

Sixtieth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2300

Introduced by

Senators Klein, Dever, Robinson

Representatives Boe, Kasper, Wald

1 A BILL for an Act to amend and reenact sections 6-08.4-01 and 6-08.4-06 of the North Dakota
2 Century Code, relating to interstate branching by banks; and to declare an emergency.

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

4 **SECTION 1. AMENDMENT.** Section 6-08.4-01 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-08.4-01. Definitions.** For purposes of this chapter, unless the context otherwise
7 requires:

8 1. "Affiliate" means a company that controls, is controlled by, or is under common
9 control with another company.

10 2. "Bank" means insured bank as defined in 12 U.S.C. 1813(h), but the term does not
11 include "foreign bank" as defined in 12 U.S.C. 3101(7), except any foreign bank
12 organized under the laws of a territory of the United States, the deposits of which
13 are insured by the federal deposit insurance corporation.

14 3. "Commercial activities" means activities in which a bank holding company, a
15 financial holding company, a national bank, or a national bank financial subsidiary
16 may not engage under federal law.

17 ~~2.~~ 4. "Home state" means:

18 a. With respect to a national bank, the state in which the main office is located;
19 and

20 b. With respect to a state bank, the state by which the bank is chartered.

21 ~~3.~~ 5. "Transaction" means a bank's establishment, operation, and, as applicable,
22 retention of a bank branch office in a state other than its home state, whether
23 de novo, by acquisition of a separate branch office, or through a merger of a North
24 Dakota bank with another bank.

1 **SECTION 2. AMENDMENT.** Section 6-08.4-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **6-08.4-06. Powers.**

- 4 1. An out-of-state state-chartered bank that establishes, acquires, and retains one or
5 more branches in this state under this chapter may conduct any activities at the
6 branch or branches that are authorized under the laws for North Dakota state
7 banks, except to the extent those activities may be prohibited by the laws, rules, or
8 orders of the home state applicable to the out-of-state state-chartered bank.
- 9 2. A North Dakota state-chartered bank may conduct any activities at any branch
10 outside this state which are permissible for an out-of-state state-chartered bank
11 where the branch is located, except to the extent those activities are expressly
12 prohibited by North Dakota law, rule, or order.
- 13 3. A bank may not establish or maintain a branch in this state on the premises or
14 property or within one mile [1.60 kilometers] of the premises or property of an
15 affiliate if the affiliate engages in commercial activities.

16 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.