

SENATE BILL NO. 2231

Introduced by

Senators Nething, Wardner

Representative N. Johnson

1 A BILL for an Act to create and enact a new subsection to section 15-29-08 of the North Dakota
2 Century Code, relating to authority of school district boards to establish student financial
3 institutions; and to amend and reenact subsection 6 of section 6-01-17.1 of the North Dakota
4 Century Code, relating to application fee for establishment of a separate banking facility.

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

6 **SECTION 1. AMENDMENT.** Subsection 6 of section 6-01-17.1 of the 1999
7 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 6. A banking association's application to establish and operate a separate facility, a
9 fee of one thousand five hundred dollars. A banking institution that discontinues a
10 facility established for the purpose of providing educational opportunities to a high
11 school is entitled to a refund of any application fee paid.

12 **SECTION 2.** A new subsection to section 15-29-08 of the North Dakota Century Code
13 is created and enacted as follows:

14 To establish, maintain, and supervise a student financial institution which is not
15 subject to section 6-02-01, 6-02-03, 6-03-67.1, or 6-06-05 or any other statute or
16 rule that regulates banks, other financial institutions, or currency exchanges. To
17 qualify as a student financial institution, the student financial institution must be
18 operated as part of a high school educational program under guidelines adopted by
19 the school board, be advised on a regular basis by one or more state-chartered or
20 federally chartered financial institutions including credit unions, but not owned or
21 operated by a financial institution, be located on school premises and have as
22 customers only students enrolled in, or employees of, the school of which it is
23 located, and have a written commitment from the school board guaranteeing
24 reimbursement of any depositor's funds lost due to insolvency of the student

1 financial institution. Funds of a student financial institution that meet the
2 requirements of this subsection are not school district or other public funds for
3 purposes of any state law governing the use or investment of school district or
4 other public funds. For purposes of borrowing money, cashing checks, and taking
5 deposits concerning the operation of a student financial institution, the obligations
6 of a minor have the same force and effect as though they were the obligations of a
7 person over the age of majority.