USURY

CHAPTER 311.

[H. B. No. 367—DeNault]

LEGALIZING INTEREST OVER SEVEN PER CENT ON WRITTEN
EVIDENCE OF INDEBTEDNESS.

AN ACT to Legalize All Notes and Other Written Evidence of Indebted-
ness, Providing for More than Seven Per Cent, but Not Exceeding
Twelve Per Cent Per Annum Interest, and Amending Section 5513 of
the 1905 Code, Relating to Penalty for Usury.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. LEGALIZING INTEREST OVER SEVEN PER CENT ON WRITTEN
EVIDENCE OF INDEBTEDNESS.] All notes and other written evidences
of indebtedness made prior to the taking effect of this act, and
providing for interest at a rate not exceeding twelve per cent
per annum are hereby declared to be legal and valid for all
purposes in so far as the rate of interest is concerned.

§ 2. AMENDMENT.] Section 5513 of the 1905 revision of the
codes of North Dakota laws is hereby amended and re-enacted
to read as follows:

§ 5513. PENALTY FOR USURY.] The taking, receiving, reserving
or charging a rate of interest greater than is allowed by section
5511 and 5512 when knowingly done, shall be deemed a forfeiture
of the entire interest which the note, bill or other evidence of
debt carries with it or which has been agreed to be paid thereon.
In case the greater rate of interest has been paid, the person
by whom it has been paid, or his legal representatives, may
recover back in an action for that purpose twice the amount
of interest thus paid from the person taking or receiving the
same; provided, that such action is commenced within two years
from the time the usurious transaction occurred.

§ 3. REPEAL.] All acts and parts of acts in conflict herewith
are hereby repealed.

§ 4. EMERGENCY.] Whereas, an emergency exists in that
there is a serious question whether interest at a rate greater
than seven per cent per annum specified in a note or other
evidence of indebtedness is legal, this act shall be in force and
effect on and after its passage and approval.

Approved March 6, 1911.