-2001 biennium:	None	
C.	For the 2001-03 biennium:	None	

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium			2001-03 Biennium			
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed,	Signed	TC. Hanan
attach a supplemental sheet.	Typed Name	Trent C. Heinemeyer
Date Prepared: 1/11/98	Department	Insurance Department
	Phone Number	328-2440

Prepared by the North Dakota Insurance Department January 18, 1999

#### **PROPOSED AMENDMENTS TO 1209**

Page 1, line 3, replace "section" with "sections" and after "26.1-50-06" insert "and 26.1-50-07"

Page 1, line 4, after "fund" insert "and the admitted assets of insurers"

Page 2, after line 18, insert:

"SECTION 3. AMENDMENT. Section 26.1-50-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**26.1-50-07.** Assets of Insurers. The amount of a loan made by an insurer or the amount of an insurer's participation in a loan made under this chapter may not be considered or reported on the insurer's annual statement as an admitted asset except to the extent provided under subsection 33 of section 26.1-05-19."

Renumber accordingly

Date:	1-18	~	99	_
Roll Call	Vote #:		/	

# 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. <u>1209</u>

House Industry, Business and Lab	or			Comr	nittee
Subcommittee on					
or					
Conference Committee					
Legislative Council Amendment Num	nber _				
Action Taken do pas	5	ûs	amended		
Motion Made By <u>Keiser</u>	* a 2	Se By	conded <u>Koppany</u>		
Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/-		Rep. Thorpe		
Vice Chair - Kempenich	/	1			
Rep. Brekke					
Rep. Eckstrom	/			1	
Rep. Froseth	/				
Rep. Glassheim	/			2	
Rep. Johnson					
Rep. Keiser	/				
Rep. Klein					
Rep. Koppang					
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz					
Total (Yes) 15		Nc	0		
Absent	ng				

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

(in

## REPORT OF STANDING COMMITTEE

HB 1209: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1209 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "section" with "sections" and after "26.1-50-06" insert "and 26.1-50-07"

Page 1, line 4, after "fund" insert "and the admitted assets of insurers"

Page 2, after line 18, insert:

"SECTION 3. AMENDMENT. Section 26.1-50-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**26.1-50-07.** Assets of insurers. The amount of a loan made by an insurer or the amount of an insurer's participation in a loan made under this chapter may not be considered or reported on the insurer's annual statement as an admitted asset except to the extent provided under subsection 33 of section 26.1-05-19."

Renumber accordingly

## 1999 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1209

## 1999 SENATE STANDING COMMITTEE MINUTES

## BILL/RESOLUTION NO. HB1209

Senate Industry, Business and Labor Committee

□ Conference Committee

Hearing Date February 15, 1999

Tape Number	Side A	Side B	Meter #
1	Х		1900-3800
	0	1	
Committee Clerk Signa	ture EDCAP	ANTER	
Minutes:	()		

John Hovin, Bank of North Dakota, introduced and testified in support of HB1209. Senator Mutch asked him if this write-off could be written off immediately. Mr. Hovin told him that he was essentially correct. Senator Krebsbach asked how many dollars have been committed to this fund. He told her that \$0 have been committed to the fund.

Trent Heineneyer testified in support of HB1209.

Tom Smith testified in support of HB1209.

Senator Mutch closed the hearing on HB1209.

Senator Thompson motioned for a do pass. Senator Heitkamp seconded and it carried 7-0-0. Senator Mathern will carry the bill.

Date: 3// Roll Call Vote #:

SRH04093

# 1999 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate INDUSTRY, BUSIN	IESS AND LA	BOR C	OMMITTEE	Commit
Subcommittee on				
or Conference Committee				
Legislative Council Amendment	nt Number			
Action Taken $D_0 P_1$	65			
Motion Made By	P50N	Sec By	conded	np
Senators	Yes	No	Senators	Yes N
Senator Mutch	X		5 cmator 5	
Senator Sand	X			
Senator Krebsbach	X			
Senator Klein	X			
Senator Mathern	X			
Senator Heitkamp	X			
Senator Thompson	X			
Total (Yes)		No	$\widehat{D}$	
Absent				
loor Assignment	HERN			

## **REPORT OF STANDING COMMITTEE**

HB 1209, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1209 was placed on the Fourteenth order on the calendar.