

**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. 2118
(Industry, Business and Labor Committee)
(At the request of the Department of Banking and Financial Institutions)

AN ACT to create and enact a new subsection to section 6-03-27 of the North Dakota Century Code, relating to filing a list of bank holding company stockholders; and to amend and reenact subsection 6 of section 6-01-04.1, section 6-01-07, if Senate Bill No. 2287 of the fifty-fifth legislative assembly does not become effective, section 6-01-20, and subsection 1 of section 6-03-02 and section 6-03-15.1 of the North Dakota Century Code, relating to removal of a financial corporation's or institution's employees, confidentiality of bank and credit union reports of examination, Bank of North Dakota access to examination and other information, a banking association's period of existence, and temporary relocating of a bank office.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 6 of section 6-01-04.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6. When any officer, director, employee, or other person participating in the conduct of the affairs of a financial corporation or institution is charged with a felony in state or federal court, involving ~~conduct related to the financial corporation or institution~~ dishonesty or breach of trust, the commissioner may immediately suspend the person from office or prohibit the person from any further participation in the financial corporation's or institution's affairs. The order is effective immediately upon service of the order on the financial corporation or institution and the person charged, and remains in effect until the criminal charge is finally disposed of or until modified by the board. If a judgment of conviction, a federal pretrial diversion, or similar state order or judgment is entered, the board may order that the suspension or prohibition be made permanent. A finding of not guilty or other disposition of the charge ~~shall~~ does not preclude the commissioner or the board from pursuing administrative or civil remedies.

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

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

1. ~~Any~~ A stockholder, shareholder, depositor, creditor or surety of any institution desiring to inspect the information specified above of any ~~such~~ institution shall make a written request for ~~such~~ the inspection.
2. ~~Any such~~ A written request must:
 - a. Specify the information to which access is requested; and
 - b. Give the reasons for the request.

3. Upon ~~such~~ written request, the commissioner, or any person designated in writing by the commissioner, may disclose information specified in subsection 1 of section 6-01-07.1 only upon determining and to the extent that good cause exists for the disclosure.
4. Either prior to or at the time of any disclosure, the commissioner or designee shall impose such terms and conditions as the commissioner deems necessary to protect the confidential nature of the information, the financial integrity of the financial institution to which the information relates, and the legitimate privacy interests of any individual named in ~~such~~ the information.

SECTION 3. AMENDMENT. If Senate Bill No. 2287 of the fifty-fifth legislative assembly does not become effective, section 6-01-20 of the North Dakota Century Code is amended and reenacted as follows:

6-01-20. Bank of North Dakota entitled to records. The commissioner is authorized and directed to permit the president of the Bank of North Dakota, or any other officer of the Bank of North Dakota authorized by ~~said~~ the president, to examine all reports, statements, records, books, files, and documents of any state bank, savings and loan association, or credit union in the possession of ~~said~~ the commissioner, except as noted in this section. The commissioner also is authorized and directed to give to ~~said~~ the president of the Bank of North Dakota, or to any ~~person~~ Bank of North Dakota officer designated by ~~said~~ the president, upon request, any ~~and all~~ information that ~~he~~ the commissioner may have concerning the solvency and financial standing of any state bank, savings and loan association, or credit union. Any record obtained from a federal or other state regulatory authority may not be disclosed to the Bank of North Dakota unless specific authorization is received from the applicable federal or state regulatory authority.

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

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

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

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

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

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

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. 2118.

Senate Vote: Yeas 46 Nays 0 Absent 3

House Vote: Yeas 96 Nays 0 Absent 1

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