

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2090

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2090

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2090

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
2	X		0 -25.7
April 03/01 1	X		29.7 (vote)
		X	50 to end
			0 to 0.7
Committee Clerk Signature <i>Dow & Perez</i>			

Minutes:

The committee was called to order. All members present. The hearing was opened on SB2090 relating to the registration of securities, exempt transactions, federal covered securities, registration of dealers, agents, investment advisers, and investment adviser representatives, investment advisory activity, consent to service of process, fraudulent practices, the authority of the securities commissioner to conduct investigations and to issue orders, and statutes of limitation; and to declare an emergency.

SYVER VINJE, ND Securities Commissioner: In favor of the bill. This is a house cleaning bill. Adds new terms, defines terms, provides consistency, makes the legislation more flexible, eliminates redundancy. Handout is letter from the Investment Company Institute favoring this bill We have never had a case involving fraud this is more of a deregulation issue while still providing protection (section 6)

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2090

Hearing Date January 16, 2001

SENATOR MUTCH: To sell stock do they have to be registered, licensed? The pasta cooperative?

SYVER VINJE: Cooperative is registered as a dealer, two of its officers can sell securities

SENATOR ESPEGARD: Selling of sugar beet stock can be done by any real state agent or auctioneer or anyone?

If they want to be compensated for it, it has to be done by someone registered to sell securities.

SENATOR KREBSBACH: This transaction has to be tied with the land sale?

SYVER VINJE: No. We reserved right to request information as necessary. Page 7 looking to provide adequate supervision for them. Same changes we made for brokers/dealers. Page 8: this allows small companies to contract independent securities agents, makes it easier for them to raise capital. These changes designed to make life easier for regulators and businesses, to accommodate federal regulatory agency language. We eliminate 6 yr. statute of limitation leave default standard of 5 yrs. Adding rescission probably best remedy available to investor when it comes to securities violations, failure to comply with rescission creates violation of ND Securities Act.

SENATOR ESPEGARD: Can we amend section 6 to include "bank and commercial trust department".

Hearing closed.

SENATOR ESPEGARD moved to accept amendment, SENATOR TOLLEFSON seconded.

Roll call vote: 7-yes; 0-no; 0-absent.

SENATOR ESPEGARD moved Do Pass bill as amended, SENATOR TOLLEFSON seconded.

Roll call vote: 7 yes; 0 no; 0 absent. Carrier: SENATOR KREBSBACH.

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: SB 2090

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	(\$42,300)		\$47,300		\$5,000	
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 10-04-10 requested change of the expiration for Investment Adviser and Investment Adviser Representatives registered renewal from May 1 to December 31 would result in a deferral of \$42,500. An decrease in the current 1999-2001 biennium to the same increase in the next 2001-2003 biennium.

Section 10-04-08.4 requested change of a \$25 fee increase from a minimum fee of \$100 to \$125 for Federal Covered Securities unit investment trusts will result in an increase of \$5000 for the 2001-2003 and 2003-2005 bienniums.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
 A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The changes in revenues would be to business revenues.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

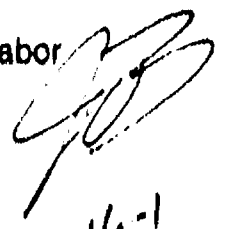
C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Diane Lillis	Agency:	ND Securities Commissioner
Phone Number:	328-4712	Date Prepared:	12/28/2000

18137.0101
Title.0200

Adopted by the Industry, Business and Labor
Committee

January 16, 2001

29-4

1-16-1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2090

Page 3, line 17, after the first underscored comma insert "to an agent of a bank or a commercial trust department."

Page 17, line 12, replace "1" with "2"

Page 21, line 30, replace "6" with "8"

Renumber accordingly

Date: 1/16/2001
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2090

Senate Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on Amendment

Motion Made By Sen Espgaard Seconded By Sen Tollefson

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 _____

If the vote is on an amendment, briefly indicate intent:
Page 3, line 17, after first underscored comma, insert "to an agent of a bank or a commercial trust department"

Date: 1/16/2001
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2090

Senate Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Sen. Espigard Seconded By Sen. Tollefson

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

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Krebsbach

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

REPORT OF STANDING COMMITTEE (410)
January 16, 2001 4:28 p.m.

Module No: SR-06-1096
Carrier: Krebsbach
Insert LC: 18137.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2090: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2090 was placed on the Sixth order on the calendar.

Page 3, line 17, after the first underscored comma insert "to an agent of a bank or a commercial trust department,"

Page 17, line 12, replace "1" with "2"

Page 21, line 30, replace "6" with "8"

Renumber accordingly

Page 3

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2090

Hearing Date ~~January 16, 2001~~

4-3-01

April 03/01. Tape 1-A-50 to end. 1-B- 0 to .7.

Committee reconvened. All members present.

Representative Rick Berg, District 45: We did two amendments, one deals with allowing cooperative ag stock to be sold at an auction rather than going through a securities agent.

Emergency clause in case people wish to sell ag stock this spring. The second one was language put together with the securities department to encourage brokers to raise capital for ND projects.

Senator Krebsbach: House amendment provides for study during interim?

Rep. Berg: It is not a legislative study in the normal sense. It is a directive to the securities commissioner to put the study together to generate more capital.

Senator Every: Motion to concur with House amendments. **Senator Krebsbach**: Second.

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

Date: 4/03/01
 Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2090

Senate Industry, Business and Labor Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do concur

Motion Made By Sen Every Seconded By Sen Drebsbach

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

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen Krebsbach

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

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2090


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2090

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 5, 2001

Tape Number	Side A	Side B	Meter #
2	X		0-31.8
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Frosath, 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 Sponsor of bill, **written testimony** and walk through bill.

Chairman Berg: We'll close the hearing on SB 2090.

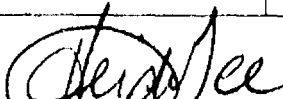
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2090(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 14, 2001

Tape Number	Side A	Side B	Meter #
1		X	37.1-51.3
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. Jensen: Provided explanation of bill and explained the difference from the original bill to the engrossed version.

Rep. Pietsch: I move a do pass.

Rep. M. Klein: I second.

14 yea, 0 nay, 1 absent Carrier Rep. Jensen

