

BANKS AND BANKING

CHAPTER 108

S. B. No. 2

(Brant for Legislative Research Committee at the
request of Office of State Examiner.)

LIQUIDATION INVESTMENTS IN AGRICULTURAL CREDIT CORPORATIONS

AN ACT

To repeal Section 6-0340 of the North Dakota Revised Code of 1943 relating to investment of banks in capital stock of agricultural credit corporations, prescribing the time in which banks may dispose of and liquidate their investments in such corporations; prescribing the duty of the state examiner in connection therewith; prescribing penalties for violations of this Act and repealing all acts and parts of acts in conflict herewith.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. REPEAL.] That Section 6-0340 of the North Dakota Revised Code of 1943 be and the same is hereby repealed.

§ 2. LIQUIDATION OF INVESTMENTS IN AGRICULTURAL CREDIT CORPORATIONS.] Each and every state bank having an investment in the capital stock of an agricultural credit corporation shall within three years after the effective date of this Act dispose of and liquidate all of its investments, equities, and interest in the capital stock of any agricultural corporation. Any settlement, agreement, or understanding had between a bank and an agricultural credit corporation with reference to the disposal and liquidation of the investment of such bank in the capital stock of such agricultural credit corporation shall be disclosed and reported to the state examiner, and no such settlement, agreement, or understanding shall be valid without the approval of the state examiner.

§ 3. PENALTY FOR VIOLATION OF THIS ACT.] Any director, officer, or employee of a bank violating the provisions of this Act shall be guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars, nor more than five hundred dollars, or by imprisonment in the county jail for not less than thirty days, nor more than ninety days, or by both such fine and imprisonment, in the discretion of the court.

§ 4. REPEAL OF CONFLICTING PROVISIONS OF LAW.] All acts and parts of acts in conflict with the provisions of this Act are hereby repealed.

Approved February 27, 1947.

CHAPTER 109

S. B. No. 3

(Brant for Legislative Research Committee at the request of Office of State Examiner.)

BANK OF NORTH DAKOTA EXAMINATION AND REPORTS BY STATE EXAMINER

AN ACT

To amend and reenact Section 6-0929 of the North Dakota Revised Code of 1943 relating to examinations and reports of the Bank of North Dakota.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 6-0929 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

6-0929. STATE EXAMINER TO MAKE EXAMINATIONS AND REPORTS.] The state examiner, personally or through deputy examiners, shall visit the banking department of the Bank of North Dakota at least once annually, and shall inspect and verify the assets in its possession and under its control with sufficient thoroughness to ascertain with reasonable certainty whether the valuations are carried correctly on its books. He shall investigate its methods of operation and accounting. He shall report the results of each such examination and investigation to the industrial commission as soon as practicable, and shall furnish one copy to the legislative assembly at its next ensuing session upon request.

Approved February 27, 1947.

CHAPTER 110

H. B. No. 3

(Langley and Legislative Research Committee
at the request of Bank of North Dakota.)

BANK OF NORTH DAKOTA INTEREST RATES, TIME DEPOSITS,
LIMITATIONS, CHARGES

AN ACT

Amending and reenacting Section 6-0912 of the North Dakota Revised Code of 1943 relating to interest rates, time deposits, service charges and classifications and limitations thereof fixed and imposed by the industrial commission on the Bank of North Dakota, repealing all acts or parts of acts in conflict herewith and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 6-0912 of the North Dakota Revised Code of 1943 be amended and reenacted to read as follows:

6-0912. INTEREST RATES FIXED BY COMMISSION; TIME DEPOSITS; LIMITATIONS; CHARGES FOR SERVICES.] The industrial commission, unless otherwise limited by law, from time to time shall fix the rates of interest allowed and received in transactions of the Bank. Such rates shall be as nearly uniform and constant as practicable, and shall not be fixed or changed to work any discrimination against or in favor of any person or corporation. In respect to time deposits received by the Bank, transactions may be reasonably classified as to the amounts and the duration of time involved, and a reasonable differentiation of interest rates based on such classification may be allowed. When interest is allowed on any deposits the interest rate thereon shall not be more than six per centum per annum. The industrial commission also shall fix reasonable charges, without unjust discrimination, for any and all services rendered by the Bank.

§ 2.] That all acts or parts of acts in conflict herewith are hereby repealed.

§ 3. EMERGENCY.] That this Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 1, 1947.

CHAPTER 111

S. B. No. 125—(Lofthus)

**CREDIT UNIONS—LOANS, SECURITY, MEETINGS CREDIT
COMMITTEE****AN ACT**

To amend and reenact Section 6-0614 of the North Dakota Revised Code of 1943; relating to loans made by credit unions; how made; security; meetings and duties of credit committee.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 6-0614 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

6-0614. LOANS; HOW MADE; SECURITY; MEETINGS AND DUTIES OF CREDIT COMMITTEE.] The credit committee shall have general supervision over all loans to members, and shall meet as often as may be necessary to perform its duties and at least once each month. Notice must be given to each member of the committee before any meeting is held. All applications for a loan shall be made on a form approved by the committee and shall set forth the purpose for which the loan is desired, the security, if any, which is offered, and such other data as the committee may require. No loan in excess of one hundred dollars shall be made without adequate security, and security, under this section, shall include an assignment of shares or deposits, an endorsement made on the note by a responsible person, and such other security as the committee in its discretion may deem adequate. A majority of the members of the credit committee must pass on all applications for loans, and the approval of the members passing on any application for a loan must be unanimous or the loan shall not be made.

Approved March 15, 1947.

CHAPTER 112

S. B. No. 13

(Brant for Legislative Research Committee at the
request of Office of State Examiner.)

DIRECTORS—QUALIFYING SHARES; ISSUE AND TRANSFER

AN ACT

To amend and reenact Section 6-0303 of the North Dakota Revised Code of 1943 providing for director's qualifying shares; restricting transfers and providing exemptions from levy.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 6-0303 of the North Dakota Revised Code of 1943 be hereby amended and reenacted to read as follows:

6-0303. DIRECTORS: QUALIFYING SHARES; ISSUE AND TRANSFER.] Every director must own in his own right, free from hypothecation or pledge for any debt, at least ten shares of the capital stock of the association of which he is a director, and ten shares shall be known as director's qualifying shares. Such shares shall be issued in a separate certificate which shall have legibly marked in ink across the face thereof the words: "director's qualifying shares," and shall be sent with the director's oath of office to the state examiner, and shall remain in the custody of the examiner during the whole time that such director shall continue in office. Such shares shall not be subject to transfer, pledge, or hypothecation, or to garnishment, attachment or execution in any action or proceeding against a director, in any manner or to any extent whatsoever until a written resignation of the director shall have been filed with and accepted by the board of directors of the association, or until the director otherwise becomes disqualified, and any director who ceases to be the owner of ten shares of free and nonhypothecated stock of the association shall vacate his office. Upon the resignation or disqualification of any director, his qualifying share shall be returned to him, and, on demand, shall be reissued in the name of the owner, his assigns, or legal representative.

Approved February 27, 1947.

CHAPTER 113

S. B. 159—(Rue, Braun, Shure and Bridston)

**LOANS AND INVESTMENTS INSURED OR GUARANTEED BY U. S.
OR ITS INSTRUMENTALITIES: EXCEPTION FROM RESTRICTIVE
PROVISIONS**

AN ACT

To amend and reenact Section 6-0347 and Section 6-0350 of the North Dakota Revised Code of 1943 relating to loans and investments of banks, savings banks, trust companies, building and loan associations and insurance companies, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] Section 6-0347 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

§ 6-0347. LOANS AND INVESTMENTS INSURED OR GUARANTEED IN ANY MANNER IN PART OR IN FULL BY THE UNITED STATES OR ANY INSTRUMENTALITY THERE OF, OR BY THIS STATE OR ANY INSTRUMENTALITY THEREOF.] Banks, savings banks, trust companies, the Bank of North Dakota, building and loan associations and insurance companies are authorized:

1. To make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are insured by or guaranteed in any manner in part or in full by the United States or any instrumentality thereof or by this state or any instrumentality thereof, or for which there is a commitment to so insure or guarantee, or for which a conditional guarantee has been issued, and to obtain such insurance or guarantee; and
2. To make any loans secured by liens on real property or on a leasehold therein which is insured by or guaranteed in any manner in part or in full by the United States or any instrumentality thereof, or by this state or any instrumentality thereof, or for which there is a commitment to so insure or guarantee, or for which a conditional guarantee has been issued, and to obtain such insurance or guarantee.

§ 2. AMENDMENT.] Section 6-0350 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

6-0350. LOANS AND INVESTMENTS INSURED OR GUARANTEED IN ANY MANNER IN PART OR IN FULL BY THE UNITED

STATES OR ANY INSTRUMENTALITY THEREOF, OR BY THIS STATE OR ANY INSTRUMENTALITY THEREOF; EXCEPTED FROM RESTRICTIVE PROVISIONS.] No law of this state requiring security upon which loans or investments may be made, or limiting the making of loans to shareholders or members of the lender, or prescribing the nature, amount or forms of such security, or prescribing or limiting interest rates upon loans or investments, or prescribing or limiting the period for which loans or investments may be made, shall be deemed to apply to loans or investments made pursuant to Section 6-0347 as amended by this Act, and Sections 6-0348 and 6-0349.

§ 3. EMERGENCY.] This Act is hereby declared to be an emergency and shall be in full force and effect from and after its pasage and approval.

Approved March 22, 1947.

CHAPTER 114

S. B. No. 282—(Delayed Bills Committee)

BANK STOCK HELD BY DECEDENTS—REPEAL DUTIES COUNTY JUDGE, STATE EXAMINER, BANK OFFICERS AND RECEIVERS

AN ACT

To repeal Section 6-0808 of the North Dakota Revised Code of 1943, relating to the duty of the county judge, state examiner, bank officers and receivers when bank stock is held by decedent.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. REPEAL.] That section 6-0808 of the North Dakota Revised Code of 1943 is hereby repealed.

Approved March 21, 1947.

CHAPTER 115

S. B. No. 234—(Brunsdale, Day, Stucke and Reinke)

TERMINATION RECEIVERSHIPS INSOLVENT BANKS
BY STATE EXAMINER

AN ACT

To require the state examiner to terminate individual receiverships; providing for the disposition of unclaimed dividends and investment of other moneys paid to state examiner on general receiverships; providing for charges and fees that may be charged by state examiner; creating a "closed bank fund"; providing additional compensation for state examiner and his deputy; making an appropriation and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. STATE EXAMINER TO TAKE ACTION FOR TERMINATION OF INDIVIDUAL RECEIVERSHIPS.] In order to expedite the termination and closing of the receiverships of insolvent banks, commonly known as "individual receiverships" which were not placed under the general receivership now terminated, or which were withdrawn from such receivership, the state examiner shall proceed to investigate the affairs of each such individual receivership which has not been terminated and the receivers thereof discharged by appropriate action of the district court having jurisdiction over such receivership, and to make an examination and audit of each such receivership, and make a report of his findings to the receivers and to the district court under whose jurisdiction the receivership is operated. Such report shall contain a detailed inventory of the assets of the receivership together with an estimate of the cash value of each asset item and a detailed list of all of the liabilities of such receivership. The examiner shall further include in such report his recommendations as to what action should be taken for liquidation of the remaining assets of the receivership and winding up of its affairs. The state examiner shall aid and assist the receivers and trustees of the respective receiverships and the district courts in formulating plans for disposing of the remaining assets of the receiverships, distribution of funds to creditors, and closing the receiverships.

§ 2. DISPOSITION OF UNCLAIMED DIVIDENDS DELIVERED TO STATE EXAMINER.] Whenever any unclaimed dividend delivered to the state examiner by the receiver of an insolvent bank pursuant to the provisions of Section 6-0738 of the North Dakota Revised Code of 1943, shall have remained in the possession of the state examiner for a period of fifteen years from the date of delivery to said examiner, it shall be paid to

the state treasurer who shall credit such payments to the closed bank fund. Any unclaimed dividends credited to such fund may thereafter be paid to the lawful owner thereof, his heirs, executors, administrators, or assigns when proven to the satisfaction of the state examiner that he is legally entitled thereto. Such payment shall be made by a warrant drawn by the state auditor and issued in payment of a claim voucher certified to by the claimant and approved by the state examiner.

§ 3. DISPOSITION OF OTHER MONEYS PAID TO THE STATE EXAMINER BY RECEIVERS OF INSOLVENT BANKS.] All moneys paid to the state examiner by the receivers of insolvent banks, except unclaimed dividends, shall be retained by the state examiner, until he shall have paid over to the state treasurer all unclaimed dividends as provided in Section 2 of this Act, and shall then be paid to the state treasurer for credit to the permanent common school fund.

§ 4. FEES AND CHARGES THAT MAY BE MADE BY STATE EXAMINER.] The state examiner may make such charges and exact such fees as may be reasonable and equitable for the execution of deeds, satisfactions, assignments or other documents required for the purpose of transferring undistributed assets or for the purpose of correcting public records and quieting title to property in which the insolvent bank has or has had an apparent interest. Such charges and fees shall be paid to the state treasurer and by him be credited to the closed bank fund.

§ 5. INVESTMENT OF MONEYS IN THE HANDS OF THE STATE EXAMINER.] Moneys remaining in the hands of the state examiner may be invested by the state examiner in bonds of the United States government or bonds of the state of North Dakota or he may deposit such moneys in the Bank of North Dakota and the earnings from the interest on such investments or deposit shall be paid to the state treasurer and by him be credited to the closed bank fund.

§ 6. ADDITIONAL COMPENSATION FOR STATE EXAMINER AND DEPUTY: EQUIPMENT AND OTHER EXPENSES.] The State examiner and his chief deputy examiner shall each be compensated in the amount of six hundred dollars per annum for services rendered in the administration of this Act. Such compensation shall not be considered as violating the limitations imposed on the salaries of said officers by the provisions of Sections 6-0111, 6-0116 and 54-0607 of the North Dakota Revised Code of 1943. The state examiner may secure such additional equipment and incur such expenses as may be necessary to carry out the provisions of this Act.

§ 7. "CLOSED BANK FUND" CREATED.] There is hereby created the fund to be known as the "closed bank fund" in the office of the state treasury for the purposes specified in this Act.

§ 8. APPROPRIATION.] There is hereby appropriated out of any moneys in the closed bank fund not otherwise appropriated, the sum of four thousand dollars, or so much thereof as may be necessary to carry out the provisions of this Act, from the effective date thereof through June 30, 1949. Such appropriation in no case shall exceed the income derived from the fees and charges provided for in Section 4 of this Act and from the investment or deposit of such moneys as provided in Section 5 of this Act.

§ 9. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 11, 1947.

BUILDING AND LOAN ASSOCIATIONS

CHAPTER 116

S. B. No. 203—(Bridston and Shure)

REPAYMENT BUILDING AND LOAN ASSOCIATION LOANS

AN ACT

To amend and reenact Section 7-0417 of the North Dakota Revised Code of 1943 as amended and reenacted by Section 2 of Chapter 145 of the Session Laws of North Dakota for the year 1945, pertaining to loans made by building and loan associations.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That section 7-0417 of the North Dakota Code of 1943 as amended and reenacted by section 2 of Chapter 145 of the Session Laws of North Dakota for the year 1945 is hereby amended and reenacted to read as follows: