

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1150

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1150

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1150

HOUSE INDUSTRY, BUSINESS AND LABOR

☐ Conference Committee

Hearing Date 1-19-05

Tape Number
1

Side A
x

Side B

Meter #
5.3-11.4

Committee Clerk Signature

Jody Reinke

Minutes:

Chairman Keiser: Opened the hearing on HB 1150. All committee members were present.

Karlene Fine, Executive Director & Secretary, Industrial Commission: Appeared in support of HB 1150 and provided written testimony. (SEE ATTACHED TESTIMONY).

Representative Ekstrom: There has been a lot of discussion this session and last session on regards to accountability. Do you see that any of this will be in conflict if your ability to report on what program is needed. I know it's not your roll, but it obviously needs further investigation.

Representative Keiser: What would be included in programs, student loans program?

Karlene Fine: Those are very specific programs that we have where there is a certain criteria to follow, the programs are run through the Bank of ND.

Rep. Dosch: I move a DO PASS on HB 1150. **Rep. Ekstrom:** SECOND THE MOTION.

Motion carried. VOTE: 14-YES 0-NO 0-Absent.

Representative Thorpe will carry bill on the floor. Meeting adjourned.

Date: 1-19-05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1150

House

INDUSTRY, BUSINESS AND LABOR

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Pass

Motion Made By

Rep Dosch

Seconded By

Rep. Ekstrom

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	✓		Rep. B. Amerman	✓	
N. Johnson-Vice Chairman	✓		Rep. T. Boe	✓	
Rep. D. Clark	✓		Rep. M. Ekstrom	✓	
Rep. D. Dietrich	✓		Rep. E. Thorpe	✓	
Rep. M. Dosch	✓				
Rep. G. Froseth	✓				
Rep. J. Kasper	✓				
Rep. D. Nottestad	✓				
Rep. D. Ruby	✓				
Rep. D. Vigasaa	✓				

Total (Yes)

14

No

0

Absent

-0-

Floor Assignment

Rep. Thorpe.

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

REPORT OF STANDING COMMITTEE (410)
January 19, 2005 12:06 p.m.

Module No: HR-12-0695
Carrier: Thorpe
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1150: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1150 was placed on the Eleventh order on the calendar.

2005 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1150

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1150

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 2-23-05

Tape Number

1

Side A

xxx

Side B

Meter #

5300-end

Committee Clerk Signature



Minutes: **Chairman Mutch** opened the hearing on HB 1150. **Senator Espegard** was absent.

HB 1150 relates to confidentiality of Bank of North Dakota customer records.

Karlene Fine, Executive Director and Secretary of the Attorney General's office, introduced the bill. See written testimony.

Senator Klein: What you are saying here is "ABC Company" wouldn't give many details about the loan, but you would say that they participated in the PACE program? For example. You would be able to give that information, which you currently don't.

Karlene: That is exactly right.

Senator Klein: But only the program that you are dealing with?

Karlene: No other details, than the name of the borrower, the amount of the financing and which program they participated in, and they received their buy-down.

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1150

Hearing Date 2-23-05

There was no opposition.

Senator Klein moved a DO PASS.

Senator Krebsbach seconded.

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

Carrier: Senator Heitkamp

Date: 2-23-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1150

Senate Industry, Business, and Labor

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Pass

Motion Made By

Klein

Seconded By

Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Mutch	X		Senator Fairfield	X	
Senator Klein	X		Senator Heitkamp	X	
Senator Krebsbach	X				
Senator Espegard	X				
Senator Nething	X				

Total (Yes)

6

No 0

Absent

1

Floor Assignment

Heitkamp

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

REPORT OF STANDING COMMITTEE (410)
February 23, 2005 3:11 p.m.

Module No: SR-33-3521
Carrier: Heltkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1150: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1150 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

HB 1150



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

Testimony on House Bill No. 1150
By Karlene Fine
Executive Director & Secretary
Industrial Commission of North Dakota
January 19, 2005 – House Industry, Business and Labor Committee

Mr. Chairman and members of the House Industry, Business and Labor Committee, my name is Karlene Fine and I am Executive Director and Secretary for the Industrial Commission. One of the functions of the Industrial Commission is oversight of the Bank of North Dakota.

House Bill No. 1150 deals with the information that the Industrial Commission can release regarding a Bank of North Dakota borrower. There are two provisions in current law which specifically relate to what is being proposed.

North Dakota Century Code § 6-09-35(1) states:

6-09-35. Confidentiality of Bank records. *The following records of the Bank of North Dakota are confidential:*

1. Commercial or financial information of a customer, whether obtained directly or indirectly, except for routine credit inquiries or unless required by due legal process. As used in this subsection, "customer" means any person who has transacted or is transacting business with, or has used or is using the services of, the Bank of North Dakota, or for whom the Bank of North Dakota has acted as a fiduciary with respect to trust property.

In essence this is saying that if you are doing business with the Bank of North Dakota your financial information is confidential.

Because the Bank is a unique organization – the only state-owned Bank – the Legislature has stated that certain information can be released if you are a customer of the Bank. Section 6-08.1-02 of the Century Code deals with Disclosure of Customer Information. Subsection 7 states the following:

6-08.1-02. Exemptions. *This chapter does not apply to any of the following: . . .*

7. The release by the industrial commission, in its capacity as the managing body of the Bank of North Dakota, of the following:

a. The name of any person who has obtained approval for direct or indirect financing or security, including a loan guarantee or a letter of credit, through the Bank of North Dakota primarily for purposes other than personal, family, or household purposes.

Karlene K. Fine, Executive Director and Secretary
State Capitol, 14th Floor - 600 E Boulevard Ave Dept 405 - Bismarck, ND 58505-0840
E-Mail: kfine@state.nd.us

Phone: (701) 328-3722 FAX: (701) 328-2820

"Your Gateway to North Dakota": discovernd.com

January 19, 2005

- b. The amount of any financing or security referenced in subdivision a.*
- c. The amount of any net writeoff or loan forgiveness associated with the financing or security referenced in subdivision a which the industrial commission determines is uncollectible.*

In essence this provision allows the Industrial Commission to release the name of a borrower and the amount of the financing.

House Bill 1150 would allow the Industrial Commission to release the name of the borrower and the amount of the financing by program. For instance, if a request came to the Industrial Commission for a list of PACE program borrowers under current law and based on an Attorney General's Opinion issued in 2004, the Commission could not release the names of the PACE Program borrowers. If you asked me if ABC Company had a loan I could tell you the name and the amount of the financing but I could not identify under what program ABC Company had its financing. The reason I couldn't release the name of the borrower by program is that by stating the program under which the borrower received the financing the Commission would be disclosing customer information. To obtain a PACE loan the borrower must meet certain criteria and by identifying the program the Commission would be stating that the borrower met that criteria. It wouldn't be specific customer information but general information about a customer.

Because the Bank of North Dakota is a unique financial institution the Commission believes there must be a balance between what the public has a right to know and what the Bank must be able to keep confidential in order to function as a bank. By proposing this legislation the Commission had indicated that it is supportive of disclosing the program under which a borrower obtained financing.

Thank you for your consideration of House Bill 1150. I am available to respond to your questions.



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

Testimony on House Bill No. 1150
By Karlene Fine
Executive Director & Secretary
Industrial Commission of North Dakota
February 23, 2005 – Senate Industry, Business and Labor Committee

Mr. Chairman and members of the Senate Industry, Business and Labor Committee, my name is Karlene Fine and I am Executive Director and Secretary for the Industrial Commission. One of the functions of the Industrial Commission is oversight of the Bank of North Dakota.

House Bill No. 1150 deals with the information that the Industrial Commission can release regarding a Bank of North Dakota borrower. There are two provisions in current law which specifically relate to what is being proposed.

North Dakota Century Code § 6-09-35(1) states:

6-09-35. Confidentiality of Bank records. *The following records of the Bank of North Dakota are confidential:*

1. Commercial or financial information of a customer, whether obtained directly or indirectly, except for routine credit inquiries or unless required by due legal process. As used in this subsection, "customer" means any person who has transacted or is transacting business with, or has used or is using the services of, the Bank of North Dakota, or for whom the Bank of North Dakota has acted as a fiduciary with respect to trust property.

In essence this is saying that if you are doing business with the Bank of North Dakota your financial information is confidential.

Because the Bank is a unique organization – the only state-owned Bank – the Legislature has stated that certain information can be released if you are a customer of the Bank. Section 6-08.1-02 of the Century Code deals with Disclosure of Customer Information. Subsection 7 states the following:

6-08.1-02. Exemptions. *This chapter does not apply to any of the following: . . .*

7. The release by the industrial commission, in its capacity as the managing body of the Bank of North Dakota, of the following:

a. The name of any person who has obtained approval for direct or indirect financing or security, including a loan guarantee or a letter of credit, through the Bank of North Dakota primarily for purposes other than personal, family, or household purposes.

February 23, 2005

b. The amount of any financing or security referenced in subdivision a.

c. The amount of any net writeoff or loan forgiveness associated with the financing or security referenced in subdivision a which the industrial commission determines is uncollectible.

In essence this provision allows the Industrial Commission to release the name of a borrower and the amount of the financing.

House Bill 1150 would allow the Industrial Commission to release the name of the borrower and the amount of the financing by program. For instance, if a request came to the Industrial Commission for a list of PACE program borrowers under current law and based on an Attorney General's Opinion issued in 2004, the Commission could not release the names of the PACE Program borrowers. If you asked me if ABC Company had a loan I could tell you the name and the amount of the financing but I could not identify under what program ABC Company had its financing. The reason I couldn't release the name of the borrower by program is that by stating the program under which the borrower received the financing the Commission would be disclosing customer information. To obtain a PACE loan the borrower must meet certain criteria and by identifying the program the Commission would be stating that the borrower met that criteria. It wouldn't be specific customer information but general information about a customer.

Because the Bank of North Dakota is a unique financial institution the Commission believes there must be a balance between what the public has a right to know and what the Bank must be able to keep confidential in order to function as a bank. By proposing this legislation the Commission had indicated that it is supportive of disclosing the program under which a borrower obtained financing.

Thank you for your consideration of House Bill 1150. I am available to respond to your questions.