

JOURNAL OF THE HOUSE

Sixty-sixth Legislative Assembly

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Bismarck, January 18, 2019

The House convened at 12:30 p.m., with Speaker Klemin presiding.

The prayer was offered by Rev. Bob GrayEagle, Prairie Family Church, Bismarck.

The roll was called and all members were present except Representatives D. Anderson, Boschee, Buffalo, Delzer, Kempenich, K. Koppelman, M. Nelson, Paur, Schauer, and Weisz.

A quorum was declared by the Speaker.

REPORT OF PROCEDURAL COMMITTEE

MR. SPEAKER: Your procedural Committee on Employment (Rep. Martinson, Chairman) recommends the following House employees for the Sixty-sixth Legislative Assembly.

2019 HOUSE EMPLOYEES

	<u>Chief Clerk</u>	
Buell Reich		Bismarck
	<u>Assistant Chief Clerk</u>	
Mark Zimmerman		Bismarck
	<u>Chief Committee Clerk</u>	
Donna Whetham		Wilton
	<u>Journal Reporter</u>	
Rachel Haidle		Bismarck
	<u>Calendar Clerk</u>	
Reed D. Christensen		Courtenay
	<u>Bill Clerk</u>	
Edwin Whetham		Wilton
	<u>Video Recording Clerk</u>	
Joel Melarvie		Mandan
	<u>Sergeant-at-Arms</u>	
Jerry Moszer		Bismarck
	<u>Deputy Sergeant-at-Arms</u>	
Dwight Eckart		Bismarck
	<u>Assistant Sergeants-at-Arms</u>	
Roman Weiler		Mandan
Ian W. Trenbeath		Bismarck
Andrew Stenehjem		Bismarck
Kristen Perala		Bismarck
Robbie Jewett		Valley City
Elvira Ketterling		Bismarck
	<u>Administrative Assistant to the Speaker</u>	
Arlene Melarvie		Mandan
	<u>Administrative Assistant to the Majority Leader</u>	
Angela Dinius		Bismarck
	<u>Staff Assistant to the Majority Leader</u>	
Bethany Berntston		Valley City
	<u>Staff Assistant to the Minority Leader</u>	
Tina Lingen		Mandan
Michael Taylor		Bismarck
	<u>Communications Director (both houses)</u>	
Chris VandeVenter		Bismarck
	<u>Assistant Committee Clerk</u>	
Marjorie Conley		Wilton

Nicole Klamann		Bismarck
	<u>Appropriations Committee Clerk</u>	
Risa Bergquist		Bismarck
	<u>Assistant Appropriations Committee Clerks</u>	
Parker Oswald		Bismarck
Caitlin Fleck		Bismarck
Sheri Lewis		Bismarck
	<u>Committee Clerks</u>	
Elaine Stromme		Wilton
Mary Brucker		Bismarck
Ellen LeTang		Mandan
Beverley Monroe		Baldwin
Delores Shimek		Bismarck
Kathleen Davis		Bismarck
Carmen Hickie		Bismarck
ReMae Kuehn		Mandan
Jeanette Cook		New Salem
Carmen Hart		Bismarck
	<u>Chief Page Legislative Assistant</u>	
Virginia Emineth		Wilton
	<u>Pages and Bill Book Clerks</u>	
Josiah Geiger		Baldwin
Jubilee Geiger		Baldwin
Desarae Bergquist		Bismarck
Klarissa Pudwill		Bismarck
	<u>Information Kiosk</u>	
Dinah Robinson		Center
	<u>Parking Lot Attendant</u>	
Mark Johnston		Bismarck

REP. VIGESAA MOVED that the report be adopted, which motion prevailed on a voice vote.

OATH OF OFFICE

SPEAKER KLEMIN ADMINISTERED the oath of office to the 2019 House employees.

FIRST READING OF HOUSE CONCURRENT RESOLUTION

Rep. Vigesaa and Sen. Dever introduced:

HCR 3022: A concurrent resolution designating House and Senate employment positions and fixing compensation.

Was read the first time.

MOTION

REP. VIGESAA MOVED that the rules be suspended, that HCR 3022 be printed, not be referred to committee, but be read in its entirety, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed on a voice vote.

Rep. Vigesaa and Sen. Dever introduced:

HOUSE CONCURRENT RESOLUTION NO. 3022

A concurrent resolution designating House and Senate employment positions and fixing compensation.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That for the Sixty-sixth Legislative Assembly, the following positions are designated as employee positions of the House and Senate and are to be paid the daily wages indicated:

	HOUSE	
Chief clerk		\$201
Assistant chief clerk		177
Journal reporter		191
Calendar clerk		177
Bill clerk		165
Recording clerk		160

Sergeant-at-arms	160
Administrative assistant to majority leader	174
Staff assistant to majority leader	174
Administrative assistant to minority leader	174
Staff assistant to minority leader	174
Administrative assistant to Speaker	174
Deputy chief clerk	184
Appropriations committee clerk	174
Assistant appropriations committee clerk	167
Committee clerk for three-day committee	167
Committee clerk for two-day committee	162
Assistant committee clerk	162
Deputy sergeant-at-arms	122
Chief legislative assistant	135
Legislative assistant	115

SENATE

Secretary of the senate	\$201
Assistant secretary of the Senate	177
Journal reporter	191
Calendar clerk	177
Bill clerk	165
Recording clerk	160
Sergeant-at-arms	160
Administrative assistant to majority leader	174
Staff assistant to majority leader	174
Administrative assistant to minority leader	174
Staff assistant to minority leader	174
Chief committee clerk	184
Appropriations committee clerk	174
Assistant appropriations committee clerk	167
Committee clerk for three-day committee	167
Committee clerk for two-day committee	162
Assistant committee clerk	162
Deputy sergeant-at-arms	122
Chief page	135
Legislative assistant	115

BE IT FURTHER RESOLVED, that each employee of the Sixty-sixth Legislative Assembly is entitled to an additional \$1 per day for each previous regular session of the Legislative Assembly during which that employee was paid for at least 45 days, as either an employee of the House or the Senate, and to receive this additional compensation, which may not exceed \$10 per day, that employee must certify to the Legislative Council the year of each regular session during which that employee was employed as required by this resolution; and

BE IT FURTHER RESOLVED, that each majority and each minority leader is entitled to one administrative assistant and two staff assistants, but each majority or minority leader may hire fewer or more assistants so long as the total daily compensation for the assistants hired does not exceed the total daily amount authorized for those positions by this resolution; and

BE IT FURTHER RESOLVED, that the report of the Employment Committee of the respective house identify the number of employees in each position by listing every employee and the position for which employed; and

BE IT FURTHER RESOLVED, that with the approval of the Employment Committee of the respective house, a position may be converted to a part-time position, with the daily compensation converted to a per hour rate of pay, and a part-time employee may hold more than one part-time position so long as the positions held do not exceed a full-time equivalent position; and

BE IT FURTHER RESOLVED, an employee is entitled to pay for any day the Legislative Assembly is in recess and any employee is required to be present for committee hearings or other legislative business; and

BE IT FURTHER RESOLVED, that if any employee resigns, is discharged, or for other reasons terminates employment, the compensation provided by this resolution for that employee ceases effective the last day of employment.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3022: A concurrent resolution designating House and Senate employment positions

and fixing compensation.

The question being on the final adoption of the resolution, which has been read.

HCR 3022 was declared adopted on a voice vote.

MOTION

REP. LOUSER MOVED that HB 1460 be returned to the House floor from the **Agriculture Committee** for the purpose of withdrawal, which motion prevailed on a voice vote.

REQUEST

REP. BRANDENBURG REQUESTED the unanimous consent of the House to withdraw HB 1460. There being no objection, it was so ordered by the Speaker.

SIXTH ORDER OF BUSINESS

SPEAKER KLEMIN DEEMED approval of the amendments to HB 1041, HB 1100, HB 1103, HB 1111, HB 1117, HB 1120, HB 1146, HB 1149, and HB 1360.

HB 1111 and HB 1120, as amended, were rereferred to the **Appropriations Committee**.

HB 1041, HB 1100, HB 1103, HB 1117, HB 1146, HB 1149, and HB 1360, as amended, were placed on the Eleventh order of business on the calendar for the succeeding legislative day.

SECOND READING OF HOUSE BILL

HB 1132: A BILL for an Act to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to an exemption from open records laws for background interviews regarding law enforcement officer job applicants.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 83 YEAS, 2 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigasaa; Westlind; Zubke; Speaker Klemin

NAYS: Devlin; Keiser

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1132 passed.

SECOND READING OF HOUSE BILL

HB 1047: A BILL for an Act to amend and reenact subsection 6 of section 57-40.5-03 of the North Dakota Century Code, relating to the excise tax exemption for air ambulances; and to provide for retroactive application.

CONFLICT OF INTEREST

REP. PORTER STATED that he had a conflict of interest on HB 1047.

MOTION

REP. LOUSER MOVED that Rep. Porter be allowed to vote on HB 1047, which motion

prevailed on a voice vote.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 4 YEAS, 81 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Bellew; Meier; Ruby, D.; Steiner

NAYS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1047 failed.

SECOND READING OF HOUSE BILL

HB 1190: A BILL for an Act to amend and reenact section 5-01-17 of the North Dakota Century Code, relating to domestic winery licenses.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 82 YEAS, 3 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

NAYS: Damschen; Hoverson; Kading

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1190 passed.

SECOND READING OF HOUSE BILL

HB 1176: A BILL for an Act to amend and reenact sections 26.1-13-01, 26.1-13-05, 26.1-13-07, 26.1-13-10, 26.1-13-11, 26.1-13-12, 26.1-13-14, 26.1-13-15, 26.1-13-19, 26.1-13-21, 26.1-13-23, 26.1-13-28, 26.1-13-29, and 26.1-13-34 and subsection 7 of section 26.1-42.1-02 of the North Dakota Century Code, relating to county mutual insurance companies; and to repeal sections 26.1-13-20, 26.1-13-22, 26.1-13-24, 26.1-13-25, 26.1-13-26, 26.1-13-27, 26.1-13-31, 26.1-13-32, and 26.1-13-33 of the North Dakota Century Code, relating to county mutual insurance companies.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 1 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

NAYS: Ertelt

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1176 passed.

SECOND READING OF HOUSE BILL

HB 1172: A BILL for an Act to amend and reenact section 43-25-05.1 of the North Dakota Century Code, relating to reporting requirements of the board of massage therapy.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 85 YEAS, 0 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1172 passed.

SECOND READING OF HOUSE BILL

HB 1140: A BILL for an Act to amend and reenact subsections 3 and 4 of section 26.1-39-11 and subsections 4 and 5 of section 26.1-40-01 of the North Dakota Century Code, relating to the renewal of an insurance policy with altered terms.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 85 YEAS, 0 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman;

Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1140 passed.

MOTION

REP. LOUSER MOVED that HB 1255, which is on the Eleventh order, be laid over one legislative day, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1139: A BILL for an Act to create and enact section 26.1-02-31 of the North Dakota Century Code, relating to confidentiality of insurance department records; and to amend and reenact section 26.1-02-30 of the North Dakota Century Code, relating to confidentiality of consumer assistance records.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 0 NAYS, 0 EXCUSED, 10 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Kempenich; Koppelman, B.; Koppelman, K.; Paur; Schauer; Weisz

HB 1139 passed.

SECOND READING OF HOUSE BILL

HB 1271: A BILL for an Act to amend and reenact subsection 6 of section 11-18-02.2 and section 30.1-32.1-06 of the North Dakota Century Code, relating to statements of full consideration being filed with the county recorder and transfer on death deed requirements.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 83 YEAS, 1 NAYS, 0 EXCUSED, 10 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Brandenburg; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe;

Nelson, J.; Nelson, M.; O'Brien; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigasaa; Westlind; Zubke; Speaker Klemin

NAYS: Owens

ABSENT AND NOT VOTING: Anderson, D.; Boschee; Buffalo; Delzer; Headland; Kempenich; Koppelman, K.; Paur; Schauer; Weisz

HB 1271 passed.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1097, HB 1162, HB 1173, HCR 3022.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SB 2191, SB 2203.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2056.

MOTION

REP. LOUSER MOVED that the absent members be excused, which motion prevailed.

MOTION

REP. LOUSER MOVED that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 1:00 p.m., Monday, January 21, 2019, which motion prevailed on a voice vote.

REPORT OF STANDING COMMITTEE

HB 1029: Education Committee (Rep. Owens, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1029 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "nine" with "eleven"

Page 1, line 17, replace "Two" with "Three"

Page 1, line 19, replace "Two" with "Three"

Page 1, line 21, replace "study" with "review"

Page 1, line 21, after "including" insert "only"

Page 2, line 1, remove ", together with any"

Page 2, line 2, remove "legislation required to implement the recommendations,"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1130: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1130 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1154: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1154 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1169: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1169 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1179: Transportation Committee (Rep. D. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1179 was placed on the Sixth order on the calendar.

Page 2, line 24, after "in" insert "and compliant with"

Page 3, line 7, after the period insert "The director may impose additional conditions as reasonably necessary to ensure compliance."

Page 3, after line 23, insert:

"c. This section does not limit the director's authority to cancel a temporary restricted license for good cause."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1181: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1181 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 26.1-57 of the North Dakota Century Code, relating to the regulation of guaranteed asset protection waivers; to provide a penalty; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 26.1-57 of the North Dakota Century Code is created and enacted as follows:

26.1-57-01. Definitions.

As used in this chapter:

1. "Administrator" means a person, other than an insurer or creditor, which performs administrative or operational functions pursuant to guaranteed asset protection waiver programs.
2. "Borrower" means a debtor, retail buyer, or lessee, under a finance agreement.
3. "Creditor" means the lender in a loan or credit transaction; the lessor in a lease transaction; a dealer that provides credit to a motor vehicle retail buyer; the seller in a commercial retail installment transaction; or an assignee of any of the these persons.
4. "Dealer" has the same meaning as provided under section 39-01-01.
5. "Finance agreement" means a loan, lease, or retail installment sales contract for the purchase or lease of a motor vehicle.
6. "Free-look period" means the period of time from the effective date of the guaranteed asset protection waiver until the date the borrower may cancel the contract without penalty, fees, or costs to the borrower. This period of time may not be shorter than thirty days.

7. "Guaranteed asset protection waiver" means a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of amounts due on a borrower's finance agreement if there is a total physical damage loss or unrecovered theft of the motor vehicle, which agreement must be part of, or a separate addendum to, the finance agreement.
8. "Insurer" means an insurance company licensed, registered, or otherwise authorized to do business under the insurance laws of this state.
9. "Motor vehicle" has the same meaning as provided under section 39-01-01, except the term includes a snowmobile and a trailer for a snowmobile, motorcycle, boat, camper, or personal watercraft.

26.1-57-02. Scope.

1. This chapter does not apply to:
 - a. An insurance policy offered by an insurer under the insurance laws of this state;
 - b. A debt cancellation or debt suspension contract offered in compliance with title 12, Code of Federal Regulations, part 37 or title 12, Code of Federal Regulations, part 721, or other federal law; or
 - c. A debt cancellation or debt suspension contract offered by a bank or credit union chartered under the laws of this state.
2. Guaranteed asset protection waivers are not insurance and, except as provided under this chapter, are exempt from the insurance laws of this state. A person marketing, selling, or offering to sell guaranteed asset protection waivers to borrowers which complies with this chapter is exempt from the insurance requirements of this state.

26.1-57-03. Requirements for offering guaranteed asset protection waivers.

1. A guaranteed asset protection waiver may be offered, sold, or provided to a borrower in this state in compliance with this chapter.
2. A guaranteed asset protection waiver may, at the option of the creditor, be sold for a single payment or may be offered with a monthly or periodic payment option.
3. Notwithstanding any contrary provision of law, any cost to the borrower for a guaranteed asset protection waiver entered in compliance with the federal Truth in Lending Act [15 U.S.C. 1601 et seq.], and related implementing regulations, must be separately stated and is not a finance charge or interest.
4. A dealer shall insure the dealer's guaranteed asset protection waiver obligations under a contractual liability or other insurance policy issued by an insurer. A creditor, other than a dealer, may insure the creditor's guaranteed asset protection waiver obligations under a contractual liability policy or other such policy issued by an insurer. Any such insurance policy may be obtained directly by a creditor or dealer, or may be procured by an administrator, to cover a creditor's or dealer's obligations. However, a dealer that is a lessor on a motor vehicle is not required to insure obligations related to guaranteed asset protection waivers on that leased vehicle.
5. The guaranteed asset protection waiver remains a part of the finance agreement upon the assignment, sale, or transfer of that finance agreement by the creditor.

6. Neither the extension of credit, the term of credit, nor the term of the related motor vehicle sale or lease may be conditioned upon the purchase of a guaranteed asset protection waiver.
7. A creditor that offers a guaranteed asset protection waiver shall report the sale of, and forward funds received on all such waivers to the designated party, if any, as prescribed in any applicable administrative services agreement, contractual liability policy, other insurance policy, or other specified program documents.
8. Funds received or held by a creditor or administrator and belonging to an insurer, creditor, or administrator, pursuant to the terms of a written agreement, must be held by the creditor or administrator in a fiduciary capacity.

26.1-57-04. Contractual liability or other insurance policies.

1. Contractual liability or other insurance policies insuring guaranteed asset protection waivers must state the obligation of the insurer to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under the guaranteed asset protection waivers issued by the creditor and purchased or held by the borrower.
2. Coverage under a contractual liability or other insurance policy insuring a guaranteed asset protection waiver also must cover any subsequent assignee upon the assignment, sale, or transfer of the finance agreement.
3. Coverage under a contractual liability or other insurance policy insuring a guaranteed asset protection waiver must remain in effect unless canceled or terminated in compliance with applicable insurance laws of this state.
4. The cancellation or termination of a contractual liability or other insurance policy may not reduce the insurer's responsibility for guaranteed asset protection waivers issued by the creditor before the date of cancellation or termination and for which premium has been received by the insurer.

26.1-57-05. Disclosures.

A guaranteed asset protection waiver must disclose, as applicable, in writing and in clear, understandable language that is easy to read, the following:

1. Neither the extension of credit, the terms of the credit, nor the terms of the related motor vehicle sale or lease, may be conditioned upon the purchase of the guaranteed asset protection waiver.
2. The name and address of the initial creditor and the borrower at the time of sale, and the identity of any administrator if different from the creditor.
3. The purchase price and the terms of the guaranteed asset protection waiver, including the requirements for protection, conditions, or exclusions associated with the guaranteed asset protection waiver.
4. The borrower may cancel the guaranteed asset protection waiver within a free-look period as specified in the waiver, and is entitled to a full refund of the purchase price, if no benefits have been provided.
5. The procedure the borrower shall follow, if any, to obtain guaranteed asset protection waiver benefits under the terms and conditions of the waiver, including a telephone number and address at which the borrower may apply for waiver benefits.
6. The procedure for canceling the guaranteed asset protection waiver and for requesting any refund due.

7. To receive any refund due in the event of a borrower's cancellation of the guaranteed asset protection waiver agreement or early termination of the finance agreement after the free-look period of the guaranteed asset protection waiver, the borrower, in accordance with terms of the waiver, shall provide a written request to cancel to the creditor, administrator, or such other party. If the request to cancel is a result of the early termination of the finance agreement the borrower shall provide the written request to cancel within ninety days of the occurrence of the event terminating the finance agreement.
8. The methodology for calculating any refund of the unearned purchase price of the guaranteed asset protection waiver due, in the event of cancellation of the guaranteed asset protection waiver or early termination of the finance agreement.

26.1-57-06. Cancellation.

1. A guaranteed asset protection waiver agreement is cancellable. A guaranteed asset protection waiver must provide if a borrower cancels a waiver within the free-look period, the borrower is entitled to a full refund of the purchase price, if benefits have not been provided. If a borrower cancels the waiver after the free-look period and no benefits have been provided, the creditor, administrator, or other authorized party shall provide the borrower a refund of the purchase price, calculated in a manner at least as favorable as using the sum-of-the-digits method, less any cancellation fee no greater than fifty dollars.
2. To receive a refund, the borrower, in accordance with any applicable terms of the waiver, shall provide a written request to cancel to the creditor, administrator, or other party. If the request to cancel is a result of the early termination of the finance agreement the borrower shall provide the written request to cancel within ninety days of the occurrence of the event terminating the finance agreement.
3. If the cancellation of a guaranteed asset protection waiver occurs as a result of a default under the finance agreement or the repossession of the motor vehicle associated with the finance agreement, or any other termination of the finance agreement, any refund due may be paid directly to the creditor or administrator and applied as set forth in subsection 4.
4. Any cancellation refund under subsection 1, 2, or 3 may be applied by the creditor as a reduction of the amount owed under the finance agreement, unless the borrower can show that the finance agreement has been paid in full.

26.1-57-07. Commercial transactions exempted.

Subsection 3 of section 26.1-57-03, section 26.1-57-05, and section 26.1-57-06, are not applicable to a guaranteed asset protection waiver offered in connection with a lease or retail installment sale associated with a commercial transaction.

26.1-57-08. Enforcement - Penalty.

1. The commissioner may take action as necessary or appropriate to enforce this chapter and to protect guaranteed asset protection waiver holders in this state.
2. After proper notice and opportunity for hearing, the commissioner may:
 - a. Order the creditor, administrator, or any other person not in compliance with this chapter to cease and desist from further guaranteed asset protection waiver-related operations that are in violation of this chapter.

- b. Impose a penalty of not more than five hundred dollars per violation and no more than ten thousand dollars in the aggregate for all violations of a similar nature. For purposes of this chapter, violations are of a similar nature if the violation consists of the same or similar course of conduct, action, or practice, regardless of the number of times the conduct or practice determined to be a violation of the chapter occurred.
- c. Order the creditor, administrator, or any other person not in compliance with this chapter to pay restitution of the guaranteed asset protection waiver purchase price.

SECTION 2. APPLICATION. This Act applies to all guaranteed asset protection waivers that become effective on or after the effective date of this Act."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1196: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1196 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1204: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1204 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1208: Education Committee (Rep. Owens, Chairman) recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1208 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1228: Education Committee (Rep. Owens, Chairman) recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1228 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1250: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1250 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1265: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1265 was placed on the Sixth order on the calendar.

Page 1, line 6, remove the first "and"

Page 1, line 6, after "overhead" insert a comma

Page 1, line 7, remove ", and the market value of the land and structures of"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1273: Education Committee (Rep. Owens, Chairman) recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1273 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1281: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (11 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). HB 1281 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1291: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1291 was placed on the Eleventh order on the calendar.

The House stood adjourned pursuant to Representative Louser's motion.

Buell J. Reich, Chief Clerk