

SENATE BILL NO. 2129

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Financial Institutions)

1 A BILL for an Act to amend and reenact section 6-03-34 of the North Dakota Century Code,
2 relating to bank dividends and surplus funds; and to declare an emergency.

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

4 **SECTION 1. AMENDMENT.** Section 6-03-34 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-03-34. Surplus fund required - Dividends only out of earnings not required for**
7 **surplus.** The board of directors of any association organized under this title may declare and
8 pay ~~annual, semiannual, or quarterly~~ dividends out of the net profits of the association subject
9 to the limitations of this chapter. Every such association, ~~quarterly, semiannually, or annually,~~
10 as its board of directors deems advisable, shall ascertain, set apart, and convert into a surplus
11 fund at least fifty percent of its net earnings until such surplus fund equals one hundred percent
12 of its common stock, and no dividend may be declared upon its stock except from the remaining
13 fifty percent of its net earnings.

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