

**Sixtieth Legislative Assembly of North Dakota  
In Regular Session Commencing Wednesday, January 3, 2007**

SENATE BILL NO. 2300  
(Senators Klein, Dever, Robinson)  
(Representatives Boe, Kasper, Wald)

AN ACT to amend and reenact sections 6-08.4-01 and 6-08.4-06 of the North Dakota Century Code, relating to interstate branching by banks; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 6-08.4-01 of the North Dakota Century Code is amended and reenacted as follows:

**6-08.4-01. Definitions.** For purposes of this chapter, unless the context otherwise requires:

1. "Affiliate" means a company that controls, is controlled by, or is under common control with another company.
2. "Bank" means insured bank depository institution as defined in 12 U.S.C. 4813(h) 1813(c)(2), but the term does not include "foreign bank" as defined in 12 U.S.C. 3101(7), except any foreign bank organized under the laws of a territory of the United States, the deposits of which are insured by the federal deposit insurance corporation.
3. "Commercial activities" means activities in which a bank holding company, a financial holding company, a national bank, or a national bank financial subsidiary may not engage under federal law.
2. 4. "Home state" means:
  - a. With respect to a national bank, the state in which the main office is located; and
  - b. With respect to a state bank, the state by which the bank is chartered.
3. 5. "Transaction" means a bank's establishment, operation, and, as applicable, retention of a bank branch office in a state other than its home state, whether de novo, by acquisition of a separate branch office, or through a merger of a North Dakota bank with another bank.

**SECTION 2. AMENDMENT.** Section 6-08.4-06 of the North Dakota Century Code is amended and reenacted as follows:

**6-08.4-06. Powers.**

1. An out-of-state state-chartered bank that establishes, acquires, and retains one or more branches in this state under this chapter may conduct any activities at the branch or branches that are authorized under the laws for North Dakota state banks, except to the extent those activities may be prohibited by the laws, rules, or orders of the home state applicable to the out-of-state state-chartered bank.
2. A North Dakota state-chartered bank may conduct any activities at any branch outside this state which are permissible for an out-of-state state-chartered bank where the branch is located, except to the extent those activities are expressly prohibited by North Dakota law, rule, or order.

3. A bank may not establish or maintain a branch in this state on the premises or property or within one mile [1.60 kilometers] of the premises or property of an affiliate if the affiliate engages in commercial activities.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2300 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:      Yeas          45                  Nays          0                  Absent        2

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:      Yeas          87                  Nays          5                  Absent        2

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2007,

at \_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State