

North Dakota Association of REALTORS®

Recap of 64th Legislative Assembly – 2015 Legislative Session



- The 64th Legislative Session convened on January 6, 2015 and adjourned on April 29, 2015 – using 78 of the 80 days to which it is limited under the ND Constitution.
- For the first time in ND history, one bill, SB 2022, which contained the funding for the Retirement Investment Office and the Public Employees Retirement System, was not addressed. This bill contained the appropriation for the retirement and healthcare plans for state employees and most legislators.
- Legislators re-convened on June 16, 2015 to address SB 2022. After the conference committee concurred and amendments were approved, SB 2022 passed out of the House and Senate and was signed by the Governor. This resulted in the 64th Legislative Session using 79 of the 80 days to which it is limited by the ND Constitution.
- NDAR sponsored legislation changing the venue in small claims court where earnest money disputes can be heard easily passed. Bills NDAR supported introduced at the request of the ND Real Estate Commission, the ND Real Estate Appraiser Qualifications and Ethics Board and the Land Title Association also passed successfully.
- Two bills supported by the Association but not critical to REALTORS® ability to conduct business did not pass – the “anti-discrimination bill” adding sexual orientation to the list of protected classes and a bill clarifying the use of metes and bounds were defeated.
- Total 2015-2017 biennium budget ended at \$14.4 billion, \$700 million more than the 2013-2015 budget.
- General fund spending of more than \$6.8 billion in 2013-2015 was reduced to just over \$6 billion.
- A surplus of \$211 million is projected at the end of the biennium, June 30, 2017.
- Taxpayers will benefit by a total of \$397.2 million in tax cuts broken down as follows:
 - \$274.2 million property tax cuts
 - \$123 million individual and corporate tax cuts
- Lawmakers approved \$648 million in water projects, including the Fargo diversion project and internal dike funding.
- Lawmakers approved \$1.1 billion in “surge” spending mostly to oil impacted communities.
- Lawmakers approved a “formula” bill increasing the share of oil tax revenue to impacted communities from 25% to 30% for a total of \$621 million.
- The Legislature cut the oil extraction tax rate from 6.5 to 5% to replace triggers based on the price of a barrel of oil. The oil production tax rate remained at 5% for a total of 10%.

Following are bills we supported or opposed and their final status. Appreciation goes out to everyone’s participation and commitment to assisting staff with Government Affairs activities. We had great representation at Legislative Impact Day, good responses to our Calls for Action and lively discussions on our Friday calls.

Special thanks go to Rep. Diane Larson for introducing our small claims court bill and to Casey Chapman, NDAR General Counsel, for providing expertise. We also especially want to thank our five REALTOR® Legislators – Reps. Tom Beadle, Joshua Beadle, Ben Hanson, Thomas Kading and Scott Louser – for so-sponsoring our bill and others of importance to the real estate industry, for always responding promptly when we requested information and for representing REALTORS® in a professional and decorous manner, even when legislative activities sometimes became contentious. Sine Die!

2015 LEGISLATIVE SESSION (64TH ASSEMBLY) – BILLS SUPPORTED BY NDAR

Bill	Title	Comment	Action
<p><u>HB 1014</u> SB 2220 SB 2257</p>	<p>Relating to the funding of the Industrial Commission and its agencies including the Housing Finance Agency and the Bank of North Dakota; relating to housing incentive fund credits, the use of the flex PACE program, and other matters.</p>	<p>For Housing Finance Agency, increase of \$310,157 from base level for salaries and wages; reduction of \$47,483 for operating expenses, reduction of \$3.6 million in grant dollars and reduction of \$3.5 million in special funds. One time funding of \$15.4 million for HIF and \$1.5 million for flood housing grants for Minot. Dollars appropriated for flood-impacted housing assistance in 2013 that are unexpended may continue to be used through June 30, 2017. In addition, the agency may receive any additional or unanticipated income from federal or other funds which become available during the biennium. For HIF, the Bank of North Dakota shall transfer \$5 million from current earnings and undivided profits and another \$5 million from current earnings and undivided profits, if the bank's net income for calendar year 2015 exceeds \$130 million. The additional \$5 million may only be used to fund awards in cities with a population of less than 12,500 pop... Also limits the origination fee assessed to grant recipients to 5%. BND will use the flex partnership to assist community expansion program to assist in financing affordable multi-family housing units for individuals in North Dakota through June 30, 2019. Emergency clause. <i>Note: Financial Center Bldg. was approved and the Housing Finance Agency would be one of the agencies that will move into that building when completed.</i></p>	<p>Support Passed</p>
<p><u>HB 1070</u></p>	<p>Relating to the property tax exemption for affordable housing.</p>	<p>Requested by the Housing Finance Agency. Change reference to 501(c) (3) in IRS Chapter 42 – to include 501(c) (4).</p>	<p>Support Failed</p>
<p><u>HB 1074</u></p>	<p>Relating to the application deadline for renewal of a real estate license and practicing as a real estate broker or salesperson without a license; and to provide a penalty.</p>	<p>Removes licensure renewal deadline from statute and allows it to be set by administrative rule by the Real Estate Commission. Changes the penalty for unlicensed activity from an infraction to a Class B misdemeanor.</p>	<p>Support Passed</p>
<p><u>HB 1100</u></p>	<p>Relating to real estate appraiser permits.</p>	<p>Amends statute to no longer require reciprocity agreements with other states and removes reference to reciprocity.</p>	<p>Support Passed</p>

		Adds language that says a signed or unsigned allegation from the public is not a complaint until the board determines there is reasonable cause to initiate a disciplinary proceeding against one or more applicants or permittees.	
<u>HB 1141</u>	Relating to inclusion of a dispute over disposition of earnest money or other money deposit arising from a contract to purchase real property within the jurisdiction and venue of small claims court proceedings.	If the defendant is an individual and the claim arose as the result of the defendant's lease of real property or as the result of a dispute over disposition of earnest money or other money deposit arising from a contract to purchase real property, adds to location where the proceedings in this court must be commenced, in the county where the real property is located, unless the plaintiff and the defendant consent in writing to a proceeding in a different county.	Support Passed
<u>HB 1148</u>	Relating to fees charged by abstracters.	Increases abstractor fees as follows: for each instrument searched and listed, but not included in the surface abstract, from \$1.50 to no more than \$3.00; for each entry or continuation of an entry on an abstract, from \$10 to \$15; for complete certification of records covering several county offices, from \$100 to \$150; for a certification covering lands in excess of one quarter section [64.75 hectares] in the same abstract of title and for each quarter section [64.75 hectares] or portion of a quarter section in excess of one, an additional fee of from \$10 to \$15; for a certification covering premises in more than one block in any subdivision in the same abstract of title and for the premises in each additional block in excess of one, an additional fee of from \$10 to \$15; for each name searched for judgments, real estate taxes, bankruptcy proceedings, federal tax liens, and state tax liens, from \$5 to \$10 and fees charged to the abstractor by a governmental agency or governmental entity.	Support Passed
<u>HB 1220</u>	Relating to the acceptance of funds by closing agents in real estate transactions.	Allows closing agents at or prior to closing, to accept a cashier's check for loan funds, if that check is delivered to the closing agent by a local issuing bank, savings and loan association, credit union, or savings bank, located in the same county as the closing agent or in a contiguous county. The closing agent shall deposit the cashier's check in the agent's escrow account with a local financial institution that makes the funds available for immediate withdrawal, prior to	Support Passed

		the disbursement of funds.	
<u>SB 2020</u> <u>HB 1415</u> <u>SB 2076</u>	Relating to funding for the State Water Commission and statewide water projects and to declare an emergency.	<p>Increased budget for State Water Commission, including approving 7 additional FTEs. \$69,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2015, and ending June 30, 2017. Any funds not spent by June 30, 2017, must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects, including levees and dikes. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditure made under this section. Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state. The state to provide one-half of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$570,000,000. It is the intent of the sixty-fourth legislative assembly that \$120,000,000 of the \$570,000,000, be used for Fargo interior flood control projects and that any funds spent for Fargo interior flood control projects after July 1, 2017, require 50 percent matching funds from the Fargo flood authority. It is the intent of the sixty-fourth legislative assembly that the \$266,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums, beginning July 1, 2017. It is the intent of the sixty-fourth legislative assembly that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless</p>	Support Passed

		<p>the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than ten percent of these funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$30,000,000, or so much of the sum as may be necessary, for the purpose of providing funding for flood protection projects within city limits of Fargo, for the period beginning with the effective date of this Act, and ending June 30, 2017.</p>	
<u>SB 2269</u>	Relating to a deed or contract for deed that contains a metes and bounds legal description.	Would have added language to the Century Code to say that unless the auditor shows just cause for denial, the auditor may not deny the legal transfer of a deed or contract for deed under this section or any other section based upon the presence of a metes and bounds legal description if the metes and bounds legal description was obtained from the most recently recorded conveyance.	Support Failed
<u>SB 2279</u>	Relating to prohibition of discrimination on the basis of sexual orientation.	Would have prohibited discrimination on the basis of sexual orientation in employment relations, public accommodations, housing, state and local government services and credit transactions	Support Failed