

2009 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2220

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2220

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 21, 2009

Recorder Job Number: 7387

Committee Clerk Signature

*Eva Luetelt*

Minutes:

Chairman Klein: We will open with Senate Bill 2220.

Marilyn Foss, General Counsel for the North Dakota Bankers Association: Written Testimony Attached. In favor of the bill.

Chairman Klein: Once authorized the owner of the account and can use their card?

Marilyn Foss: That's correct.

Senator Horne: Against minor's bank accounts, does it include the credit unions?

Marilyn Foss: Actually 603 is a chapter that applies to banks.

Senator Horne: Do credit unions have this restriction in there code?

Marilyn Foss: I don't think so.

Senator Wanzek: So we are bringing it up to the modern times?

Marilyn Foss: Yes.

Chairman Klein: Close hearing on 2220.

Motion made by Senator Nodland to pass as amended. Seconded by Senator Andrist.

Row Call Vote: Yes: 7 No: 0 Absent: 0

Floor Assignment: Senator Nodland

Date: 1/21/09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2220

Senate

Committee

**Industry, Business and Labor**

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken  Pass  Do Not Pass  Amended

Motion Made By Senator Nodland Seconded By Senator Andrist

Senator	Yes	No	Senator	Yes	No
Senator Jerry Klein - Chairman	✓		Senator Arthur H. Behm	✓	
Senator Terry Wanzek - V.Chair	✓		Senator Robert M. Horne	✓	
Senator John M. Andrist	✓		Senator Tracy Potter	✓	
Senator George Nodland	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Nodland

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2220: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2220 was placed on the Eleventh order on the calendar.**

2009 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2220

# 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2220

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: March 10, 2009

Recorder Job Number: 10550

Committee Clerk Signature

*Ellen Letaus*

**Chairman Keiser:** Opened the hearing on SB 2220 relating to payment orders against minors' bank accounts.

**Rick Clayburgh~North Dakota Bankers Association.** See testimony attachment.

**Representative Thorpe:** On line eight, what's the matter with "any banking association", why was that crossed out?

**Clayburgh:** Its clean language, a bank is bank. This was drafted by legislative council and there is no difference between a bank and a banking association.

**Representative Thorpe:** Is a Savings and Loan a bank?

**Clayburgh:** Yes it is. Under Federal law and State Law, it is recognized as a bank.

**Jack McDonald~Representing the Independent Banks of North Dakota.** We would also urge your support of this bill.

**Chairman Keiser:** Is there anyone here to testify in opposition of SB 2220, neutral? Closes the hearing, what are the wishes of the committee?

**Representative N Johnson:** Moves a Do Pass on SB 2220.

**Representative Schneider:** Second.

Voting roll call was taken on SB 2220 for a Do Pass with 13 ayes, 0 nays, 0 absent and

**Representative Ruby** is the carrier.

Date: Mar 10-2009

Roll Call Vote # 1

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2220

House House, Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken  Do Pass  Do Not Pass  As Amended

Motion Made By N Johnson Seconded By Schneider

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	7		Representative Amerman	7	
Vice Chairman Kasper	7		Representative Boe	7	
Representative Clark	7		Representative Gruchalla	7	
Representative N Johnson	7		Representative Schneider	7	
Representative Nottestad	7		Representative Thorpe	7	
Representative Ruby	7				
Representative Sukut	7				
Representative Vigesaa	7				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Ruby

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2220: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2220 was placed on the Fourteenth order on the calendar.**



2009 TESTIMONY

SB 2220

TESTIMONY OF MARILYN FOSS  
IN FAVOR OF SENATE BILL NO. 2220

Chairman Klein, members of the Senate IBL Committee, I am Marilyn Foss, general counsel for the North Dakota Bankers Association ("NSBA"). Senate Bill 2220 was introduced at NDBA's request.

The bill updates section 6-03-64 as it relates to accounts which are owned by minors. For many years our law has recognized the fact that minors do establish their own accounts at banks, make deposits and make withdrawals from them. The law permitted banks to pay account funds that were personally deposited by the minor to the minor. However, this law has not been kept up to date with changes in banking and payment methods. Now, minors are employed, but instead of receiving a paycheck, their pay may be deposited electronically. Instead of the minor coming to the bank and making a withdrawal, he or she uses a debit card to pay for purchases. What this bill does is provide a law that accommodates these types of changes. With the bill a bank will be authorized to honor all payment orders that are made by a minor on an account for which the minor is listed as an account owner. Neither the manner in which funds were deposited into the account nor the manner in which a payment order is made will not longer be regulated.

We view this bill as housekeeping and ask you to give it a Do Pass.



TESTIMONY OF THE NORTH DAKOTA BANKERS ASSOCIATION  
IN FAVOR OF SENATE BILL 2220

Chairman Keiser, members of the House IBL Committee, I am Rick Clayburgh, President and CEO of the North Dakota Bankers Association (“NDBA”). Senate Bill 2220 was introduced at NDBA’s request.

The bill updates section 6-03-64 as it relates to accounts which are owned by minors. For many years our law has recognized the fact that minors do establish their own accounts at banks, make deposits and make withdrawals from them. The law permitted banks to pay account funds that were personally deposited by the minor to the minor. However, this law has not been kept up to date with changes in banking and payment methods. Now, minors are employed, but instead of receiving a paycheck, their pay may be deposited electronically. Instead of the minor coming to the bank and making a withdrawal, he or she uses a debit card to pay for purchases. What this bill does is provide a law that accommodates these types of changes. With the bill a bank will be authorized to honor all payment orders that are made by a minor on an account for which the minor is listed as an account owner.

We view this bill as housekeeping and ask you to give it a Do Pass.