Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine

HOUSE BILL NO. 1100
(Industry, Business and Labor Committee)
(At the request of the Department of Banking and Financial Institutions)

AN ACT to create and enact a new section to chapter 6-01 of the North Dakota Century Code, relating to the authority of the state banking board to take corrective action concerning undercapitalized state banks.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 6-01 of the North Dakota Century Code is created and enacted as follows:

Prompt correction action. The board may enter an order if the board finds that a state bank is undercapitalized, significantly undercapitalized, or critically undercapitalized. For the purpose of this section, undercapitalized, significantly undercapitalized, and critically undercapitalized have the same definition as found in title 12, Code of Federal Regulations, part 325, section 103. The order may require an undercapitalized state bank to take prompt corrective action as the board determines reasonable to bring the bank to an adequately capitalized condition, including the submission and implementation of an acceptable capital restoration plan. For a significantly or critically undercapitalized state bank, the board may issue a temporary cease and desist order appointing a receiver, or with the consent of the federal deposit insurance corporation appoint a conservator or take such other action as may be better to resolve the problems of the state bank consistent with section 38 of the Federal Deposit Insurance Act of 1991 [Pub. L. 102-242; 105 Stat. 2253; 12 U.S.C. 1831(o) et seq.]. A bank that has been served with a complaint requesting the state banking board to issue a prompt corrective action under this section may request a hearing before the board within five days after service of the complaint upon the bank. A request for a hearing must be granted and the hearing must be held not later than ten days after the request is filed with the board. A complete record of the hearing must be established and maintained. On the basis of the hearing, the board may issue an order. The bank may appeal the board's order under this section to the district court of Burleigh County, North Dakota, within ten days after the board's order is served on the bank. The appeal is governed by chapter 28-32.

H. B. No. 1100 - Page 2

	Speaker of the House Chief Clerk of the House					President of the Senate Secretary of the Senate		
This certifies Assembly of	s that th f North [e withi Dakota	n bill oi and is	riginated ir known on	n the Ho the rec	ouse of Reprords of that b	esentatives o ody as House	f the Fifty-sixth L e Bill No. 1100.
House Vote:	: Y	'eas	80	Nays	9	Absent	9	
Senate Vote	e: Y	'eas	48	Nays	0	Absent	1	
						Chief	Clerk of the F	House
								
Received by	the Go	vernor	at	M.	on			, 1999.
Approved at	·	M.	on					, 1999.
						Gove	rnor	
Filed in this	office th	nis		day of	:			, 1999,
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						Secre	tary of State	