

2021 North Dakota League of Cities LEGISLATIVE REPORT

The 67th Legislative Assembly completed its work just after midnight on April 30, 2021 which was Day 76 out of 80 that the Legislature is constitutionally allowed to meet. The North Dakota League of Cities had a robust legislative agenda that resulted in the League tracking 166 of the 914 bills introduced. The League and its members were able to work with legislative leaders from across North Dakota to make prudent financial and policy decisions for North Dakota.

This session the League transitioned to using Microsoft Teams for the weekly legislative update meetings. Many of the Friday virtual meetings had over 100 city official attendees. Additionally, countless city officials quickly communicated with their legislators whenever a "Call to Action" was sent out by the League. Thank you to all the city officials who participated and made the legislative session a success for cities.

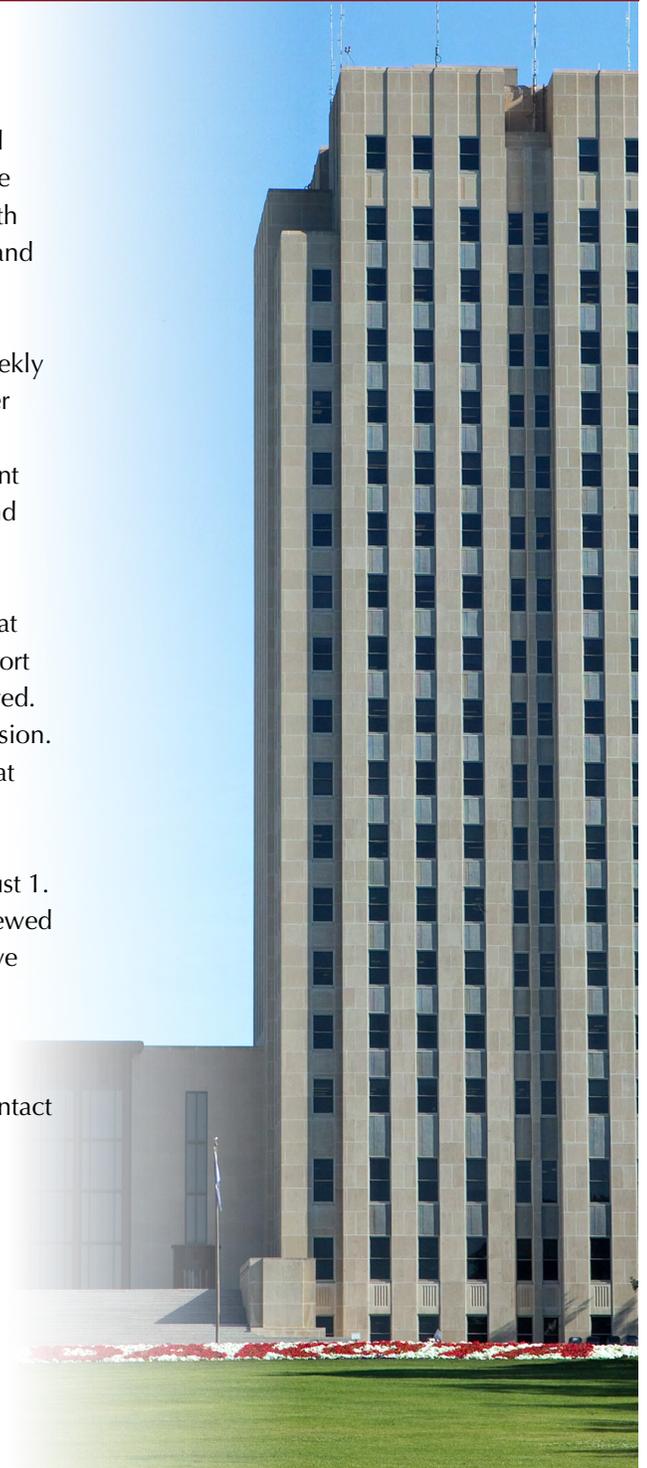
In this publication you will find a summary of the bills affecting cities that passed this session. Please remember that the information is merely a short summary. If you have specific questions, the entire bill should be reviewed. On pages 6-7 of this publication, there is a list of bills that failed this session. Sometimes the bills that are defeated are just as important as the bills that passed.

Appropriation bills are effective July 1 and policy bills are effective August 1. Legislative Counsel will compile a list of effective dates that can be reviewed if a question arises. If a bill has an emergency clause, it becomes effective upon filing with the secretary of state. Bills with emergency clauses are designated with an * in this report.

If you have any questions about the information in this report, please contact Blake at blake@ndlc.org or Stephanie at stephanie@ndlc.org.

Sincerely,

Blake, Stephanie & Bill
NDLC Lobbying Team



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Alcohol

HB 1184	Allows liquor license holder to allow someone under 21 years of age to be in the area of a restaurant where opening and mixing of alcohol occurs if accompanied by a parent or guardian, is not seated within three feet of bar counter, and it is not later than 10 p.m.
HB 1223	Changes offense level from class B misdemeanor to infraction for alcohol provisions for individuals under 21 years of age.
HB 1284	Modifies special event alcohol permit requirements to remove requirement that an area where persons under 21 years of age may remain must be set out on the permit.
SB 2220	Moves Sunday alcohol on and off sale opening to 8 a.m.

Charitable Gaming

HB 1003 and 1212	Provides appropriation for the office of the Attorney General, including \$750,000 in charitable gaming grants for cities and counties.
HB 1162	Allows state licensed organizations to sell raffle tickets online if certain requirements are met.

Election

HB 1253 and 1256	Provides updates to election code, including changing canvassing board meeting dates and limiting donated items that may be used in relation to elections.
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Finance and Tax

HB 1004	Provides appropriation for the office of the state auditor, increases fees state auditor's office may charge for an audit and reviewing an audit and changes biennial audit requirement from a threshold based on population of the city to gross receipts, excluding federal funds, of city.
HB 1057	Gradually raises state and political subdivision liability limits so that the limits reach \$500,000 per person and \$2,000,000 per occurrence on July 1, 2026.
HB 1010	Provides appropriation for the office of the Insurance Commissioner, including an appropriation of \$19,588,470 from the insurance tax distribution fund for North Dakota fire departments.
HB 1020	Provides appropriation for the State Water Commission, including \$125,000,000 for water supply grants (with \$45,000,000 for city projects), and \$14,227,275 for general water grants.
HB 1179	Eliminates requirement for counties, cities and school districts that receive gross production tax to submit report on use of funds.
HB 1309	Eliminates requirement that contractor or subcontractor pay use tax if not a party to the contract for purchase of the tangible personal property.
HB 1351	Creates sales tax exemption for qualifying senior citizen organizations.
HB 1379	Changes state aid distributions from quarterly to monthly and defines which Census population numbers are used for calculating state aid.
HB 1471	Clarifies method for assessing church property.

SB 2014	Provides appropriation for the industrial commission and the bank of North Dakota, provides appropriation of \$9,500,000 to the housing incentive fund (HIF), and modifies definition of “essential infrastructure projects” that are eligible to use the infrastructure revolving loan fund.
SB 2041	Provides for optional study of property tax exemption for elevators, warehouses and other farm structures classified as commercial property and updates farm home exemption requirements.
SB 2202	Provides that property tax exemption is available for property leased for early childhood or adult day care services.
SB 2249	Increases deposit from oil and gas taxes to the state disaster relief fund from \$15 million to \$20 million.

Legacy Fund

HB 1380	Creates legacy earnings fund and provides legislative intent to designate certain amounts of money to the legacy sinking and interest fund, the highway tax distribution fund, the tax relief fund, the clean sustainable energy fund, and university research programs, subject to legislative appropriation.
HB 1425	Provides authority to invest part of the Legacy Fund principle in North Dakota, including fixed asset loans to political subdivisions and investment in equity funds, venture capital funds or alternative investment funds with a primary strategy of investing in emerging or expanding companies in the state.
HB 1431	Provides authority to create water infrastructure revolving loan fund through bonding.

Municipal Courts

HB 1124 and SB 2264	Changes the requirement for a sentence to include drug and alcohol education program from mandatory to permissive for first underage alcohol offense. For second and subsequent offenses, drug and alcohol education program must be part of the sentence. Adds provision that sentence for individual under 21 years of age for first offense for possession of one-half ounce or less of marijuana may include drug and alcohol education program. For second and subsequent offenses, drug and alcohol education program must be part of the sentence.
HB 1130	Provides process for converting municipal court judgment to civil judgment in district court.
HB 1181	Modifies requirements for defendant’s fitness to proceed and provides requirements for maintenance of records related to defendant’s fitness to proceed.
HB 1196	Changes requirements for petition to seal criminal record for misdemeanor offense.
HB 1302	Removes requirement for prosecution to approve compromise for dismissal of case between victim and defendant for misdemeanor offense.
HB 1336 and 1355	Requires court to seal driving under the influence (DUI), or equivalent ordinance, criminal record if there is not a subsequent DUI conviction within seven years of the first violation.
HB 1393	Adds completion of restorative justice program as a sentencing alternative.
SB 2166*	Makes second and third offense for shoplifting a class A misdemeanor and fourth and subsequent offenses a class C felony. Sentence must include statement from court providing notice of enhanced penalty for subsequent offense.
SB 2204	Clarifies law for revocation of a defendant’s probation and of a judge’s authority to re-sentence the defendant.

Open Records and Open Meetings

HB 1185 and SB 2011*	Makes minor's name, driver identification number, and telephone number in accident report an exempt record.
HB 1349*	Provides updates to open meetings and open records laws, including provisions for holding and providing notice of electronic meetings and when records for job applicants are open to the public.
SB 2067	Provides that a party to a civil action against the state or political subdivision or the state's or political subdivision's employee, acting in the scope of his or her duty, must comply with the rules of civil procedure.
SB 2276	Adds prosecutor, supreme court justice, district court judge and judicial referee to the list of individuals whose telephone numbers and home addresses are confidential records. Requires individuals listed to make yearly request to treat information in geographic information system, property title record or tax parcel data confidential.

Public Safety

HB 1035	Updates the Juvenile Court Act.
HB 1110	Adds United States Marshalls Service to the definition of federal agent.
HB 1122	Provides requirements for licensing reserve peace officers.
HB 1146	Modifies language for the State Interoperable Radio Network (SIRN) so all entities tied to a political subdivision or nongovernmental emergency services provider operating in the state can access the State's cost-share program for radios.
HB 1163	Adds definition of supplies to define what can be distributed as part of a needle exchange program.
HB 1287	Creates enhanced penalty for individual who sells, distributes, delivers or conspires to deliver a controlled substance when death occurs as a result of drug overdose.
HB 1297	Removes the term "public gathering" and clarifies that dangerous weapons cannot be possessed at school or school sponsored events on school property.
HB 1339	Provides for optional legislative management study of definitions of "dangerous weapon" and "public gathering."
HB 1383*	Creates new section in Ch. 62.1 to prohibit law enforcement officers from providing assistance to a federal agency or official or from acting independently regarding enforcement of federal firearm laws enacted after January 1, 2021, if the federal statute, order, rule is more restrictive than state law, unless the federal agency appeals to the federal district court and the court finds probable cause that a national security threat exists or it is also a felony violation of state law, or an offense where firearms are incidental.
HB 1480	Modifies requirements for civil asset forfeiture reporting.
HB 1494	Provides for optional legislative management study of recruitment and retention of law enforcement officers.
HB 1498	Modifies requirements to justify use of deadly force and adds provision that allows an individual to brandish a dangerous weapon as long as the person is on property that he or she owns or leases.
SB 2156*	Changes age for purchase and consumption of tobacco products from eighteen to twenty-one years of age.
SB 2273	Makes third and subsequent offenses of huffing within a year a class A misdemeanor offense.
SB 2344	Provides clarification of emergency powers in relation to shooting ranges, firearms, and permits to carry concealed pistols.

ND Public Employees Retirement System (NDPERS)

HB 1041	Creates \$50 penalty for late contributions and submission of reports to the NDPERS retirement system.
HB 1209	Requires legislative management to study and develop a plan to close the NDPERS defined benefit plan to new hires effective January 1, 2024.
HB 1435	Provides NDPERS health insurance for spouse and children of peace officer or full-time firefighter who dies in the line of duty.
SB 2341	Provides authority for NDPERS to provide a political subdivision that participates in the NDPERS health insurance program with a health insurance utilization report.

Special Assessments

HB 1381	Requires that engineering report for special assessments include information describing how special assessment district was created and information about which properties are determined to receive a benefit. It also requires all special assessment notices to be placed on the political subdivision's website.
HB 1419	Allows home rule city or county to collect a infrastructure fee on a municipal utility bill to replace special assessments as the funding mechanism for a project.

Traffic

HB 1068	Provides update to definitions of snowmobile and off-highway vehicle.
HB 1098	Makes changes to automobile crash reporting and provides that crash reports held by a public entity, other than the Department of Transportation, are exempt records.
HB 1072	Requires the North Dakota Department of Transportation (NDDOT) to create an electronic motor vehicle operator licensing system to allow license holders to display licenses on electronic devices.
HB 1148	Provides that electronic bicycles are classified as bicycles and provides other regulations for use and manufacture of electronic bicycles.
HB 1176	Removes requirement for automatic cancellation of a minor's driver's license when an alcohol related or drug related offense has occurred while operating a motor vehicle.
HB 1252	Provides laws for yielding and stopping while operating a bicycle on a street.
HB 1290	Requires vehicle driver to leave safe distance (at least 3 feet) when passing a bicycle.
HB 1502	Modifies various sections of code relating to traffic code, including carrying license in motor vehicle, use of turn signals and farm equipment lamps and reflective materials.
SB 2026	Creates road train pilot project and requires North Dakota Department of Transportation to enter agreement with county, city or township if any political subdivision roads will be part of the pilot project.
SB 2097	Modifies the definition of school bus.
SB 2099	Removes requirement to provide envelope with traffic citation; however, law enforcement officer must offer an envelope.
SB 2329	Makes vehicles used or operated by governmental search and rescue personnel Class A emergency vehicles. Makes vehicles used by volunteer search and rescue personnel class C emergency vehicles.

Zoning

HB 1248	Adds “zoning ordinance” to the prohibitions on political subdivision authority in NDCC 62.1-01-03 related to firearms and states that someone aggrieved may bring a civil action.
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Other

HB 1086	Updates designated drainage basins for water commissioner-hosted meetings.
HB 1159	Provides for optional legislative management study of natural gas infrastructure.
HB 1398	Prohibits a political subdivision from adopting an ordinance requiring employers to provide a paid family leave program in the political subdivision.
SB 2098	Updates notice requirements for disposition of abandoned vehicles, including allowing notice to be placed on the unit of government’s website, in lieu of being published in the official newspaper.
SB 2149	Provides authority for commercial service airport to enter operating agreement with transport network company.
SB 2254	Changes dates for annexation notices from 7 to 15 days.
HB 1164	Provides that Legislative Management can require that the Attorney General review a presidential executive order. Also, prohibits the state or political subdivision from enforcing a presidential executive order if the Attorney General issues an opinion that the order unconstitutionally restricts a person’s rights or the order has been found unconstitutional by a court of competent jurisdiction.
HB 1175	Provides immunity for COVID-19 liability claims.
HB 1323	Provides that statewide elected officer and state health officer cannot mandate use of a face mask, shield or other face covering.

Defeated

HB 1108	Provided for elimination of requirement to publish list of checks with minutes. [Failed House 31-62]
HB 1138	Created cause of action, that includes award for punitive damages, for state or political subdivision violating free speech rights. [Failed House 28-66]
HB 1165	Allowed individuals living in the extra-territorial zone to vote in city elections. [Passed House 48-46; Failed Senate 6-41]
HB 1182	Allowed declaration of a political party on local election ballots. [Failed House 36-55]
HB 1192	Limited property value assessment and property taxes levied. [Failed House 20-73]
HB 1200	Provided for a 2% property tax cap, unless greater percentage approved by voters. [Failed House 16-76]
HB 1215	Turned portion of heritage fund grant program to a loan program. [Passed House 82-11; Failed Senate 0-47]
HB 1222	Preempted political subdivision authority to prohibit rebuilding of non-conforming residential structures. [Passed House 87-6; Failed Senate 16-29]
HB 1260	Prohibited paying some state and city officials when business restrictions are in place. [Failed House 25-68]
HB 1277	Increased amount available for new construction property tax exemption from \$150,000 to \$250,000. [Passed House 53-40; Failed Senate 1-46]

HB 1279	Increased traffic fines for speeding. [Passed House 86-5; Passed Senate 44-1; House Failed Conference Committee Report 38-55]
HB 1291	Required reassessment of value of property based on recent arm's length transaction. [Failed House 23-65]
HB 1300	Required stopping collecting special assessments due when bond is paid off. [Passed House 80-12; Failed Senate 16-31]
HB 1305	Required the Attorney General to issue opinions to individual members of city/county governing boards. [Failed House 31-63]
HB 1310	Created sales tax exemption on sales up to \$50,000 when the seller did not collect the sales tax. [Passed House 57-36; Failed Senate 5-42]
HB 1325	Created property tax freeze on properties owned by individuals over 65 years of age. [Passed House 92-1; Failed Senate 7-40]
HB 1367	Allowed referral of political subdivision budgets. [Passed House 92-2; Failed Senate 2-43]
HB 1372	Created assessment freeze on property owned by individuals over the age of 65. [Failed House 23-71]
HB 1386	Prohibited state or political subdivision from limiting business hours or occupancy. [Passed House 54-39; Failed Senate 15-32]
HB 1420	Created adult-use marijuana program. [Passed House 56-38; Failed Senate 10-37]
HB 1434	Prohibited an employer from asking applicant about compensation history. [Failed House 14-80]
HB 1446	Created property tax credit for primary residence using legacy fund earnings. [Failed House 24-69]
HB 1457	Required local emergency declaration to be ratified every 15 days in order for emergency declaration to remain valid. [Passed House 69-25; Failed Senate 5-42]
HB 1464	Raised the gas tax. [Passed House 62-32; Failed Senate 16-29]
HB 1495	Limited state and local emergency powers. [Passed House 75-19; Failed Senate 6-41]
HB 1501	Created tax on adult-use marijuana program. [Passed House 73-21; Failed Senate 0-47]
SB 2046	Closed PERS defined benefit program to new hires effective July 1, 2023 and separated political subdivision employees into separate program. Also, required study of closing defined benefit plan. [Passed House 76-16; Failed Senate 12-35]
SB 2121	Made seatbelts a primary offense and required usage of seatbelts by back seat passengers. [Passed Senate 28-18; Failed House 45-49]
SB 2188	Prohibited political subdivision from enacting ordinance relating to sale of consumer merchandise. [Failed Senate 6-41]
SB 2270	Provided for partial reduction of assessed value for primary residences of individuals over the age of 65. [Failed Senate 7-39]
SB 2326	Created a tax voucher system for over-assessed property. [Failed Senate 1-46]
SB 2337	Increased threshold amount for requiring plans by engineer and architect and public bidding. [Failed Senate 5-41]