2025 SENATE INDUSTRY AND BUSINESS

SB 2250

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee

Fort Union Room, State Capitol

SB 2250 1/27/2025

A bill relating to damages for injuries to timber.

2:30 p.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- History of similar past bills
- Intentional vs accidental
- Consumer costs
- Repeal
- Language elimination
- Treble damages and frequency
- Fraud, civil racketeering, and livestock damage
- Spray drift negligence or intent
- Sprayer insurance
- 2:30 p.m. Senator Klein, District 14, testified in favor and introduced the bill.
- 2:33 p.m. John Ward, Association of ND Insurers, testified in favor and submitted testimony #31853.
- 2:42 p.m. Dennis Pathroff, American Property Casualty Insurance Association, testified in favor and submitted testimony #31741.
- 2:43 p.m. Chairman Barta closed the hearing.
- 2:43 p.m. Senator Kessel moved a Do Pass.
- 2:43 p.m. Vice-Chairman Boehm seconded the motion.

| Senators | Vote |
|---------------------|------|
| Senator Jeff Barta | Υ |
| Senator Keith Boehm | Y |
| Senator Mark Enget | Υ |
| Senator Greg Kessel | Y |
| Senator Jerry Klein | Υ |

Motion passed 5-0-0.

Senator Kessel will carry the bill.

Senate Industry and Business Committee SB 2250 01/27/25 Page 2

2:44 p.m. Chairman Barta closed the meeting.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE SB 2250 (25.1103.01000)

Module ID: s_stcomrep_13_007

Carrier: Kessel

Industry and Business Committee (Sen. Barta, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2250 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.



January 27, 2025

RE: Support SB2250, Timber Damage Bill

The American Property Casualty Insurance Association (APCIA) represents nearly 60 percent of the U.S. property casualty insurance market APCIA's mission is to promote and protect the viability of private competition for the benefit of consumers and insurers. APCIA is the primary national trade association for home, auto, and business insurers. Our mission is to promote and protect the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. I'm here today on behalf of over 1200 APCIA member companies, who together write nearly 60 percent of the auto insurance written in the US.

In North Dakota, APCIA's members write more than \$9.1 billion in property and casualty insurance premiums. We respectfully submit the following comments in support of SB 2250.

APCIA supports SB 2250 as the bill clarifies that intentional conduct is required, not merely negligent acts, in order for punishing treble damages to be awarded as compensation in timber injury cases. It is imperative that the person causing the tree damage is acting with the intent to do the harm if the measure of damages is to be 3 times the actual detriment.

Plaintiff's lawyers often try to blur the lines between intentional and merely negligent acts, and seek outrageous damages for relatively common, unintentional occurrences. With the amendatory language, parties will not be subject to excessive treble damages for tree injury claims that are not the result of willful and wanton conduct.

The proposed revisions to NDCC § 32-03-30 clarify that the statute's treble damages provision only applies to intentional injuries to trees, and APCIA urges a **DO PASS** on SB 2250.

Respectfully,

Brooke Kelley

Brooke Kelley

Assistant Vice President, American Property Casualty Insurance Association (APCIA)

January 27, 2025

John Ward, Association of North Dakota Insurers

Testimony in support of SB 2250

Good Morning Chairman Barta and Members of the Committee:

My name is John Ward and I am local Bismarck attorney and lobbyist representing the Association of North Dakota Insurers or ANDI. ANDI is composed of North Dakota domestic insurance companies and other members. ANDI's members include Nodak Insurance, Center Mutual, Farmers Union, and Heartland, among others.

I am here today in support of SB2250 which seeks to amend NDCC § 32-03-30, which relates to Damages for Wrongful Injuries to Timber. NDCC § 32-03-30 provides as follows:

For wrongful injuries to timber, trees, or underwood upon the land of another, or removal thereof, the measure of damages is three times such a sum as would compensate for the actual detriment, except when the trespass was casual and involuntary or committed under the belief that the land belonged to the trespasser, or when the wood was taken by the authority of highway officers for the purposes of a highway. In such a case the damages are a sum equal to the actual detriment.

(the "Timber Statute")

The Timber Statute has been on the books in some form since 1877. The Language of the Timber Statute is somewhat antiquated and the purpose of this revision is to clarify the statute. This amendment clarifies that treble damages apply to willful and wanton acts, where a person injures another person's trees or shrubs, specifically with the intent to actually harm or damage the trees of another.

The second part of the amendment clarifies that treble damages do not apply to merely negligent acts.

There has been some confusion in the Courts with the 1877 language that is still on the books.

The amended bill before this committee seeks to clarify that a person, who intentionally or recklessly cuts down his or her neighbor's tree, may be responsible for three times the value of the tree. It is imperative that the person causing the tree damage is acting with the intent to do the harm.

I also work as an attorney for the firm ES ATTORNEYS. My firm has litigated many of these tree damage cases. Plaintiff's lawyers often try to blur the lines between intentional and merely negligent acts. The 1877 language of the statute relies on the term "casual and involuntary" to take a person out of the required intent to be liable for treble damages or triple damages under the former 1877 statute that remains on the books today. The Amended Bill before you removes the confusing standard of casual and involuntary and clarifies that this statute on only applies where there is the requisite intent to cause damage to someone's trees.

A person who unintentionally or negligently causes damage to trees may still be held liable for those damages, but the damages are the actual value of the damage that he or she caused.

SB 2250 eliminates the unnecessary and unclear language from the statute. This bill has come to the attention of ANDI after having litigated many of these cases in recent years, where Plaintiff's attorneys sought outrageous damages for relatively commonplace occurrences, such as a fire caused by a combine fire during harvest.

The consequences of the ambiguity in the existing 1877 language is that treble damages are presumed to apply unless the Defendant can show that the action causing the fire was "casual and involuntary". Well, what does that mean?

The proposed revisions to NDCC § 32-03-30 are to clarify the statute.

ANDI urges a DO PASS on SB 2250.

Thank you for your support,

John Ward

2025 HOUSE AGRICULTURE SB 2250

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee

Room JW327C, State Capitol

SB 2250 3/13/2025

A BILL for an Act to amend and reenact section 32-03-30 of the North Dakota Century Code, relating to damages for injuries to timber.

11:01 a.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Willful and wanton
- Recover damages
- Treble damage
- Intentionally and recklessly

11:02 a.m. Senator Jerry Klein, District 14, Fessenden, ND, introduced and testified.

11:11 a.m. John Ward, Attorney/Lobbyist, North Dakota Insurers, testified in favor.

11:21 a.m. Chris Owen, Senior Vice President, NODAK Insurance, testified in favor.

11:26 a.m. Pete Hanebutt, ND Farm Bureau, testified in favor.

11:29 a.m. Levi Andrist, GA Group, American Property Casualty Insurance Association, testified in favor.

11:29 a.m. Representative Tveit moved Do Pass.

11:29 a.m. Representative Anderson seconded the motion.

| Representatives | Vote |
|-----------------------------------|------|
| Representative Mike Beltz | Υ |
| Representative Dori Hauck | Υ |
| Representative Karen A. Anderson | Υ |
| Representative Gretchen Dobervich | Υ |
| Representative Donna Henderson | N |
| Representative Dawson Holle | Υ |
| Representative Jeff Hoverson | Υ |
| Representative Dwight Kiefert | Υ |
| Representative Dennis Nehring | Υ |
| Representative SuAnn Olson | N |
| Representative Nico Rios | Υ |

House Agriculture Committee SB 2250 03/13/25 Page 2

| Representative Cynthia Schreiber-Beck | AB |
|---------------------------------------|----|
| Representative Bill Tveit | Y |
| Representative Daniel R. Vollmer | Υ |

Motion passed 11-2-1.

11:31 a.m. Representative Tveit will carry the bill.

Additional Written Testimomy:

Brooke Kelley, Assistant Vice President, American Property Casualty Insurance Association, testified in favor and submitted testimony #41169.

11: a.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE SB 2250 (25.1103.01000)

Module ID: h_stcomrep_39_002

Carrier: Tveit

Agriculture Committee (Rep. Beltz, Chairman) recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2250 was placed on the Fourteenth order on the calendar.



March 13, 2025

RE: Support SB2250, Timber Damage Bill

The American Property Casualty Insurance Association (APCIA) represents nearly 60 percent of the U.S. property casualty insurance market APCIA's mission is to promote and protect the viability of private competition for the benefit of consumers and insurers. APCIA is the primary national trade association for home, auto, and business insurers. Our mission is to promote and protect the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. I'm here today on behalf of over 1200 APCIA member companies, who together write nearly 60 percent of the auto insurance written in the US.

In North Dakota, APCIA's members write more than \$9.1 billion in property and casualty insurance premiums. We respectfully submit the following comments in support of SB 2250.

APCIA supports SB 2250 as the bill clarifies that intentional conduct is required, not merely negligent acts, in order for punishing treble damages to be awarded as compensation in timber injury cases. It is imperative that the person causing the tree damage is acting with the intent to do the harm if the measure of damages is to be 3 times the actual detriment.

Plaintiff's lawyers often try to blur the lines between intentional and merely negligent acts, and seek outrageous damages for relatively common, unintentional occurrences. With the amendatory language, parties will not be subject to excessive treble damages for tree injury claims that are not the result of willful and wanton conduct.

The proposed revisions to NDCC § 32-03-30 clarify that the statute's treble damages provision only applies to intentional injuries to trees, and APCIA urges a **DO PASS** on SB 2250.

Respectfully,

Brooke Kelley

Brooke Kelley

Assistant Vice President, American Property Casualty Insurance Association (APCIA)