

Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven

SENATE BILL NO. 2134

(Industry, Business and Labor Committee)

(At the request of the Department of Banking and Financial Institutions)

AN ACT to amend and reenact sections 6-05-04 and 6-08-02 of the North Dakota Century Code, relating to approval of trust company surety bond securities and trust company executive officers' oaths of office.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-05-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6-05-04. Surety deposit investments required - Securities in which investment may be made. Every corporation organized under this chapter and every foreign corporation before engaging in similar comparable activities within this state shall either deposit with any federal reserve bank, the Bank of North Dakota, or any other custodian approved by the commissioner, securities as provided by this section or pledge a certificate of deposit as provided by this section. The deposit or pledge may not be less than fifty thousand dollars or less than one-sixth of the par value of the capital stock of the corporation, whichever is the greater. However, ~~no~~ a corporation is not required to deposit or pledge more than five hundred thousand dollars. The deposit certificate or pledge agreement must authorize the commissioner to cause ~~such the~~ the deposit, in part or in whole, to be transferred to the commissioner upon the commissioner's demand. An original of the deposit certificate or pledge must be furnished to the commissioner. The deposit or pledge must be:

1. Bonds of the United States or of this state;
2. Bonds of other states which have the approval of the ~~state auditor and the~~ commissioner of banking and financial institutions;
3. Bonds or obligations of any township, school district, city, or county within this state, whose total bonded indebtedness does not exceed five percent of the then assessed valuation thereof;
4. Bonds or promissory notes secured by first mortgages or deeds of trust upon unencumbered real estate situated within the state of North Dakota worth two and one-half times the amount of the obligation so secured;
5. Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the African Development Bank;
6. United States treasury bills or notes of an agency thereof;
7. Certificates of deposit fully insured by the federal deposit insurance corporation from banks located within this state; or
8. Certificates of deposit issued by the Bank of North Dakota.

SECTION 2. AMENDMENT. Section 6-08-02 of the North Dakota Century Code is amended and reenacted as follows:

6-08-02. Oath of officers - Form and filing. Every active officer of any state banking association or trust company organized under this title, before entering upon the duties of ~~his~~ the office, shall take and subscribe an oath that ~~he~~ the officer will administer the affairs of ~~such the~~ the association or

trust company diligently and honestly, so far as the duty devolves upon ~~him~~ the officer, and that ~~he~~ the officer will not violate knowingly, nor willingly permit to be violated, any of the provisions of this title. All ~~such~~ oaths must be presented to the board of directors and a synopsis thereof recorded in the board's record and then filed with the ~~state banking~~ board.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2134.

Senate Vote: Yeas 47 Nays 0 Absent 2

House Vote: Yeas 84 Nays 5 Absent 8

Secretary of the Senate

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,

at _____ o'clock _____ M.

Secretary of State