

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

1126

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1126

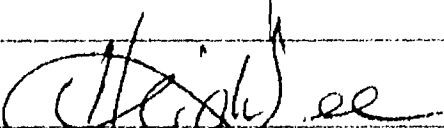
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1126

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 17, 2001

| Tape Number | Side A | Side B | Meter # |
|---------------------------------------------------------------------------------------------------------------|--------|--------|-------------|
| 1 | | X | 20.37-35.50 |
| | | | |
| | | | |
| 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.

Syver Vinje: *ND Securities Commissioner* This bill only does a few small things. We'd like to add in Section 3 dealing with payments on pre-need funeral contracts to be deposited. It will clarify the details of records, and property storage. Also on page 3, line 18, we'd like to remove "-Penalty".

Rep Froelich: Right now, how is a funeral expense fund handled?

Vinje: The money does into a certificate of deposit or a small life insurance policy.

Rep Froelich: What's different with the proposal?

Vinje: All we're doing is making it clear what are suitable investments for those funds.

Rep Ekstrom: The Executive of State has access to release funds?

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1126

Hearing Date Jan 17, 2001

Vinje: If the family wants to change the wishes there is no problem. The funds are flexible on how to be spent and the excess funds are transferred to the estate.

Rep. Johnson: "Running to the state of ND" what does that mean?

Vinje: That is a legal term regarding the bond and who it is payable to.

Tim Karsky: *Dept. of Banking and Financial Inst.* **Written testimony in support of bill.**

Chairman Berg: We will close the hearing on HB 1126 and hold it for further clarification.


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1126(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 5, 2001

| Tape Number | Side A | Side B | Meter # |
|---------------------------------------------------------------------------------------------------------------|--------|--------|-----------|
| 3 | X | | 23.3-30.6 |
| | | | |
| 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.

Rep Kasper: Supplied proposed amendments. I move to adopt the amendments.

Rep M. Klein: I second.

Rep Keiser: I move a do pass as amended.

Rep Jensen: I second.

13 yea, 0 nay, 2 absent

Carrier Rep Kasper

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1126

Page 3, line 18, remove "- Penalty"

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1126

Page 3, line 18, remove "- Penalty"

Page 3, line 25, after "corporation" ~~interest~~ "or National Credit Union Administration"

incept

Renumber accordingly

18136.0101
Title.0200

Adopted by the Industry, Business and Labor
Committee

February 5, 2001

VR
2/6/01

House Amendments to HB 1126 IBL 2/6/01
Page 1, line 5, replace "contacts" with "contracts"

House IBL Amendments to HB 1126 2/6/01
Page 3, line 18, remove "Penalty"

Page 3, line 25, after "corporation" Insert "or national credit union administration"

Renumber accordingly

Date: 2-5-01
Roll Call Vote #: 7

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Click here to type Bill/Resolution No. 1126

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 18136.0101

Action Taken Do Pass as Amended

Motion Made By Keiser Seconded By ~~Keiser~~ Jensen

| 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 | ✓ | |
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Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep Kasper

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

REPORT OF STANDING COMMITTEE (410)
February 6, 2001 1:05 p.m.

Module No: HR-20-2478
Carrier: Kasper
Insert LC: 18136.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1126: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1126 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "contacts" with "contracts"

Page 3, line 18, remove "- Penalty"

Page 3, line 25, after "corporation" insert "or national credit union administration"

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1126

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1126

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 07, 2001.

| Tape Number | Side A | Side B | Meter # |
|------------------------------------------------|--------|--------|----------|
| 1 | x | | 0 to 4.1 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Dona E. Perez</i> | | | |

Minutes:

The meeting was called to order. All committee members, except Senator Espgaard and Senator Krebsbach, present. Hearing was opened on HB 1126 relating to pre-need funeral contracts. **Syver Vinje**, ND Securities Commissioner. Intent is to make sure funds are invested in short term safe investments. This bill was drafted in cooperation with the ND Funeral Assn. Some technical corrections and clarifications were made to make the statute easier to understand, including consolidating section of state health law referring to pre-need funeral arrangements, but enforced by the Securities Commission, into the pre-need funeral act. The Health Department supports these changes. Written testimony attached.

Senator Mathern: Page 4, line 23 the terminology of "running to the State of North Dakota"?

S Vinje: Just terminology.

Senator Klein: What we are doing with the repeal is taking the section out one agency and into another?

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number ~~March 07, 2001~~ H61126

Hearing Date March 07, 2001.

S Vinje: Yes, it doesn't change operations at all, only makes it easier for people to find it.

No opposing testimony. Hearing concluded.

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

Roll call vote: 5 yes; 0 no; 2 absent, not voting. Motion carried.

Floor assignment: **Senator Klein.**

Date: 3/07/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1126

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 Tollefson

| Senators | Yes | No | Senators | Yes | No |
|-------------------------------|-----|----|-----------------|-----|----|
| Senator Mutch - Chairman | ✓ | | Senator Every | ✓ | |
| Senator Klein - Vice Chairman | ✓ | | Senator Mathern | ✓ | |
| Senator Espegard | A | | | | |
| Senator Krebsbach | A | | | | |
| Senator Tollefson | ✓ | | | | |
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Total (Yes) 5 No 0

Absent 2

Floor Assignment Sen Klein

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

REPORT OF STANDING COMMITTEE (410)
March 7, 2001 1:38 p.m.

Module No: SR-39-5029
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1126, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1126 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1126

HB 1126

Testimony of Syver Vinje
North Dakota Securities Commissioner

Before the Senate Industry, Business & Labor Committee

March 7, 2001

HB 1126 was introduced by the Securities Commissioner to ensure that money set aside to finance pre-need funeral arrangements is invested in sound and conservative investments. It has long been and continues to be common practice in the funeral industry to invest such funds in Bank or Credit Union Certificates of Deposit, US Bonds, or small life insurance policies. As you can imagine, these arrangements are generally short term investments made by elderly people of limited means.

Unfortunately, this bill became necessary because a foreign owned chain of funeral homes, which formerly had a large presence in North Dakota, invested pre-need funds in long term, riskier investments. This was done even though the chain's local managers recognized that these investments were of questionable suitability for this purpose, disapproved of the practice, and expressed their disapproval to the company. Fortunately, due to market conditions at that time, none of the holders of the contracts lost money as a result of this situation. The foregoing circumstance has been rectified. This change in the law ensures that these funds will be invested properly in the future.

This bill was drafted in cooperation with the North Dakota Funeral Directors Association, and has the full support of the North Dakota funeral industry.

Additionally, HB 1126 makes technical corrections and clarifications to make the pre-need funeral statutes easier to understand. This includes consolidating a section of the state health law, which refers to pre-need funeral arrangements but is actually enforced by the Securities Commissioner, into the Pre-need Funeral Act. The State Health Department supports this change.