

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1477

Introduced by

Representatives Kasper, Ruby, Tieman

Senators Mutch, Tollefson

1 A BILL for an Act to create and enact a new section to chapter 10-04 of the North Dakota
2 Century Code, relating to securities privacy of information.

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

4 **SECTION 1.** A new section to chapter 10-04 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Disclosing nonpublic personal information.**

- 7 1. As used in this section, "customer" means any person that is a resident of or is
8 domiciled in this state and that has transacted or is transacting business with, or
9 has used or is using the services of a person regulated under subsection 2.
- 10 2. A registered agent, a dealer, a federal covered adviser, an investment adviser, an
11 investment adviser representative, or an issuer registered in this state may not
12 disclose a customer's nonpublic personal information contrary to the provisions of
13 title V of the Gramm-Leach-Bliley Act [Pub. L. 106-102; 113 Stat. 1436] or contrary
14 to the rules adopted by the commissioner under this section.
- 15 3. The commissioner shall adopt rules necessary to implement this section.
- 16 a. The rules must provide for a customer opt-in for the sharing of a customer's
17 nonpublic personal information that is not otherwise exempted under federal
18 law.
- 19 b. The rules must provide that a person regulated under subsection 2 must have
20 a customer's consent before disclosing the customer's information to a
21 nonaffiliated third party under a joint marketing agreement, as defined under
22 section 502(b)(2) of the federal Financial Services Modernization Act of 1999
23 [Pub. L. 106-102; 113 Stat. 1437; 15 U.S.C. 6802(b)(2)]. However, a

- 1 customer's consent is not required under this subdivision if the information is
2 disclosed to the extent specifically permitted or required to:
- 3 (1) Comply with federal or state laws, rules, or guidelines for the sole
4 purpose of compliance with requirements relating to the sale or
5 recommendation of nondeposit investment products in a financial
6 institution;
- 7 (2) Comply with a properly authorized civil, criminal, or regulatory
8 investigation, subpoena, or summons by federal, state, or local
9 authorities; or
- 10 (3) Respond to judicial process or governmental regulatory authorities with
11 jurisdiction for examination, compliance, or other purposes.
- 12 4. This section does not create a private right of action.