

**HOUSE BILL NO. 1184**

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Financial Institutions)

1 A BILL for an Act to create and enact a new section to chapter 13-03.1 and a new section to  
2 chapter 13-05 of the North Dakota Century Code, relating to consumer finance license renewals  
3 and subpoena powers for collection agency information; and to amend and reenact sections  
4 13-04.1-05 and 13-05-05 of the North Dakota Century Code, relating to money broker and  
5 collection agency license renewals and renewal late fees.

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

7 **SECTION 1.** A new section to chapter 13-03.1 of the North Dakota Century Code is  
8 created and enacted as follows:

9 **Expiration and renewal of license.** All licenses required herein expire on June  
10 thirtieth of each year and may be renewed. Renewals are effective the succeeding July first.  
11 Applications for renewal must be submitted thirty days before the expiration of the license and  
12 must be accompanied by the required annual fees. The form and content of renewal  
13 applications must be determined by the department of financial institutions and a renewal  
14 application may be denied upon the same grounds as would justify the denial of an initial  
15 application. When a licensee has been delinquent in renewing the licensee's license, the  
16 department may charge an additional fee of fifty dollars for the renewal of the license. A  
17 consumer finance license is not transferable. If the commissioner determines that an  
18 ownership change has occurred in a sole proprietorship, partnership, limited liability  
19 partnership, corporation, or limited liability corporation that was previously granted a consumer  
20 finance license, the commissioner may require a new application from the purchaser. The  
21 application must be filed within forty-five days from the date change of ownership is  
22 consummated. The department shall act on the application within sixty days from the date the  
23 application is received but may extend the review period for good cause. The consumer

1 finance license granted to the previous owner continues in effect to the new purchaser until the  
2 application is either granted or denied.

3 **SECTION 2. AMENDMENT.** Section 13-04.1-05 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **13-04.1-05. Expiration and renewal of license.** All licenses required herein expire on  
6 June thirtieth of each year and may be renewed. Renewals are effective the succeeding July  
7 first. Applications for renewal must be submitted ~~on or before the preceding thirtieth of June~~  
8 thirty days before the expiration of the license and must be accompanied by the required  
9 annual fees. The form and content of renewal applications must be determined by the  
10 department of financial institutions, and a renewal application may be denied upon the same  
11 grounds as would justify denial of an initial application. When a licensee has been delinquent in  
12 renewing the licensee's license, the department may charge an additional fee of ~~five~~  fifty dollars  
13 for the renewal of such license. A money broker license is not transferable. If the  
14 commissioner determines that an ownership change has occurred in a sole proprietorship,  
15 partnership, limited liability partnership, corporation, or limited liability corporation that was  
16 previously granted a money broker license, the commissioner may require a new application  
17 from the purchaser. The application must be filed within forty-five days from the date change of  
18 ownership is consummated. The department shall act on the application within sixty days from  
19 the date the application is received but may extend the review period for good cause. The  
20 money broker license granted to the previous owner continues in effect to the new purchaser  
21 until the application is either granted or denied.

22 **SECTION 3. AMENDMENT.** Section 13-05-05 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **13-05-05. Expiration and renewal of license.** All licenses required herein expire on  
25 June thirtieth of each year and ~~must~~ may be renewed ~~on the succeeding first day of July upon~~  
26 ~~payment of required annual fees. The department of financial institutions may charge an~~  
27 ~~additional fee of five dollars for the renewal of a license after June thirtieth. Applications for~~  
28 renewal must be submitted thirty days before the expiration of the license and must be  
29 accompanied by the required annual fees. The form and content of renewal applications must  
30 be determined by the department of financial institutions and a renewal application may be  
31 denied upon the same grounds as would justify denial of an initial application. When a licensee

1 has been delinquent in renewing the licensee's license, the department may charge an  
2 additional fee of fifty dollars for the renewal of the license. A collection agency license is not  
3 transferable. If the commissioner determines that an ownership change has occurred in a sole  
4 proprietorship, partnership, limited liability partnership, corporation, or limited liability  
5 corporation that was previously granted a collection agency license, the commissioner may  
6 require a new application from the purchaser. The application must be filed within forty-five  
7 days from the date change of ownership is consummated. The department shall act on the  
8 application within sixty days from the date the application is received but may extend the review  
9 period for good cause. The collection agency license granted to the previous owner continues  
10 in effect to the new purchaser until the application is either granted or denied.

11 **SECTION 4.** A new section to chapter 13-05 of the North Dakota Century Code is  
12 created and enacted as follows:

13 **Investigations and subpoenas.**

- 14 1. The department of financial institutions may:
- 15 a. Make such public or private investigation within or outside this state as it  
16 deems necessary to determine whether a person has violated or is about to  
17 violate a provision of this chapter or a rule or order under this chapter, or to  
18 aid in the enforcement of this chapter or in the adopting of rules and forms  
19 under this chapter.
- 20 b. Require or permit a person to file a statement in writing, under oath or  
21 otherwise as the department determines, as to all the facts and circumstances  
22 concerning the matter to be investigated.
- 23 c. Publish information concerning a violation of this chapter or a rule or order  
24 under this chapter.
- 25 2. For the purpose of an investigation or proceeding under this chapter, the  
26 department of financial institutions may administer oaths and affirmations,  
27 subpoena witnesses, compel their attendance, take evidence, and require the  
28 production of books, papers, correspondence, memoranda, agreements, or other  
29 documents or records which the department deems relevant or material to the  
30 inquiry.

- 1           3. In case of contumacy by, or refusal to obey a subpoena issued to, a person, the  
2           district court, upon application by the department of financial institutions, may issue  
3           to the person an order requiring the person to appear before the department, there  
4           to produce documentary evidence if so ordered or to give evidence touching the  
5           matter under investigation or in question. Failure to obey the order of the court  
6           may be punished by the court as a contempt of court.
- 7           4. A person is not excused from attending and testifying or from producing a  
8           document or record before the department of financial institutions, or in obedience  
9           of the subpoena of the department or in a proceeding instituted by the department,  
10          on the grounds that the testimony or evidence, documentary or otherwise, required  
11          of the person may tend to incriminate the person or subject the person to a penalty  
12          or forfeiture; but an individual may not be prosecuted or subjected to a penalty or  
13          forfeiture for or on account of a transaction, matter, or thing concerning which the  
14          person is compelled, after claiming the privilege against self-incrimination, to testify  
15          or produce evidence, documentary or otherwise, except that the individual  
16          testifying is not exempt from prosecution and punishment for perjury or contempt  
17          committed in testifying.