

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2288

Introduced by

Senators Tomac, Freborg

Representatives Carlson, Froseth, Grumbo

1 A BILL for an Act to amend and reenact section 6-03-49.1 of the North Dakota Century Code,
2 relating to associations of state and national banks becoming shareholders in bank service
3 corporations; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 6-03-49.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **6-03-49.1. Bank investment in service corporation - Service corporation services**
8 **and activities.** Subject to the approval of the state banking board, any bank may invest not
9 more than ten percent of paid in and unimpaired capital and unimpaired surplus in stocks,
10 bonds, debentures, or other obligations of any North Dakota corporation organized as a bank
11 service corporation having its principal place of business in the state and operated exclusively
12 for the purpose of providing for such bank and one or more other banks, bank services which
13 the banks would otherwise be required or permitted to provide for on an individual bank basis.
14 The term bank services in this section includes services such as check and deposit sorting and
15 posting, computation and posting of interest and other credits and charges, preparation and
16 mailing of checks, statements, notices and similar items, or any other clerical, bookkeeping,
17 accounting, statistical, or similar functions performed by a bank. Payment for rent earned,
18 goods sold and delivered, or services rendered prior to the making of the payment is not an
19 investment.

20 A bank service corporation may be chartered under the laws of this state with
21 shareholders limited to state and national banks located within the state and corporations that
22 are organized as associations of state and national banks located within the state to provide all
23 the services, except deposit taking, that all the banks that are its shareholders can offer directly
24 to their own customers at any place in the state where they can offer their services including

- 1 owning and administering a credit card program for customers of banks and engaging in
- 2 activities incidental to banking services and other activities that further or facilitate the corporate
- 3 purposes of a bank or subsidiaries of a bank, so long as such services may be lawfully
- 4 performed by both its national bank shareholders under the laws of the United States and its
- 5 state bank shareholders under the laws of this state.

6 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.