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DESCRIPTION

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10/3/03  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1270

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1270

House Industry, Business and Labor Committee

Conference Committee

Hearing Date February 3, 2003

Tape Number	Side A	Side B	Meter #
1		X	2562-3101

Committee Clerk Signature *Elizabeth R. Quinn*

Minutes: Chair Keiser opened hearing on 1270

Rep. Nottstad introduced bill and turned the testimony over to Greg Tschider.

Greg Tschider (ND Credit Union League): Supports with written testimony.

Tim Karsky (Commissioner of Dept. of Financial Institutions): Supports bill as written.

Chair Keiser closed hearing on HB 1270

Rep. Froseth moved Do Pass. Second by Rep. Severson.

Vote: 14 Yes 0 No 0 Absent

Date: Feb. 3, 2003  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1270

House Industry, Business & Labor Committee

Check here for Conference Committee

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

Action Taken DP

Motion Made By Froseth Seconded By Sullivan

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep. Severson, Vice-Chair	✓		Rep. Ekstrom	✓	
Rep. Dosch	✓		Rep. Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep. Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep. Tieman	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Thorpe

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

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La Costa Rickford 10/3/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
February 3, 2003 12:08 p.m.

Module No: HR-20-1516  
Carrier: Thorpe  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1270: Industry, Business and Labor Committee (Rep. Kelsor, Chairman)  
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1270 was placed on the Eleventh order on the calendar.

(2) DEBK, (3) COMM

Page No. 1

HR-20-1516

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*10/3/03*  
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2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1270

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10/3/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1270

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 03-11-03

Tape Number	Side A	Side B	Meter #
1	XXXX		4400-end
Committee Clerk Signature <i>Lizabeth Berkon</i>			

Minutes: Chairman Mutch opened the hearing on HB 1270. Senator Krebsbach was absent.

HB 1270 relates to reports of credit committees of credit unions.

**Testimony in support of 1270**

**Representative Nottestad** introduced the bill. He stated that the bill was at the request of the Credit Union League. The bill does two things. It has to do with change in the credit unions from what they were years ago to what they are now. The laws from years ago are still in place. It has to do with the way loans are distributed and the way that they are handled by the credit committee. It also provides protection from fraud as well.

**Greg Tschider**, ND Credit Union League, spoke in support of the bill. The intent of this proposed legislation is to provide the credit committee members flexibility with scheduling their meetings and also to permit the credit committee to give loan officers authority the deny loans.

See written testimony.

**Senator Klein:** So what we are doing is just fixing things that are obvious?

Page 2  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number 1270  
Hearing Date 03-11-03

Greg: Yes.

Senator Espgaard: Where are the compliance laws at with the credit unions now with respect to loan denial?

Greg: The present law is that a loan officer can review the application, make a recommendation to the board to deny it, and then the board has to meet and discuss the application. This leaves a waiting period for the consumer. NCUA and the Dept. of Financial Institutions have not agreed on this yet. It is not fair to the consumer to make them wait.

Senator Mutch: So then the loan officer could deny the loan and tell the applicant right away without having to meet with the credit union board?

Greg: Yes, that's correct.

Senator Nething: Have you considered other approaches to shortening the time table, such as paying your board members? Are there not that many loans available for them to consider?

Greg: The credit committee can decide which loans they want to review. For instance, they can decide that a loan officer only has authority to make loans up to \$50,000. The problem with paying them is that the statutes don't permit them to be paid.

Senator Nething: Well, if we are amending something, maybe we should amend that section of the statute and permit them to be paid.

Greg: The philosophy of the credit unions has always been volunteers working for nothing for the good of the order and we would like to maintain that philosophy.

Senator Nething: Your philosophy also was that the credit union was organized with in a given community and now the credit union can be organized all over the state.



Page 3  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number 1270  
Hearing Date 03-11-03

**Greg:** That is not correct. There are field and membership restrictions. A credit union in Bismarck can only have a branch within 75 miles of the institutions.

**Senator Nething:** We changed the law so you could do that.

**Greg:** That was done by the state credit union board.

**Senator Nething:** Getting back to your original philosophy, some things change.

**Greg:** A lot of things have changed and people are more mobile, where in the 40's and 50's they were not as mobile.

**Senator Mutch:** If a lending officer agrees to make a loan, does he then have to approach the credit committee?

**Greg:** The basic procedure is that they report all loans to the committee.

**Senator Espegard:** The federal credit union can expand its boundaries can't it?

**Greg:** The federal boundaries appear to be more expansive.

**Senator Espegard:** Are the board members paid?

**Greg:** No they are not. They can receive payment for mileage, but that is it.

**There was no opposition.**

**Hearing was closed.**

**Senator Klein moved a DO PASS. Senator Every seconded.**

**Roll Call Vote: 6 yes. 0 no. 1 absent.**

**Carrier: Senator Every**

Date: 3-11-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

Senate 1270 Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Klein Seconded By Every

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nething	X				
Sen. Heltkamp	X				
Sen. Every	X				
Sen. Espegard	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Every

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In Costa Rickford 10/3/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
March 11, 2003 12:26 p.m.

Module No: SR-43-4438  
Carrier: Every  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1270: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends  
**DO PASS** (8 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1270 was placed  
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-43-4438

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*10/2/03*  
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2003 TESTIMONY

HB 1270

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Date

# TESTIMONY IN SUPPORT OF HOUSE BILL NO. 1270

**GREG TSCHIDER, ND CREDIT UNION LEAGUE**

Mr. Chairman and Members of the House Industry, Business, and Labor Committee, I am Greg Tschider and I represent the North Dakota Credit Union League.

The intent of this proposed legislation is to provide credit committee members flexibility with scheduling their meetings and also to permit the credit committee to give loan officers authority to deny loans.

At the present time the law requires that loan officers furnish to the credit committee a record of approved or denied loans every seven days. All loans not approved must be acted upon by the credit committee. Thus many credit committees are attempting to meet every seven days. Credit committee members are volunteers -- they are not paid for their time. It is an unreasonable hardship to expect them to meet weekly.

In addition, the credit committee should be able to give loan officers authority to deny loans without requiring the credit committee to also act on those denied loans. The credit committee is responsible for setting the parameters for loan approval or denial. The existing law provides that the loan officer can approve loans without credit committee approval. There is no logical reason why the loan officer should not have the authority, if the credit committee elects, to also deny loans without requiring the credit committee to also act on those denied loans.

Therefore, the North Dakota Credit Union League respectfully requests that this Committee send this bill to the House floor with a "Do Pass" recommendation.

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10/3/03  
Date

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Fifty-eighth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1271**

Introduced by

Representatives Grande, Ekstrom, Hunsakor, Wald

Senators Lyson, Trenbeath

- 1 A BILL for an Act to create and enact a new section to chapter 12-47 of the North Dakota  
2 Century Code, relating to the housing of female inmates.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 12-47 of the North Dakota Century Code is  
5 created and enacted as follows:

6 **Director to contract for housing female inmates.** The director of the department of  
7 corrections and rehabilitation shall contract with a county for the housing of female inmates in  
8 the county jail, to the extent space is available in the county jail. The county jail must be  
9 designed in a manner that can adequately segregate the female inmates from the male  
10 inmates. Any county with which the department contracts must have available and must  
11 provide the female inmates access to educational and vocational programs, chemical  
12 dependency treatment programs, mental health programs, medical services, and adequate  
13 recreational facilities.