

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1082

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1082

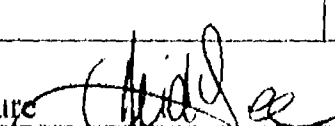
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1082

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 10, 2001

Tape Number	Side A	Side B	Meter #
1	X		12.15
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: We will start the hearing on House Bill 1082.

Gary Preszler: (1215) Commissioner, Department of Banking and Financial Institutions in support of HB 1082. *Written testimony.*

Rep Keiser: Are you going to handle the contract that is signed by the parties or to administrative rules processed by which information requested and transmitted?

Preszler: Not by administrative rule but by the actual agreement itself. The agreement will structure whether you have to make a written request for information and timely response to that or the free flowing or type of information, the agreement will spell that out.

Rep Keiser: Is that agreement available for us to see?

Preszler: Yes, *See Attached*

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number 1082

Hearing Date Jan 10,2001

Rep Ekstrom: Has your amendment been reviewed by the Attorney General?

Preszler: Yes, the Assistant Attorney General did review that.

Chairman Berg: Any further questions by the committee? How many people are here to testify on behalf of this bill? *Four.* Any opposition? *None.* We will continue with the proponents with that in mind.

Marilyn Foss: *ND Bankers Assoc.* I agree with Mr. Preszler about the confidentiality and I support the amendments. In the banking industry we recognize the concept of functional regulation and we recognize that there are instances of overlapping activities among members of the financial services industry will cause situations when information and sharing between the functional regulators is appropriate and we support that concept, we simply recognize also that the information that bank regulators obtain and the systems of confidentiality which have been in place for the banking industry didn't necessarily carry over to the insurance and securities regulatory agencies and we were concerned about that. We appreciate the amendment and with it we are supportive of the bill.

Chairman Berg: Any questions for Ms. Foss?

Joel Gilbertson: *Executive Vice President General Council of the Bank of North Dakota.* I will simply say we agree with all who are for the amendments.

Chairman Berg: Any questions for Mr. Gilbertson? Others wishing to testify on behalf of this legislation? Others that would like to sign the registration in support or opposition? *Signed in support of HB1082: Gary Prezler, Marilyn Foss, Joel Gilbertson, Patrick Ward-Nail, ACCL.*
Let's open the bill up for discussion by the committee.

Rep Klein: I move the adoption of the amendment.

Page 3
House Industry, Business and Labor Committee
Bill/Resolution Number 1082
Hearing Date Jan 10,2001

Rep Ekstrom: I second.

Chairman Berg: It's been moved and seconded to adopt the amendments. Any further discussion? We'll take a voice vote. All in favor, none opposed. Motion carries. Now will have the bill before us as amended, any discussion on the bill?

Rep Klein: I move as do pass as amended.

Rep Ekstrom: I second.

Chairman Berg: House Bill 1082 has been moved and seconded as amended, is there any further discussion?

Rep Keiser: I would like the specific details, a request in writing for information being provided.

Preszler: It can be done.

Chairman Berg: If anyone wants to table this that motion would be in order now, if not we will vote as a committee. We will have a roll call vote for a Do Pass on HB 1082 as amended. *All polled and results we 15 AYE, 0 NAY, 0 Absent.* Motion carries, Rep Klein to carry.

January 10, 2001

VR
1/10/01

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1082

Page 1, line 1, replace "subsection" with "subsections 3 and"

Page 1, line 5, replace "Subsection" with "Subsections 3 and"

Page 1, line 6, replace "is" with "are"

Page 1, after line 6, Insert:

- "3. The commissioner may, ~~in the commissioner's discretion,~~ furnish information to the attorney general, other state agencies, any prosecuting officials requiring the information for use in pursuit of official duties, and legislative investigations under chapter 54-03.2. Information furnished by the commissioner to any third party which is confidential in the commissioner's possession remains confidential in the possession of the third party. Information received by the commissioner from any third party which is confidential in the third party's possession remains confidential in the commissioner's possession."

Page 1, line 7, overstrike ", in the commissioner's discretion,"

Renumber accordingly

Date: 1-10-01
 Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1082

House Industry, Business and Labor Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Klein Seconded By Rep. Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich	✓		Rep. Doug Lemieux		
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep Matthew M Klein

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

REPORT OF STANDING COMMITTEE

HB 1082: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1082 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "subsection" with "subsections 3 and"

Page 1, line 5, replace "Subsection" with "Subsections 3 and"

Page 1, line 6, replace "is" with "are"

Page 1, after line 6, insert:

- "3. The commissioner may, ~~in the commissioner's discretion~~, furnish information to the attorney general, other state agencies, any prosecuting officials requiring the information for use in pursuit of official duties, and legislative investigations under chapter 54-03.2. Information furnished by the commissioner to any third party which is confidential in the commissioner's possession remains confidential in the possession of the third party. Information received by the commissioner from any third party which is confidential in the third party's possession remains confidential in the commissioner's possession."

Page 1, line 7, overstrike ", in the commissioner's discretion,"

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1082

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1082

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 13, 2001.

Tape Number	Side A	Side B	Meter #
1	x		12.2 to 17.7
Committee Clerk Signature <i>Doris B. Papp</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on engrossed House Bill 1082 relating to information sharing agreements between the department of banking and financial institutions and other state agencies.

Tim Karsky, testifying for Gary Preszler, Commissioner, Dept of Banking and Financial Institutions. Written testimony attached.

Laurie Wolf, ND Insurance Dept. : This bill is necessary, urge do pass.

No opposing testimony. Hearing closed.

Senator Klein: Motion: do pass. **Senator Espgaard**: Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment: **Senator Mathern**.

Date: 2/13/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1082

Senate Industry, Business and Labor Committee

- Subcommittee on _____
- or
- Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Klein Seconded By Sen Espgaard

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Mathern

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

REPORT OF STANDING COMMITTEE (410)
February 13, 2001 1:39 p.m.

Module No: SR-26-3208
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1082, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1082 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1082

TESTIMONY FOR HOUSE BILL NO. 1082

House Industry, Business, and Labor Committee

Testimony of Gary D. Preszler, Commissioner, Department of Banking and Financial Institutions in support of House Bill No. 1082.

The Gramm-Leach-Bliley Financial Modernization Act of 1999 (GLB), Title II, describes the structure for functional regulation. This coordinated regulatory process provides the Federal Reserve as the "umbrella regulator" for financial holding companies, but individual bank, securities, and insurance regulators continue to be responsible for supervising holding company affiliates and subsidiaries.

Following enactment of GLB, the National Association of Insurance Commissioners (NAIC) effectuated a Cooperative Sharing Agreement with the Office of the Comptroller of the Currency, the regulator for national banks. House Bill No. 1082 seeks authority to enter into a similar agreement with the North Dakota Insurance and Securities Commissioners.

Existing law already provides the Commissioner discretion to furnish information to "other state agencies". See NDCC § 6-01-07.1(3). House Bill No. 1082 merely authorizes the Commissioner to enter into information sharing agreements. A proposed Cooperative Sharing Agreement with the Insurance

