

**SENATE BILL NO. 2118**

Introduced by

Industry, Business and Labor Committee

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

1 A BILL for an Act to create and enact a new subsection to section 6-03-27 of the North Dakota  
2 Century Code, relating to filing a list of bank holding company stockholders; and to amend and  
3 reenact subsection 6 of section 6-01-04.1, sections 6-01-07, 6-01-20, subsection 1 of section  
4 6-03-02, and section 6-03-15.1 of the North Dakota Century Code, relating to removal of a  
5 financial corporation's or institution's employees, confidentiality of bank and credit union reports  
6 of examination, Bank of North Dakota access to examination and other information, a banking  
7 association's period of existence, and temporary relocating of a bank office.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. AMENDMENT.** Subsection 6 of section 6-01-04.1 of the 1995  
10 Supplement to the North Dakota Century Code is amended and reenacted as follows:  
11 6. When any officer, director, employee, or other person participating in the conduct  
12 of the affairs of a financial corporation or institution is charged with a felony in state  
13 or federal court, ~~involving conduct related to the financial corporation or institution,~~  
14 the commissioner may immediately suspend the person from office or prohibit the  
15 person from any further participation in the financial corporation's or institution's  
16 affairs. The order is effective immediately upon service of the order on the  
17 financial corporation or institution and the person charged, and remains in effect  
18 until the criminal charge is finally disposed of or until modified by the board. If a  
19 judgment of conviction, a federal pretrial diversion, or similar state order or  
20 judgment is entered, the board may order that the suspension or prohibition be  
21 made permanent. A finding of not guilty or other disposition of the charge ~~shall~~  
22 does not preclude the commissioner or the board from pursuing administrative or  
23 civil remedies.

1           **SECTION 2. AMENDMENT.** Section 6-01-07 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **6-01-07. Records of state banking board, state credit union board, and**  
4 **commissioner.** The state banking board and state credit union board shall keep a full and  
5 complete record of all their proceedings and of all orders made by them. The records and the  
6 proceedings of the boards and commissioner ~~shall be~~ are open in accordance with sections  
7 44-04-18 and 44-04-19. All reports, except supervisory reports of examination, made by or filed  
8 with the board or the commissioner relating to any financial institution, must be open to  
9 inspection and examination by stockholders, shareholders, depositors, creditors, and sureties  
10 on any bonds of any such institution or on the bonds of any officer or employee thereof, subject,  
11 however, to the following restrictions:

- 12           1. ~~Any~~ A stockholder, shareholder, depositor, creditor or surety of any institution  
13           desiring to inspect the information specified above of any ~~such~~ institution shall  
14           make a written request for ~~such~~ the inspection.
- 15           2. ~~Any such~~ A written request must:
  - 16           a. Specify the information to which access is requested; and
  - 17           b. Give the reasons for the request.
- 18           3. Upon ~~such~~ written request, the commissioner, or any person designated in writing  
19           by the commissioner, may disclose information specified in subsection 1 of section  
20           6-01-07.1 only upon determining and to the extent that good cause exists for the  
21           disclosure.
- 22           4. Either prior to or at the time of any disclosure, the commissioner or designee shall  
23           impose such terms and conditions as the commissioner deems necessary to  
24           protect the confidential nature of the information, the financial integrity of the  
25           financial institution to which the information relates, and the legitimate privacy  
26           interests of any individual named in ~~such~~ the information.

27           **SECTION 3. AMENDMENT.** Section 6-01-20 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29           **6-01-20. Bank of North Dakota entitled to records.** The commissioner is authorized  
30 and directed to permit the president of the Bank of North Dakota, or any other officer of the  
31 Bank of North Dakota authorized by ~~said~~ the president, to examine all reports, statements,

1 records, books, files, and documents of any state bank, savings and loan association, or credit  
2 union in the possession of ~~said~~ the commissioner, except as noted in this section. The  
3 commissioner also is authorized and directed to give to ~~said~~ the president of the Bank of North  
4 Dakota, or to any ~~person~~ Bank of North Dakota officer designated by ~~said~~ the president, upon  
5 request, any ~~and all~~ information that ~~he~~ the commissioner may have concerning the solvency  
6 and financial standing of any state bank, savings and loan association, or credit union. Any  
7 record obtained from a federal or other state regulatory authority may not be disclosed to the  
8 Bank of North Dakota unless specific authorization is received from the applicable federal or  
9 state regulatory authority.

10 **SECTION 4. AMENDMENT.** Subsection 1 of section 6-03-02 of the 1995 Supplement  
11 to the North Dakota Century Code is amended and reenacted as follows:

12 1. To have ~~succession for a period of twenty five years from its organization a~~  
13 perpetual existence, unless it is sooner dissolved according to the provisions of this  
14 title, or unless its franchise becomes forfeited by ~~some~~ a violation of law.

15 **SECTION 5. AMENDMENT.** Section 6-03-15.1 of the 1995 Supplement to the North  
16 Dakota Century Code is amended and reenacted as follows:

17 **6-03-15.1. Temporary relocation of bank operations.** In the event of an emergency,  
18 a bank may apply to the commissioner to relocate its main banking house, ~~banking house or~~  
19 ~~office, paying and receiving station, or drive-in and walk-up~~ facility until the former location is  
20 repaired to allow bank operations to resume. No notice or public hearing need be held to act  
21 upon the temporary relocation request.

22 **SECTION 6.** A new subsection to section 6-03-27 of the North Dakota Century Code is  
23 created and enacted as follows:

24 The commissioner may request at least annually a list of all shareholders of a bank  
25 holding company controlling a state-chartered banking institution.