

BANKS AND BANKING

CHAPTER 51.

[S. B. No. 133—McDowell.]

POWERS OF BANKING CORPORATIONS.

AN ACT to Amend and Re-enact Section 4639 of the Revised Codes of 1905, Relating to Power of Banking Corporations.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] Section 4639 of the Revised Codes of 1905, relating to power of banking corporations, is hereby amended and re-enacted to read as follows:

§ 4639. POWERS.] Upon making and filing articles of association and an organization certificate, the association shall become, as from the date of the execution of the same, a body corporate, and as such and in the name designated in the certificate, it shall have the power:

1. To adopt and use a corporate seal.
2. To have succession for a period of twenty-five years from its organization, unless it is sooner dissolved, according to the provisions of this chapter, or unless its franchise becomes forfeited by some violation of law.
3. To make contracts.
4. To sue and be sued.
5. To elect or appoint directors, two-thirds of whom must be residents of this state, and by its board of directors to appoint a president and vice-president, who shall be members of said board, a cashier and assistant cashier and such other employees as may be required; define their duties, require bonds of them and fix the penalty thereof; dismiss such officers or any of them, and appoint others to fill their places.
6. To provide by its board of directors, by-laws, not inconsistent with the laws of this state, to regulate the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its business conducted and the privileges granted it by law exercised and enjoyed.
7. To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes, bills of exchange, drafts and other evidences of debt, by

receiving deposits, by buying and selling exchange, coin and bullion, by loaning money upon real or personal security, or both; but no association shall transact any business, except such as incidental and necessarily preliminary to its organization, until it has been authorized by the Secretary of State to commence the business of banking, and the Secretary of State may withhold from any association his certificate authorizing the commencement of business, whenever he has reason to suppose that the shareholders have formed the same for any other than legitimate objects as contemplated by this chapter.

8. No such association shall have or carry among its assets at any one time loans dependent wholly upon real estate security in any amount exceeding twenty-five per cent of total loans and discounts, and then only upon first mortgages which shall not exceed forty per cent of the actual cash value of the property mortgaged, and in selling or disposing of said loans so made upon real estate security no such association shall have power to guarantee the payment or collection thereof, and any such guaranty made in violation of this provision shall not be binding upon such association but shall be upon the person or officer making the same.

Approved March 1, 1913.

CHAPTER 52.

[H. B. No. 28—Hedalen.]

PERMITTING INCREASE OF INVESTMENT IN BANKING HOUSE FURNITURE AND FIXTURES.

AN ACT to Amend and Re-enact Chapter 54, Laws of 1911, Relating to Corporations Having Banking Powers, Defining What Per Cent of the Capital Stock and Surplus of Such Corporation May be Used for Banking House Furniture and Fixtures, Defining its Powers as to Other Real Estate, and Repealing Section 4640 of the Revised Codes for the year 1905.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] Chapter 54, Laws of 1911, is hereby amended so as to read as follows:

Chapter 54. SECTION 1. LIMITING THE POWERS OF ITS INVESTMENT IN BANKING HOUSE FURNITURE, FIXTURES, INCLUDING THE LOT OR PARCELS OF LAND ON WHICH BANKING HOUSE IS LOCATED.] It shall be unlawful for any corporation having banking powers and a capital stock of twenty thousand dollars or

more, to invest over thirty per cent of such stock and unimpaired surplus in banking house furniture and fixtures, including the lot, piece or parcel of land on which such banking house is located; *provided* that similar corporations with a capital stock of ten thousand dollars and less than fifteen thousand dollars may invest forty per cent of its stock and unimpaired surplus, and those with fifteen thousand dollars and less than twenty thousand dollars stock may invest thirty-five per cent of its capital stock and unimpaired surplus in such banking house furniture, fixtures, and lot, piece or parcel of land on which such banking house is located.

§ 2. POWERS AS TO OTHER REAL ESTATE.] It shall have the power to purchase, hold and convey such other real estate as shall be mortgaged to it in good faith by way of security for loans, or for debts previously contracted.

Such as may or shall be mortgaged to it in good faith in satisfaction of debts previously contracted in the course of its dealings.

Such as it shall purchase at sales under judgments, decrees or mortgages held by the corporation, or shall purchase to secure debts due it; but no banking corporation shall hold the possession of any real estate under mortgage, or title and possession of any real estate purchased to secure indebtedness, for a longer period than five years from the date of acquiring title thereto. And all real estate heretofore and hereafter conveyed by any such banking corporation, shall be deemed to have been acquired, held and disposed of in conformity with the provisions of this chapter.

§ 3. Any banking corporation violating the provisions of this Act shall be subject to a fine of not more than five hundred dollars and cancellation of its organization certificate.

§ 4. It shall be the duty of the State Examiner to enforce the provisions of this Act.

§ 5. Section 4640 of the Revised Codes of the year 1905 is hereby repealed.

Approved February 26, 1913.