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Richard Costa
Operator's Signature

10/16/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1475

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Yolanda Richardson
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1475

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2/04/03

Tape Number	Side A	Side B	Meter #
2	x		0.0-16.0

Committee Clerk Signature

Judith Hammer

Minutes: Chairman Keiser opened the hearing on HB 1475.

Rep. Kasper, District 46, introduced the bill and distributed hog house amendments regarding a Legislative Council feasibility study for authorizing the Bank of North Dakota to administer a credit card program. The intent is not to compete with ND banks or credit unions, it is to enhance and enter into a private/public partnership. This would provide new sources of revenue for BND.

Rep. Thorpe: Does the bank charter forbid or not allow credit card business?

Rep. Kasper I'll defer that question to Mr. Hardemeyer?

Rep. Ekstrom: Would BND be a servicing agent for major credit cards or competition for them?

Rep. Kasper: They'd be a servicing agent. There are some hurdles to overcome. BND is not FDIC regulated or insured which is a requisite for Visa, MC and Discover.

Rep. Iverson appeared in support of HB 1475. A credit card portfolio could bring money into the state without raising taxes.

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1475

Hearing Date 2/4/03

Marilyn Foss, representing the ND Banker's Association as General Counsel, appeared in support of HB 1475. (See attached #1) The banks were opposed in its original form but do support a legislative council study..

Joel Gilbertson, representing the Independent Community Banks of North Dakota, appeared in support of a legislative council study.

Greg Tschider, representing the North Dakota Credit Union League, appeared in cautious support of HB 1475. His major concern is that servicing not be in competition with existing banks and credit unions.

As there was no one present who wished to testify in opposition to HB 1475, the hearing was closed.

Rep. Johnson moved to adopt the amendments (.0301) **Rep. Severson** seconded the motion. A voice vote carried this motion.

Rep. Severson moved a Do Pass As Amended. **Rep. Zaiser** seconded the motion.

Rep. Thorpe asked if the bank can indeed issue credit cards under its charter.

Eric Hardemeyer, President of Bank of North Dakota, explained that their legal counsel has informed him that BND has the powers of any bank, in essence we could issue credit cards without enabling legislation.

The results of the roll call vote for a **Do Pass as Amended** were 11-2-1.

Rep. Ruby will carry this on they floor.

30165.0301
Title.0400

Prepared by the Legislative Council staff for
Representative Kasper
January 27, 2003

VR
2/7/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1475 IBL 2-10-03

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of the feasibility and desirability of a Bank of North Dakota credit card program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

"SECTION 1. BANK OF NORTH DAKOTA CREDIT CARD PROGRAM - LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of authorizing the Bank of North Dakota to administer a credit card program, with services that may include credit card processing, servicing, and issuing. If the study is selected by the legislative council, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

Date: 2/4/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1475

House Industry, Business & Labor Committee

Check here for Conference Committee 30165.0301

Legislative Council Amendment Number .0400

Action Taken Do Pass & Amended

Motion Made By Severson Seconded By Zaiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom		✓
Rep.Dosch	✓		Rep.Thorpe		✓
Rep. Froseth	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes) 11 No 2

Absent 1

Floor Assignment Ruby

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

REPORT OF STANDING COMMITTEE (410)
February 10, 2003 8:46 a.m.

Module No: HR-25-2076
Carrier: Ruby
Insert LC: 30165.0301 Title: .0400

REPORT OF STANDING COMMITTEE

HB 1475: Industry, Business and Labor Committee (Rep. Kelsner, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1475 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 provide for a
legislative council study of the feasibility and desirability of a Bank of North Dakota
credit card program.

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**"SECTION 1. BANK OF NORTH DAKOTA CREDIT CARD PROGRAM -
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council, the legislative council shall report its findings and recommendations, together
with any legislation required to implement the recommendations, to the fifty-ninth
legislative assembly."

Renumber accordingly

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1475

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Yolanda Richardson
Operator's Signature

10/16/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1475

Senate Industry Business and Labor Committee

Conference Committee

Hearing Date 03/10/03

Tape Number	Side A	Side B	Meter #
Tape 1		x	4575-to end
Tape 2	x		0
Committee Clerk Signature <i>Lisa VanBeekom</i>			

Minutes:

Senator Mutch opens HB 1475. Senators Krebsbach, Every, and Heitkamp are absent.

Representative Jim Kasper, sponsor of the bill goes over bill. It is now a study resolution not a bill. North Dakota has to keep competitive advantage like no other state. We have a state bank. The idea is to look at ways to generate revenue for the state. We have a aging and stagnate population. This bill would be to study the advantages of a credit card program for the Bank of ND. There are some problems and that is what the study would look into.

Donald Frosberg, Executive President, Independent Community banks: the original bill we did have problems. Since then it has been changed into a study, that we are in support of now.

Senator Espegard: based of the fact you have to be FDIC insured and because of our privacy laws this study wouldn't take very long.

Frosberg: You don't have to be FDIC insured just insurable.

He also goes over what it would take to start this program up.

