

**SENATE BILL NO. 2390**

Introduced by

Senators Stenehjem, Klein, Lyson

Representatives Haas, Klein

1 A BILL for an Act to amend and reenact section 6-02-01 of the North Dakota Century Code,  
2 relating to the use of the term "bank"; and to provide a penalty.

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

4 **SECTION 1. AMENDMENT.** Section 6-02-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **6-02-01. Compliance with chapters required - Penalty for noncompliance.**

- 7 1. ~~No~~ Unless a person, firm, company, copartnership, or corporation, either domestic  
8 or foreign, not is organized under this chapter ~~or~~, authorized to take on banking  
9 powers under this section, ~~except a national banking corporations corporation,~~  
10 ~~banks~~ a bank organized under the laws of another state, a domestic or foreign  
11 bank holding ~~companies~~ company, ~~their affiliates~~ an affiliate of a domestic or  
12 foreign bank holding company, ~~and or~~ the Bank of North Dakota, that person may  
13 not make use of or display in connection with ~~its~~ that person's business, in signs,  
14 letterheads, or advertising; or in any other way, such words as "bank", "banker", or  
15 "banking", or any other word ~~or words~~ of like import, nor may ~~any~~ that person ~~or~~  
16 ~~concern~~ do or perform anything in the nature of the business of a bank until and  
17 unless ~~such business~~ that person is regularly organized or authorized under this  
18 chapter.
- 19 2. Notwithstanding subsection 1, the term "banker" may be included in the legal name  
20 of a real estate franchisor and may be included in the trade name of a real estate  
21 brokerage firm that is a current or pending franchisee of a real estate franchise  
22 system, if the inclusion of the term "banker" stems from a family surname of a  
23 current or former, living or dead, principal of the franchise.

- 1           3. If any firm or corporation organized ~~prior to~~ before July 1, 1931, has been granted  
2           a charter permitting ~~# the firm or corporation~~ to use any word, ~~words,~~ or title  
3           contrary to the intent of this section, and if by reason of ~~its~~ the firm's or  
4           corporation's rights under such charter this section may not be enforced against ~~#~~  
5           that firm or corporation during the life of such charter, ~~no~~ a renewal charter may  
6           not be granted to such person, ~~firm, or corporation~~ permitting the continuance of  
7           the use of such word, ~~words,~~ or title contrary to or in violation of this section. Any  
8           person, ~~firm, or corporation~~ which, that by reason of an existing charter right under  
9           any law or statute in effect ~~prior to~~ before July 1, 1931, may be held by the courts  
10          not to be affected by this section and which therefore refuses to comply with this  
11          section, during the period of noncompliance, shall prominently and continuously  
12          display in plain, legible, and clearly discernible lettering on all of ~~its~~ that person's  
13          signs, stationery, circulars, and advertising, and in all of ~~its~~ that person's printed or  
14          written matter, the following words and language: "NOT UNDER THE  
15          SUPERVISION OF THE STATE BANKING BOARD OR THE COMMISSIONER  
16          OF FINANCIAL INSTITUTIONS". Such language must be displayed as  
17          prominently ~~thereon~~ as is other matter ~~therein~~ in the material.
- 18        ~~3.~~ 4. Any person, ~~firm, company, copartnership, or corporation, domestic or foreign,~~  
19          violating any provision of this section shall forfeit to the state one hundred dollars  
20          for every day or part ~~thereof~~ of a day during which such violation continues. In an  
21          action brought by the commissioner or any aggrieved person, the court may issue  
22          an injunction restraining any such person, ~~firm, company, copartnership, or~~  
23          ~~corporation~~ from further using such words, terms, or phrases in violation of this  
24          section or from further transacting business in such way or manner as to lead the  
25          public to believe ~~that its~~ the person's business is in whole or in part of the nature of  
26          a bank; or that ~~# the person~~ is under the supervision of the state banking board or  
27          the commissioner.