

BANKS AND BANKING

CHAPTER 113

SENATE BILL NO. 2199
(Committee on Industry, Business and Labor)
(At the request of the Department of Banking
and Financial Institutions)

STATE BANKING BOARD

AN ACT to amend and reenact subsection 1 of section 6-01-03 of the North Dakota Century Code, relating to the makeup of the banking board and regular meetings thereof.

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

SECTION 1. AMENDMENT.) Subsection 1 of section 6-01-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. The state banking board shall consist of the ~~state examiner~~ commissioner and ~~five~~ six members to be appointed by the governor, three of whom shall each have had at least five years' experience in an executive capacity in the management of a state bank in the state of North Dakota, one of whom shall have had at least five years' experience in an executive capacity in the management of any state or national bank in North Dakota, and one of whom shall have had at least five years' experience in an executive capacity in the management of any state chartered building and loan association, and one of whom shall be a lay member from the public at large. The term of office of the members of such board, other than the ~~state examiner~~ commissioner, shall be for a period of five years, ~~except that the members appointed hereunder shall choose by lot which shall serve for one, two, three, four, or five years respectively, provided, however, that the members of the board serving in office at the effective date hereof shall continue to serve until the end of their respective terms and the term of no new member shall be set to end at the same time as the term of any board member in office. At the expiration of the terms of the members of the board in office at the effective date of this section, their replacements will be appointed as set forth herein.~~ The lay member's term shall begin July 1, 1979. In case of a vacancy in such board, by death, resignation, or removal of an appointed member, the

vacancy shall be filled by appointment by the governor for the unexpired term. The ~~state-examiner~~ commissioner shall be the ~~chairman~~ chairperson of such board and the attorney general shall be, ex officio, the attorney for such board. The ~~chief-deputy--examiner~~ assistant commissioner shall serve as its secretary. The board shall hold regular meetings in January, March, ~~April~~, May, July, September, and ~~October~~ November of each year ~~in the office of the state-examiner-in-the-state-capitol-at-Bismarck~~, and shall hold special meetings at the call of the ~~state-examiner~~ commissioner in such place as he ~~the commissioner~~ may designate within the state of North Dakota. The members of such board, other than the ~~state-examiner~~ commissioner, shall receive ~~twenty-five~~ fifty dollars per day and their actual necessary expenses for transportation while attending meetings, or in the performance of such special duties as the board may direct. In the event of travel by automobile, they shall receive the same mileage expense allowed state employees.

Approved March 8, 1979

CHAPTER 114

SENATE BILL NO. 2172
(Committee on State and Federal Government)
(At the request of the
Department of Banking and Financial Institutions)

STATE CREDIT UNION BOARD

AN ACT to amend and reenact subsection 2 of section 6-01-03 of the North Dakota Century Code, relating to the makeup of the state credit union board.

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

SECTION 1. AMENDMENT.) Subsection 2 of section 6-01-03 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The state credit union board shall consist of the commissioner and ~~two~~ four members to be appointed by the governor from a panel of five names of persons, residents of North Dakota, ~~who have had at least three years' experience as an officer, director, or committee member of a North Dakota state chartered credit union, said panel of five names~~ to be furnished to the governor by the North Dakota credit union league. Two of the members of the state credit union board shall have at least three years experience as an officer, director, or committee member of a North Dakota state chartered credit union, one member of the board shall have had at least three years of experience as an officer, director, or committee member of a federally chartered credit union and one member of the board shall be a lay member from the public at large. The panel of names submitted to the governor by the North Dakota credit union league shall consist of persons whose qualifications satisfy the requirements created by the specific vacancy being filled. Appointments of board members shall be for a term of five years. The members of the board serving in office at the effective date of this section shall continue to serve until the end of their respective terms. The appointments of the two additional members shall be effective July 1, 1979, except that these two additional members shall choose by lot which shall serve for two and three years respectively. In case of a vacancy in such board, by death, resignation, or removal

of an appointed member, the vacancy shall be filled by appointment by the governor for the unexpired term. The commissioner shall be ~~chairman~~ chairperson of such board and the attorney general shall be, ex officio, the attorney for such board. The ~~chief--deputy--examiner~~ assistant commissioner shall serve as its secretary. The members of the state credit union board shall receive the same remuneration as is provided for the members of the state banking board. The state credit union board shall hold meetings in March, June, September, and December of each year ~~in-the-office-of-the-commissioner-in--the--state~~ capital-at-Bismarck and shall hold special meetings at the call of the commissioner in such places as ~~he~~ the commissioner may designate within the state of North Dakota.

Approved March 13, 1979

CHAPTER 115

SENATE BILL NO. 2223
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

STATE BANKING RECORD ACCESS

AN ACT to amend and reenact section 6-01-07 of the North Dakota Century Code, relating to records of state banking board, state credit union board and commissioner of banking and financial institutions.

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

SECTION 1. AMENDMENT.) Section 6-01-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-07. RECORDS OF STATE BANKING BOARD, ~~STATE-EXAMINER COMMISSIONER~~ AND STATE CREDIT UNION BOARD.) The state banking board and state credit union board shall keep a full and complete record of all their proceedings and of all orders made by them, ~~and the records of the board and of the~~. The records and the proceedings of the boards and commissioner shall be open in accordance with sections 44-04-18 and 44-04-19. All state-examiner, and any and all reports made by or filed with the board or the state-examiner commissioner relating to any financial institution, shall be open to inspection and examination by stockholders, shareholders, depositors, creditors, and sureties on any bonds of any such institution or on the bonds of any officer or employee thereof, under proper restrictions and during regular business hours subject, however, to the following restrictions:

1. Any stockholder, shareholder, depositor, creditor or surety of any institution desiring to inspect the information specified above of any such institution shall make a written request for such inspection.
2. Any such written request shall
 - a. Specify the information to which access is requested, and
 - b. Give the reasons for the request.

3. Upon such written request, the commissioner, or any person designated in writing by the commissioner, may disclose information specified in subsection 1 of section 6-01-07.1 only upon determining and to the extent that good cause exists for the disclosure.
4. Either prior to or at the time of any disclosure, the commissioner or designee shall impose such terms and conditions as the commissioner deems necessary to protect the confidential nature of the information, the financial integrity of the financial institution to which the information relates, and the legitimate privacy interests of any individual named in such information.

Approved March 8, 1979

CHAPTER 116

SENATE BILL NO. 2224
(Committee on Industry, Business and Labor)
(At the request of the Department of Banking
and Financial Institutions)

STATE BANKING RECORD CONFIDENTIALITY

AN ACT to create and enact section 6-01-07.1 of the North Dakota Century Code, relating to confidentiality of records.

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

SECTION 1.) Section 6-01-07.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

6-01-07.1. RECORDS - CONFIDENTIAL.)

1. All facts and information obtained by the commissioner or the department in the following ways shall be confidential, except as provided in subsections 2 through 7.
 - a. In the course of examining financial institutions under the supervision of the commissioner, or in the course of receiving audit reports, reports of examining committee and reports of annual meetings of stockholders and directors of such institutions;
 - b. From the federal reserve system, federal deposit insurance corporation, federal home loan bank board, or national credit union administration;
 - c. In the course of investigating an institution under the supervision of the commissioner, until such investigation is complete;
 - d. In the course of a special investigation being carried out at the request of the governor or any court; and
 - e. In the form or nature of an application for a charter, license or permission which meets any of the following criteria:

- (1) Trade secrets and commercial or financial information.
- (2) Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.
- (3) Information contained in the application form which is in the nature of examination report information.

Determination of what required application information falls within each category shall be made by the body before which the application is brought.

2. When the commissioner is required or permitted by law to report upon or take special action regarding the affairs of any institution under the commissioner's supervision, the commissioner shall divulge only such information specified in subsection 1 as is necessary and sufficient for the action taken or to be taken.
3. The commissioner may, in the commissioner's discretion, furnish information to the attorney general, other state agencies, any prosecuting officials requiring the information for use in pursuit of official duties, and legislative investigations under chapter 54-03.2.
4. The commissioner may, in the commissioner's discretion, furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, federal deposit insurance corporation, federal home loan bank board, or national credit union administration.
5. The commissioner shall not be required to disclose the name of any debtor of any financial institution reporting to or under the supervision of the commissioner or anything relative to the private accounts, ownership, or transactions of any such institution, or any fact obtained in the course of any examination thereof, except as herein provided.
6. Nothing in this section shall be construed to limit the right of access of the Bank of North Dakota to the department's records of all state banks, savings and loan associations, and credit unions, as provided by section 6-01-20, nor to limit the right of access of stockholders, shareholders, depositors, creditors, and sureties on bonds to specified department records as, and to the extent, provided by section 6-01-07.
7. The standards for confidentiality and disclosure by the commissioner set forth in this section, except the standard of the exercise of discretion, which shall only be exercised by the commissioner, shall apply equally to the state banking board, the state credit union board and all department employees.

Approved March 8, 1979

CHAPTER 117

SENATE BILL NO. 2187
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

BANK EXAMINATIONS

AN ACT to amend and reenact section 6-01-09 of the North Dakota Century Code, relating to the supervision and examination of banks.

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

SECTION 1. AMENDMENT.) Section 6-01-09 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-09. SUPERVISION AND EXAMINATION BY COMMISSIONER OF BANKING AND FINANCIAL INSTITUTIONS.) The commissioner shall exercise a constant supervision over the business affairs of all financial corporations and institutions placed within the jurisdiction of the board. Either the commissioner or one or more examiners shall visit each of the state banking associations and other corporations and associations placed under the commissioner's jurisdiction at least once each ~~year~~ eighteen months to examine their affairs and ascertain their financial condition. The visits shall be made without previous notice to the corporation or institution to be examined. The commissioner shall inspect and verify the assets and liabilities of the institution to ascertain with reasonable certainty that the value of the assets and the amounts of the liabilities are correctly carried on its books. The commissioner shall examine the validity of mortgages held by savings institutions, and shall see that all of the mortgages are properly recorded. The commissioner shall investigate the method of operation and conduct of the corporations and institutions and their systems of accounting to ascertain whether such methods conform to the law and sound banking usage and principles. The commissioner shall inquire into and report any infringement of the laws governing such corporations and institutions, and for such purpose the commissioner may examine the officers, agents, and employees of such corporations and institutions and all persons doing business therewith. The commissioner shall report the condition of such corporations and institutions, together with the commissioner's recommendations or suggestions in connection therewith, to the state banking board, and the board may take such action as, in its discretion, the exigencies may demand.

Approved March 8, 1979

CHAPTER 118

SENATE BILL NO. 2184
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

BIENNIAL REPORTS

AN ACT to create and enact a new section to chapter 13-05 of the North Dakota Century Code, relating to biennial report of collection agencies; and to amend and reenact sections 6-01-10, 7-05-03, 13-03-10, and 13-03.1-10 of the North Dakota Century Code, relating to the biennial reports of the state banking board, state credit union board, and department of banking and financial institutions.

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

SECTION 1. AMENDMENT.) Section 6-01-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-10. ~~STATE-EXAMINER COMMISSIONER TO KEEP RECORDS AND MAKE REPORTS - BIENNIAL REPORT OF STATE-BANKING-BOARD THE DEPARTMENT.~~)

1. The ~~chief-deputy-examiner~~ assistant commissioner shall act as secretary and keep all proper records and files pertaining to the duties and work of ~~his~~ the office of the assistant commissioner and the proceedings of the board. The ~~state-examiner commissioner~~ shall report to the board annually, touching on all ~~his~~ the commissioner's official acts and those of ~~his~~ the deputy examiners, giving abstracts of statistics and of the conditions of the various institutions to which ~~his~~ the commissioner's duties relate, and making such recommendations and suggestions as ~~he~~ the commissioner may deem proper.
2. The state banking board shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04. In addition to any requirements established pursuant to section 54-06-04, there shall be included in the banking board's report a summary or abstract of the reports of the ~~state--examiner~~ commissioner.

3. The commissioner shall report to the state credit union board annually in the same manner as this section provides for the commissioner's report to the state banking board. The state credit union board shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04, and in addition, there shall be included in the credit union board's report a summary or abstract of the reports of the commissioner.
4. The biennial reports of the state banking board and the state credit union board shall be published in the form of a combined biennial report of the department of banking and financial institutions. The biennial report of the department shall be submitted to the governor and the department of accounts and purchases as prescribed by section 54-06-04. The biennial report of the department shall include all other biennial reports which the commissioner or the boards are required by law to submit to the governor and the department of accounts and purchases.

SECTION 2. AMENDMENT.) Section 7-05-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

7-05-03. BUILDING AND LOAN ASSOCIATIONS.) The state-examiner commissioner shall keep and preserve in permanent form a full record of his the proceedings of the commissioner, including a concise statement of each association examined, and he the commissioner shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04, in addition to any requirements established pursuant to section 54-06-04, the report shall include the general conduct and condition of the building and loan associations doing business in this state with such suggestions as he may deem expedient, the information contained in the statement required of the association arranged in tabulated form, the whole amount of the income of his office paid by such associations, the source from which derived, and the expense in detail during the preceding two fiscal years report to the state banking board as provided by section 6-01-10.

SECTION 3. AMENDMENT.) Section 13-03-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

13-03-10. BOOKS AND RECORDS - ANNUAL REPORTS - BIENNIAL REPORTS.)

1. Each licensee shall keep and use in his business such books and accounting records as are in accord with sound and accepted accounting practices and as may be prescribed by the state-examiner commissioner. Such licensee shall preserve such books and accounting records for at least two years after making the final entry on any loan recorded therein.

2. Each licensee shall annually on or before the ~~fifteenth~~ thirty-first day of ~~September~~ July file a report for the preceding fiscal year with the ~~state--examiner~~ commissioner. Such report shall give information with respect to the financial condition of such licensee and shall include:
- a. ~~the~~ The name and address of the licensee, balance sheets at the beginning and end of the accounting period;
 - b. ~~a~~ A statement of income and expenses for said period, a reconciliation of surplus or net earnings with the balance sheets;
 - c. ~~a~~ A schedule of assets used and useful in the small loan business;
 - d. ~~an~~ An analysis of charges, size of loans and types of security on loans of one thousand dollars or less; and
 - e. ~~an~~ An analysis of delinquent accounts, an analysis of suits, repossessions and sales of chattels and such other relevant information as the ~~state--examiner~~ commissioner may require concerning the business and operations during the preceding fiscal year.

Such report shall be made under oath and shall be in the form prescribed by the ~~state--examiner~~ commissioner who ~~shall~~ may make and publish annually an analysis and recapitulation of such reports.

3. The commissioner shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04. In addition to any requirements established pursuant to section 54-06-04, there shall be included in the commissioner's report a summary or abstract of the annual reports filed with the commissioner.

SECTION 4. AMENDMENT.) Section 13-03.1-10 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

13-03.1-10. RECORDS - ANNUAL REPORTS - BIENNIAL REPORT.)

1. Every licensee shall maintain records in conformity with generally accepted accounting principles and practices in a manner that will enable the administrator to determine whether the licensee is complying with the provisions of this chapter. The record keeping system of a licensee shall be sufficient if he the licensee makes the required information reasonably available. The records pertaining to any loan need not be preserved for more than two years

after making the final entry relating to the loan, but in the case of a revolving loan account the two years is measured from the date of each entry.

2. On or before ~~September-fifteenth~~ July thirty-first each year every licensee shall file with the administrator a composite annual report in the form prescribed by the administrator relating to all loans made by ~~him~~ the licensee. The administrator shall consult with comparable officials in other states for the purpose of making the kinds of information required in annual reports uniform among the states. ~~Information-contained-in-annual-reports shall-be-confidential-and-may-be-published-only-in-composite-form.~~ The administrator may make and publish annually an analysis and recapitulation of such reports.
3. The administrator shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04. In addition to any requirements established pursuant to section 54-06-04, there shall be included in the administrator's report a summary or abstract of the annual reports filed with the administrator.

SECTION 5.) A new section to chapter 13-05 of the North Dakota Century Code is hereby created and enacted to read as follows:

BIENNIAL REPORT.) The commissioner shall submit a biennial report to the governor and the department of accounts and purchases as prescribed by section 54-06-04.

Approved March 10, 1979

CHAPTER 119

HOUSE BILL NO. 1218
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

DEPARTMENT OF BANKING EMPLOYEE INVESTMENTS

AN ACT to amend and reenact section 6-01-15 of the North Dakota Century Code, requiring officers and employees of the department to be disinterested.

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

SECTION 1. AMENDMENT.) Section 6-01-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-15. ~~DEPUTIES~~ OFFICERS AND EMPLOYEES TO BE DISINTERESTED.)

1. No ~~deputy-examiner~~ officer or employee of this department shall have any interest, directly or indirectly, in any corporation or institution within the jurisdiction of the banking department, nor in any corporation or institution engaged wholly or in part in the writing or issuing of bonds of or for any such corporation or institution or any officer or employee thereof. Provided, however, this prohibition shall not apply to membership in a state chartered credit union or savings and loan association.
2. For purposes of this section, "interest" shall mean ownership of or investment in such corporations or institutions.

Approved March 3, 1979

CHAPTER 120

SENATE BILL NO. 2198
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

BANK EXAMINATION FEES

AN ACT to amend and reenact section 6-01-17 of the North Dakota Century Code, relating to fees for the examination of banks.

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

SECTION 1. AMENDMENT.) Section 6-01-17 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-17. FEES FOR EXAMINATION OF BANKS.) Every state banking association, and banking institution, ~~and trust company~~ placed under the jurisdiction and control of the ~~state examiner~~ commissioner and ~~his the commissioner's~~ deputy examiners by the provisions of this title, prior to receiving its certificate of authority to commence business, if a new corporation or association, and in all cases within ten days after each examination, shall pay into the state treasury the following fee: two ~~and one-half-hundredths~~ of one percent of gross amount of the assets of said corporation or association on the day of the examination, exclusive of expenses, interest, and taxes paid, and inclusive of any valuation allowance or allowances deducted by a state banking association from any asset account. Such fee shall not be less than five hundred dollars and not more than ~~forty-five--hundred~~ fifteen thousand dollars. Examination fees shall not be computed on the combined assets of the bank and its trust department for those banks exercising trust powers. The minimum and maximum shall apply to the assets of the bank separate from the assets of the trust department, and fees for examination of the trust department shall be computed in accordance with section 6-05-28. The state treasurer shall report such payments of fees to the state banking board, and if any such corporation or institution shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent corporation or institution until payment of the amount due, plus a penalty of five dollars a day additional for the delay.

Approved March 12, 1979

CHAPTER 121

SENATE BILL NO. 2175
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

APPLICATION FEES

AN ACT to provide for fees for applications presented to the state banking board; and to amend and reenact sections 6-02-06 and 6-03-15 of the North Dakota Century Code, relating to fees for applications presented to the state banking board.

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

SECTION 1. APPLICATION FEES - COST OF TRANSCRIPT.) The following fees shall accompany an application presented to the state banking board and shall be paid by the commissioner into the general fund of the state treasury:

1. For a certificate of authority to organize a banking association, a fee of two thousand five hundred dollars.
2. A banking association's application for authority to remove its business to some place within the state other than the town in which it is presently located and to change its name, a fee of two thousand five hundred dollars.
3. A banking association's application to establish and operate a separate facility for drive-in and walk-up service, a fee of one thousand five hundred dollars.
4. A banking association's application to establish and operate a paying and receiving station, a fee of one thousand five hundred dollars.
5. A banking association's application to establish customer electronic funds transfer centers, a fee not to exceed one thousand five hundred dollars.
6. For a certificate of authority to organize an annuity, safe deposit, surety or trust company, a fee of two thousand five hundred dollars.

7. A banking association's application for authority to exercise trust powers, a fee of one thousand five hundred dollars.
8. For a certificate of authority to organize a savings and loan association, a fee of two thousand five hundred dollars.
9. A savings and loan association's application to establish and operate a branch office, a fee of one thousand five hundred dollars.

The commissioner shall cause a certified transcript to be prepared for any hearing conducted on an application. The costs for the original and up to six copies of the transcript shall be paid by the applicant.

SECTION 2. AMENDMENT.) Section 6-02-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-02-06. HEARING BY BOARD - CONCLUSIONS.) At the time and place stated, and through any sources of information at its command, the board diligently shall inquire whether the place where such banking association is proposed to be located is in need of further banking facilities, whether the proposed association is adapted to the filling of such need, and whether the proposed incorporators are possessed of such character, integrity, reputation, and financial standing as shown by a detailed financial statement to be furnished by them, that their connection with the banking association will be beneficial to the public welfare of the community in which such bank is proposed to be established. The state banking board shall inquire into the qualifications of the management of the proposed bank. Qualifications of management shall include adequate experience, as determined by the board, with financial institutions or other approved related experience. ~~Prior to such hearing, the applicants shall pay to the board such sum as it may designate not exceeding five hundred dollars to defray the cost of investigation and hearing by the board.~~ The board shall hear any reasons advanced by the applicants why they should be permitted to organize the proposed association, and any reasons advanced by any person why such association should not be permitted to be organized. At the termination of such hearing, the board shall make a brief statement in writing of its conclusions, and if it finds that the proposed association should not be permitted to organize, it shall state briefly the reasons why. A copy of such conclusions either shall be endorsed upon or attached to the organization certificate, together with the refusal or grant of permission to the proposed incorporators to present the said organization certificate to the secretary of state. A determination in favor of such organization must be joined in by a majority of all the members of the board.

SECTION 3. AMENDMENT.) Section 6-03-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-15. APPLICATION TO STATE BANKING BOARD TO ESTABLISH STATIONS.) Any institution desiring to establish a paying ~~ex~~ and receiving station shall make application to the state banking board in such manner and form as shall be prescribed by it, giving such information as the board may require, ~~and, at the time of filing the application, shall pay to the board such sum as it may designate, not exceeding the sum of one hundred dollars, to defray the cost of investigation by the board.~~

Approved March 21, 1979

CHAPTER 122

SENATE BILL NO. 2185

(Committee on Industry, Business and Labor)

(At the request of the Department of Banking and Financial Institutions)

FEDERAL RESERVE SYSTEM EXAMINATIONS

AN ACT to amend and reenact section 6-01-18 of the North Dakota Century Code, relating to reports and examinations of institutions insured in federal deposit insurance corporation.

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

SECTION 1. AMENDMENT.) Section 6-01-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-18. REPORTS AND EXAMINATIONS OF INSTITUTIONS INSURED IN FEDERAL DEPOSIT INSURANCE CORPORATION.) The ~~state--examiner commissioner~~, in ~~his~~ the commissioner's discretion, may accept, in lieu of any examination authorized or required by this title to be conducted by ~~his~~ the department of any banking institution, the examination that may have been made of such institution within a reasonable period by the ~~Federal--Deposit--Insurance--Corporation~~ federal deposit insurance corporation or the federal reserve system, if a copy of such examination is furnished to the ~~state--examiner commissioner~~. The ~~state--examiner commissioner~~, in ~~his~~ the ~~commissioner's~~ discretion, also may accept any report relative to the condition of any banking institution which may have been obtained by said corporation or system within a reasonable period in lieu of any similar report which the examiner commissioner is authorized by this title to require of such institution, if a copy of such report is furnished to the examiner commissioner. The ~~state examiner commissioner~~ may furnish to said corporation or system, or to any official or examiner thereof, a copy or copies of any or all examinations made of any banking institutions and of any or all reports made by them, and may give access to and disclose to said corporation or system, or any official or examiner thereof, any and all information possessed by the office of the ~~state--examiner commissioner~~ with reference to the conditions or affairs of any such institution insured with the ~~Federal--Deposit--Insurance--Corporation~~ federal deposit insurance corporation. Nothing in this section shall be construed to limit the duty of any banking institution in this state, the deposits of which are to any extent insured under the provisions of the federal act creating the ~~Federal--Deposit~~

~~Insurance--Corperation~~ federal deposit insurance corporation, or of any amendment of or substitution for the same, to comply with the provisions of said act, its amendments or substitutions, or the requirements of said corporation relative to examinations and reports, nor to limit the powers of the ~~state-examiner~~ commissioner with reference to examinations and reports under this title.

Approved March 8, 1979

CHAPTER 123

HOUSE BILL NO. 1464
(Thorsgard, Langley)

ADDITIONAL OPTIONAL LOANS AND ADVANCES

AN ACT to amend and reenact section 6-03-05.1 of the North Dakota Century Code, relating to advancement of funds to protect liens and providing for subordination of such advancements with respect to certain mortgages, liens, and judgments.

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

SECTION 1. AMENDMENT.) Section 6-03-05.1 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-05.1. ~~ADVANCEMENT--OF-FUNDS-TO-PROTECT-LIENS~~ ADDITIONAL OPTIONAL LOANS AND ADVANCES.) Any banking association or other mortgagee may advance funds or make additional optional loans to borrowers, from time to time, ~~covering~~ secured by real estate on which the mortgagee ~~owns~~ has a first mortgage lien, with or without changing the terms of ~~said~~ the mortgage, and may carry ~~such~~ the optional advances or loans upon its books as assets of the mortgagee, ~~provided if the said-first~~ provided if the said-first mortgage by its terms reserves in the mortgagee the right to make ~~such~~ the optional advances or additional optional loans. ~~Such~~ The optional advances or loans shall be deemed to be merged, incorporated in, and become a part of and secured by ~~said-first~~ the mortgage, and the mortgagee ~~shall have a good and valid first lien against such real estate to secure the payment of funds so advanced or loaned,~~ to secure the optional advances or loans, shall retain a lien against the real estate of the same status and priority as the existing mortgage. However, the optional advances or additional optional loans, except for optional advances to pay real estate taxes, assessments against the property, or property insurance premiums, are inferior to the lien of any other mortgage, mechanic's lien, judgment, or other lien against the real estate which has been duly filed for record or docketed. In the case of a subsequent mortgage, the optional advances or additional optional loans shall retain the same priority as the existing mortgage may have unless written notice of the subsequent mortgage has been received by the previous mortgagee prior to making the optional advances or additional optional loans.

Approved March 13, 1979

CHAPTER 124

HOUSE BILL NO. 1118
(Richard, Solberg)

PAYING AND RECEIVING STATION LOCATION

AN ACT to amend and reenact section 6-03-14 of the North Dakota Century Code, relating to paying and receiving stations and authorizing such stations to be established in unincorporated townsites located within Indian reservations; and declaring an emergency.

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

SECTION 1. AMENDMENT.) Section 6-03-14 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-14. PAYING AND RECEIVING STATIONS AUTHORIZED.) Any banking institution may establish and maintain within the county in which the home office of the applicant banking institution is located, or in any adjoining county, or in any other county provided the location of the community to be served is within a thirty-five mile [56.33 kilometer] radius of ~~such~~ the home office, subject to the approval and supervision of the state banking board, a receiving and paying station in any city ~~or town~~ organized under the laws of this state, or in any unincorporated townsite located within the limits of any Indian reservation, not having an established banking institution located therein. Provided, however, this limitation shall not apply to any banking institution which has already received a permit for the construction of such a receiving and paying station. No additional capital shall be required for the operation of ~~such~~ the station. This section shall not be construed as committing this state in any manner to a policy of permitting branch banking.

SECTION 2. EMERGENCY.) This Act is hereby declared to be an emergency measure and shall be in effect from and after its passage and approval.

Approved March 7, 1979

CHAPTER 125

SENATE BILL NO. 2183
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

NOTIFICATION OF CHANGE IN CONTROL

AN ACT to amend and reenact section 6-03-27 of the North Dakota Century Code, relating to list of shareholders and requirement of notification of change in control.

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

SECTION 1. AMENDMENT.) Section 6-03-27 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-27. LIST OF SHAREHOLDERS TO BE KEPT AND FILED.)

1. The president or cashier of every banking association formed pursuant to the provisions of this title, at all times, shall keep a true and correct list of the names and post-office addresses, which shall be verified every six months, of all shareholders of such association, with the amount of stock held by each, the time date of transfer and to whom transferred, and shall file a copy of such list in the office of the state examiner which list shall be verified on the thirty-first day of December of each year. A copy of such verified list shall be filed in the office of the commissioner on the same date.
2. Whenever a change in control occurs, a letter indicating the parties involved in the change, the amount of stock, the date of transfer, and to whom transferred shall be forwarded to the commissioner within ten days of such change. For purposes of this section "control" shall mean the power, directly or indirectly, to direct the management or policies of the banking association or to vote twenty-five percent or more of any class of voting securities of the banking association.

Approved March 8, 1979

CHAPTER 126

SENATE BILL NO. 2182

(Committee on Industry, Business and Labor)

(At the request of the Department of Banking and Financial Institutions)

BANK LOAN LIMITATION

AN ACT to amend and reenact section 6-03-59 of the North Dakota Century Code, relating to loan limitation.

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

SECTION 1. AMENDMENT.) Section 6-03-59 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-59. LOAN - LIMITATION TO ONE PERSON OR CONCERN.) The total liability of any person, corporation, company, or firm to any state banking association shall not exceed at any time twenty-five percent of the unimpaired capital and surplus of such association. The liability of a firm shall include the liabilities of the several members thereof for money borrowed and on paper purchased by the association upon which they are liable as makers, ~~and the head of a family and all the dependent members thereof shall be regarded as one person.~~ The discount of bills of exchange drawn in good faith against actual existing values, loans secured by bills of lading drawn against produce in transit, and loans secured by bonded warehouse receipts or elevator storage tickets covering produce actually in storage shall not be considered as money borrowed if all paper relating to such transactions is made payable to, and such paper and the security therefor remains in the possession and control of the association until the advance or debt is paid. An association may discount commercial or business paper actually owned by the person negotiating it without such discounting being deemed an addition to any loan made to the negotiator.

Approved March 8, 1979

CHAPTER 127

SENATE BILL NO. 2264
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

LOAN RESTRICTIONS TO CERTAIN INDIVIDUALS

AN ACT to amend and reenact section 6-03-60 of the North Dakota Century Code, relating to restrictions and conditions on loans to and purchases from directors, officers, and employees of state banking associations and officers and employees of banking department.

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

SECTION 1. AMENDMENT.) Section 6-03-60 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-60. LOANS TO AND PURCHASES FROM DIRECTORS, OFFICERS, AND EMPLOYEES - RESTRICTIONS - CONDITIONS - PENALTY - CIVIL LIABILITY.) No director, or managing officer, or employee of any state banking association, nor the ~~state~~ examiner commissioner, assistant commissioner, nor any deputy examiners, shall be permitted to borrow any of the funds of an amount in excess of twenty-five thousand dollars from any state banking association without first obtaining the approval of a majority of the board of directors of said banking association, excluding from such majority any director whose application is to be acted upon, and no action upon any loan herein provided for shall be taken by the board in the presence of the applicant. Every loan ~~provided for herein~~ shall be ~~open like and equal security required of other borrowers~~ made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and shall be in strict conformity with the association's rules and regulations. No officer of any state banking association shall borrow from or otherwise become indebted to any state banking association of which he is an officer in an aggregate amount exceeding ten thousand dollars for any loan or extension of credit, other than a loan secured by a first mortgage on ~~his~~ the officer's residence, which loan shall not exceed sixty thousand dollars, and a loan or extension of credit to finance the education of the officer's children, which loan or extension of credit shall not exceed the aggregate amount of twenty thousand dollars. At no time shall any combination of loans or extensions of credit or both made

by a state banking association to an officer of that association ~~exceed an aggregate amount of fifty thousand dollars~~ the limitation on loans to one person or concern specified in section 6-03-59. No state banking association may pay an overdraft on an account at such bank of an officer or director.

No director, officer, or employee of a bank shall sell to such bank, directly or indirectly, any mortgage, bond, note, stock, or other property whatsoever without first obtaining the written approval of the board of directors. The action of the board of directors in connection with the loans and discounts required under this section shall be made a matter of permanent record in the minute books of the banking association. Any shareholder, officer, or director of any banking association who knowingly shall violate the provisions of this section shall be held liable in his personal and individual capacity for all loss or damage which the association or any person shall sustain in consequence thereof and shall be guilty of a class B misdemeanor. The ~~state--examiner~~ commissioner may require, at any time, the payment or repurchase of loans, securities or obligations herein referred to.

Approved March 13, 1979

CHAPTER 128

SENATE BILL NO. 2181
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

SUBMITTAL OF BANK REPORTS

AN ACT to amend and reenact section 6-03-70 of the North Dakota Century Code, relating to submission of reports to the commissioner.

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

SECTION 1. AMENDMENT.) Section 6-03-70 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-70. REPORTS - REGULAR AND SPECIAL - PUBLICATION - PENALTY.) Every state banking association shall make three or more reports each year, the number to be determined by the state banking board, to the state--~~examiner~~ commissioner. The board shall prescribe the forms for such reports as nearly as possible like those prescribed by the comptroller of currency for similar reports by national banks. The reports shall exhibit in detail, under appropriate headings, the resources and liabilities of the association at the close of business on a past day specified by the board, which, if practicable, shall be the same day on which similar reports are required from national banking associations by the comptroller of currency. Each report must be verified by the oath of the president or the cashier and attested as correct by at least two of the directors, and must be transmitted to the ~~examiner~~ commissioner within ~~seven~~ thirty days after receipt of the request for the same, and an abstract of not less than three of such reports, in a form prescribed by the board, shall be published, at the expense of the association, in some newspaper in the city where such bank is located, and in case there is no such newspaper, then in a legal newspaper of the county in which such association is located. The board also shall call for a special report from any association whenever in its judgment the same is necessary in order to obtain full and complete knowledge of its condition. Every association which fails to make and transmit any report required in pursuance of this section shall forfeit and pay to the state a penalty of two hundred dollars for each delinquency.

Approved March 8, 1979

CHAPTER 129

HOUSE BILL NO. 1505
(Boyum)

TRUST COMPANY INVESTMENT OF FUNDS

AN ACT to amend and reenact section 6-05-15 of the North Dakota Century Code, relating to investment of trust funds by trust companies.

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

SECTION 1.) Section 6-05-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05-15. INVESTMENT OF TRUST FUNDS.) Any sum of money, which shall be collected or received by any such corporation in its trust capacity, and which shall not be required for the purposes of such the trust, or which is not to be accounted for within one year from the date of such collection, receipt, or deposit, shall be invested by the corporation as soon as practicable. ~~At least fifteen percent of the funds available for investment shall be invested in bonds of the United States.~~

In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing the property for the benefit of another, the trustee shall exercise the judgment and care under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard, the trustee is authorized to acquire and retain every kind of property real, personal or mixed, and every kind of investment, specifically including but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, including investment trusts, which men of prudence, discretion, and intelligence acquire or retain for their own account, and within the limitations of the foregoing standard, the trustee may retain property properly acquired without limitation as to time and without regard to its suitability for original purchase. The net interest and profits of such investments, less the reasonable charges and disbursements of the corporation in connection therewith, shall be accounted for and paid over as a part of such the trust. The net accumulations of such interest and profits likewise shall be invested and reinvested as a part of the principal, and such investments shall be received and allowed in the settlement of the trust.

Approved March 15, 1979

CHAPTER 130

HOUSE BILL NO. 1366
(F. Larson)

COMMON TRUST FUNDS

AN ACT to create and enact a new section to chapter 6-05 of the North Dakota Century Code, relating to common trust funds of affiliates.

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

SECTION 1.) A new section to chapter 6-05 of the North Dakota Century Code is hereby created and enacted to read as follows:

COMMON TRUST FUNDS, AFFILIATES.) Notwithstanding the provisions of section 6-05-15, any bank or trust company qualified to act as fiduciary in this state may:

1. Establish and maintain common trust funds for the collective investment of funds held in any fiduciary capacity by it or by another bank or trust company which is owned or controlled by a corporation which owns or controls such bank or trust company.
2. As a fiduciary or co-fiduciary, invest funds which it holds for investment in common trust funds established and maintained pursuant to subsection 1 if such investment is not prohibited by the instrument, judgment, decree or order creating such fiduciary relationship. This section applies to fiduciary relationships now in existence or hereafter created.

To the extent not inconsistent with the provisions of this section, the provisions of section 6-05-15.1 relating to common trust funds shall apply to the establishment and maintenance of common trust funds under this section.

Approved March 8, 1979

CHAPTER 131

SENATE BILL NO. 2177
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

TRUST COMPANY EXAMINATIONS

AN ACT to amend and reenact section 6-05-28 of the North Dakota Century Code, relating to the examination of annuity, deposit, surety, and trust companies, fees therefor, and the commissioner's authority over such companies.

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

SECTION 1. AMENDMENT.) Section 6-05-28 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05-28. EXAMINATION BY STATE-EXAMINER COMMISSIONER - FEES - POWER OVER BUSINESS, OFFICERS, AND EMPLOYEES.) The state--examiner commissioner shall make a full, true, complete, and accurate examination and investigation of the affairs of each corporation doing business under this chapter once in each ~~six~~ eighteen months, or oftener if required to do so by a verified information in writing filed with ~~him~~ the commissioner by any person interested in any trust with which any such corporation may be charged. Such examination shall be made without previous notice to the corporation to be examined. Fees for such examinations shall be charged by the department of banking and financial institutions for the examinations provided for by this section at the rate of sixty-five dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examination herein provided for. The commissioner, in the commissioner's discretion, may accept, in lieu of any examination authorized or required by this title to be conducted by the department of banking and financial institutions, the examination that may have been made of such institution within a reasonable period by the federal reserve bank, if a copy of such examination is furnished to the commissioner. The examiner commissioner shall assume and exercise over each such corporation and its business, officers, directors, and employees all the power and authority conferred upon ~~him~~ the commissioner over banking and other financial or moneyed corporations or associations.

Approved March 8, 1979

CHAPTER 132

SENATE BILL NO. 2363
(Reiten, Barth)

CREDIT UNION AUTHORITY

AN ACT to create and enact subsection 11 of section 6-06-06 of the North Dakota Century Code, relating to authority of state credit unions to exercise federal powers; and to amend and reenact sections 6-06-04 and 6-06-14 of the North Dakota Century Code, relating to amendments to bylaws and certificate of organization and to loan limits.

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

SECTION 1. AMENDMENT.) Section 6-06-04 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-04. AMENDMENT OF CERTIFICATE OR BYLAWS - APPROVAL BY STATE CREDIT UNION BOARD.) The certificate of organization or bylaws of a credit union may be amended ~~at a regular or special meeting of the members thereof. The proposed amendments must be fully set forth in the notice of the meeting at which the proposed amendments are to be submitted for action. Any amendment to the certificate of organization and any amendment to the bylaws must be approved by three-fourths of the members present at the meeting. Proposed amendments to the certificate of organization or the bylaws shall, before submission to members for adoption, be approved by the state credit union board, and shall become operative immediately upon approval of the membership of the credit union. The resolution containing the full text of any amendment of the certificate of organization verified by the president and the treasurer of the credit union and approved by the state credit union board, shall be filed with the secretary of state for permanent record. The fee for filing the amendment with the secretary of state shall be five dollars. The applicants shall, within thirty days thereafter, provide the commissioner with a true and correct copy of the amendment to the certificate of organization or the amendments to the bylaws.~~ by an affirmative vote of two-thirds of the authorized number of members of the board of directors of the credit union at any duly held meeting of the board, if the members of the board have been given prior written notice of said meeting and the notice

contains a copy of the proposed amendment or amendments. No amendment of these bylaws or of the certificate of organization shall become effective, until approved in writing by the state credit union board. Amendments to the certificate of organization shall be filed with the secretary of state within thirty days after the amendments have been approved by the state credit union board.

SECTION 2.) Subsection 11 of section 6-06-06 of the North Dakota Century Code is hereby created and enacted to read as follows:

11. The state credit union board may authorize credit unions to engage in any activity in which they could engage if they were federally chartered.

SECTION 3. AMENDMENT.) Section 6-06-14 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-14. LOANS - HOW MADE - SECURITY - MEETINGS AND DUTIES OF CREDIT COMMITTEE.) The credit committee shall have general supervision over all loans to members, and shall meet as often as may be necessary to perform its duties and at least once each month. Notice must be given to each member of the committee before any meeting is held. All applications for a loan shall be made on a form approved by the committee and shall set forth the purpose for which the loan is desired, the security, if any, which is offered, and such other data as the committee may require. The maximum loan that may be made without adequate security shall be two thousand five hundred dollars or one percent of the credit union's total share and deposit accounts, whichever is the higher, but not to exceed ~~five~~ ten thousand dollars. Security, under this section shall include an assignment of shares or deposits, an endorsement made on the note by a responsible person, and such other security as the committee in its discretion may deem adequate. No loan shall be made unless it is approved by a majority of the entire committee; except that the credit committee may appoint one or more loan officers, and delegate to him or them the power to approve loans up to the limit established by the credit committee, or in excess of such limit if such excess is fully secured by unpledged shares. Each loan officer shall furnish to the credit committee a record of each loan approved or not approved by him within seven days of the date of the filing of the application therefor. All loans not approved by a loan officer shall be acted upon by the credit committee. No individual shall have authority to disburse funds of the credit union for any loan which has been approved by him in his capacity as a loan officer. Not more than one member of the credit committee may be appointed as a loan officer.

Approved March 18, 1979

CHAPTER 133

SENATE BILL NO. 2174
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

CREDIT UNION EXAMINATIONS

AN ACT to amend and reenact section 6-06-08 of the North Dakota Century Code, relating to the supervision of credit unions by the state credit union board, examinations, and fees.

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

SECTION 1. AMENDMENT.) Section 6-06-08 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-08. STATE CREDIT UNION BOARD TO SUPERVISE CREDIT UNIONS
- REPORTS - EXAMINATIONS - FEES.)

1. Credit unions and the permanent loan funds thereof, if any, shall be under the supervision of the state credit union board. The credit unions shall report to the commissioner at least once annually, upon call of the commissioner, on blanks supplied by the commissioner for that purpose. Additional reports may be required by the board or commissioner. Annual reports must be transmitted to the commissioner by January thirty-first of the following year. Other reports must be transmitted to the commissioner within fifteen days after receipt of the request for the same. Every credit union which fails to make and transmit any report required in pursuance of this section shall forfeit and pay to the state a penalty of five dollars for each delinquency.
2. Credit unions shall be examined at least once each year eighteen months by the commissioner, or with his the commissioner's approval and the approval of the state credit union board, credit unions may be examined annually by a certified public accountant or the North Dakota credit union league. In lieu of the examinations herein required, the commissioner may accept any examination made or obtained by the national credit union administration, and may in his or her discretion conduct a joint

examination with said federal agency. Examinations made by the commissioner or deputy examiners shall be made without previous notice to the credit union. If the examination is not made by the commissioner, the expense of such examination shall be borne by the credit union examined and such examination shall be in such form and contain such information as the commissioner may require. Two copies of such examination shall be filed with the commissioner within thirty days after completion of the examination and shall be approved by him the commissioner.

3. If it is determined through an examination or otherwise that the credit union is violating the provisions of this chapter, or is insolvent, the state credit union board may serve notice on the credit union of its intention to revoke the charter. If such violations continue for a period of fifteen days after such notice, the board may revoke the charter and take possession of the business and property of such credit union, and shall maintain possession then until such time as it shall permit the reinstatement of the charter and the continuation of business by the credit union, or until its affairs finally are liquidated. The board may take similar action if any required report remains in arrears for more than fifteen days.
4. The credit union shall, within thirty days after each ~~examination~~ from date of billing, pay to the ~~commissioner~~ state treasury for examination a fee equal to sixty-five dollars per examiner day, for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examinations herein provided for, except that the minimum fee for the examination of a credit union shall be one hundred dollars. If any such credit union shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent credit union until payment of the amount due, plus a penalty of five dollars a day additional for the delay.

Approved March 8, 1979

CHAPTER 134

SENATE BILL NO. 2176
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

CREDIT UNION DIRECTORS AND COMMITTEES

AN ACT to amend and reenact section 6-06-11 of the North Dakota Century Code, relating to annual meetings, election of directors and committees of credit unions.

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

SECTION 1. AMENDMENT.) Section 6-06-11 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-11. ANNUAL MEETINGS - ELECTION OF DIRECTORS AND COMMITTEES.) The organization meeting of the members of a credit union shall be the first annual meeting. At its annual meeting, its members shall elect a board of directors of not less than five members and a credit committee of not less than three members. A supervisory committee of not less than three members shall be elected at the annual meeting, unless the bylaws of the credit union provide that the supervisory committee members be appointed by the board of directors of the credit union. The directors and committee members shall hold office for such terms, respectively, as provided by the bylaws of the credit union and until their successors qualify. A record of the names and addresses of the officers and members of the board and committees shall be filed with the commissioner within ten days after their election. Notice of any change in membership on the board or committees by appointment to fill an unexpired term or otherwise, must be filed with the commissioner within ten days of such change.

Approved March 8, 1979

CHAPTER 135

SENATE BILL NO. 2469
(Senators Barth, Krauter)
(Representatives Meyer, Riehl)

CORPORATE CENTRAL CREDIT UNIONS

AN ACT to create and enact subsection 6.1 to section 6-01-02 of the North Dakota Century Code, relating to definition of corporate central credit unions; to amend and reenact section 6-06-19 of the North Dakota Century Code, relating to exemption of North Dakota central credit union from borrowing limitations; to amend and reenact section 6-06-21 of the North Dakota Century Code, relating to reserving requirements of corporate central credit unions.

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

SECTION 1.) Subsection 6.1 to section 6-01-02 of the 1977 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

6.1. "Corporate central credit union" means a credit union operated for the primary purpose of serving corporate accounts. A credit union is deemed to be a corporate central credit union when its total dollar amount of outstanding corporate loans plus corporate share and deposit holdings is equal to or greater than seventy-five percent of its outstanding loans plus share and deposit holdings.

SECTION 2. AMENDMENT.) Section 6-06-19 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-19. MAY AUTHORITY TO BORROW MONEY - LIMITATION - EXCEPTION.) A credit union may borrow money from any source, but the total borrowings shall not exceed twenty-five percent of its assets unless the state--examiner commissioner shall authorize a larger amount. The limitation on borrowing does not apply to a corporate central credit union which shall be limited to borrowing up to five times its capital, surplus and reserve fund.

SECTION 3. AMENDMENT.) Section 6-06-21 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-21. RESERVE FUND - AMOUNT REQUIRED AND HOW RAISED.) Every credit union, except corporate central credit unions, shall maintain a reserve fund to be used as a reserve against bad loans and other losses. Such This fund shall not be distributed except upon liquidation. All--entrance-fees-and-fines-shall-be-paid-into such-reserve-fund,-and--in--addition--thereto,-each-credit-union, annually,-until--such--time--as--its--reserve--fund--shall--equal--ten percent-of-its-paid-in-capital-and-surplus,-shall--transfer--twenty percent-of-its-net-earnings-to-such-reserve-fund---Thereafter,-there shall-be-added-annually-to-the-reserve--fund--at--the--end--of--each fiscal--year,-such--percentage-of-the-gross-earnings--of-the-credit union-as-shall-be-required-to-maintain--its--reserve--fund--at--ten percent--of--its--paid-in--capital--and--surplus. A credit union in operation for more than four years and having assets of five hundred thousand dollars or more shall set aside ten percent of gross income until the reserve fund equals four percent of the total of outstanding loans and risk assets, then five percent of gross income until the reserve fund equals six percent of the total of outstanding loans and risk assets. A credit union in operation for less than four years or having assets of less than five hundred thousand dollars shall set aside ten percent of gross income until the reserve fund equals seven and one-half percent of the total of outstanding loans and risk assets, then five percent of gross income until the reserve fund equals ten percent of the total of outstanding loans and risk assets.

Every corporate central credit union shall maintain a reserve fund to be used as a reserve against bad loans and other losses. This fund shall not be distributed except upon liquidation. At the end of each fiscal year, the corporate central credit union shall transfer to the reserve fund two percent of gross earnings until the reserve fund equals one and one-half percent of total assets. Thereafter, there shall be added annually to the reserve fund at the end of each fiscal year the contribution amounts or the percentage of the gross earnings of the corporate central credit union, not to exceed two percent of gross earnings, required to maintain its reserve fund at one and one-half percent of total assets.

Approved March 23, 1979

CHAPTER 136

SENATE BILL NO. 2071
(Legislative Council)
(Interim Committee on Industry, Business & Labor)

SALE OR PURCHASE OF BANKING INSTITUTIONS

AN ACT to create and enact a new section to chapter 6-08 of the North Dakota Century Code, relating to requirements governing the sale or purchase of banking institutions.

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

SECTION 1.) A new section to chapter 6-08 of the North Dakota Century Code is hereby created and enacted to read as follows:

SALE OR PURCHASE OF BANKING INSTITUTIONS - NOTIFICATION TO COMMISSIONER - HEARING.)

1. No person shall sell or otherwise dispose of or purchase or otherwise acquire control of a banking institution without notifying the state banking board.
2. Within thirty days after the date of mailing the notification, the transaction shall be deemed approved, unless the board issues an order calling a hearing. If a hearing is called by the board, the parties to the transaction shall be given at least a ten-day written notice of the time, date, and place of the hearing, to be held before the board, to examine into the following matters:
 - a. The character, reputation, general fitness, financial standing, and responsibility of the persons proposed as new stockholders, directors, or officers.
 - b. Whether the qualifications of management include adequate experience with financial institutions or other approved related experience.
 - c. Whether the interests of the other stockholders, depositors, and creditors of the institution and the public generally will be jeopardized by the change in control and management.

The determination to call a hearing may be made by the commissioner after consulting the board members and an order calling a hearing may be issued by the board without a formal meeting.

3. If the evidence produced at the hearing establishes that the character, reputation, general fitness, financial standing, and responsibility of the persons proposed as stockholders, directors, or officers is such that the interests of other stockholders, depositors, creditors, and the general public might be jeopardized by the change in control and management, then the board, within five business days of the date of the hearing, shall issue its order disapproving the transaction and shall notify the parties thereto. If no order is issued within ten business days after the hearing is held, the transaction is deemed approved by the board. Any decision of the board shall be reviewable under the provisions of chapter 28-32.
4. For purposes of this section, "control" means the direct or indirect ownership of, control of, or power to vote twenty-five percent or more of any class of voting shares at the election of directors of the association or one bank holding company, whether by individuals, corporations, partnerships, trusts, or other organizations.

Approved March 7, 1979

CHAPTER 137

HOUSE BILL NO. 1106
 (Committee on Industry, Business and Labor)
 (At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA EMPLOYEE BONDING

AN ACT to amend and reenact section 6-09-04 of the North Dakota Century Code, relating to the bonding of Bank of North Dakota employees.

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

SECTION 1. AMENDMENT.) Section 6-09-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-04. COMMISSION TO EMPLOY PRESIDENT AND EMPLOYEES - EXPENDITURES LIMITED TO APPROPRIATIONS.) The industrial commission shall obtain such assistance as in its judgment may be necessary for the establishment, maintenance, and operation of the Bank. To that end, it shall appoint a president, and may appoint such subordinate officers and employees as it may judge expedient. It may constitute such president its general agent in respect to the functions of said Bank, but subject, nevertheless, in such agency, to the supervision, limitation, and control of the commission. It shall employ such contractors, architects, builders, attorneys, cashiers, tellers, clerks, accountants, and other experts, agents, and servants as in the judgment of the commission the interests of the state may require, and shall define the duties, designate the titles, and fix the compensation, within legislative appropriation, and the bonds of all such persons so engaged. Subject to the control and regulation of the commission, the president of the Bank shall appoint and employ such deputies, cashiers, tellers, and other subordinates, and such contractors, architects, builders, attorneys, clerks, accountants, and other experts, agents, and servants, as he, in his judgment, shall deem required by the interests of the Bank. The total compensation of such appointees and employees, together with other expenditures for the operation and maintenance of the Bank, shall remain within the appropriation lawfully available in each year for such purpose. ~~All--officers--and--employees--of--the--Bank engaged--upon--its--financial--functions,--before--entering--upon--their duties,--shall--furnish--respectively--good--and--sufficient--bonds--to--the state--in--such--amount--and--upon--such--conditions--as--the--commission--may require--and--approve.--The--bond--of--the--president--shall--not--be--less than--fifty--thousand--dollars,--and--such--bond--shall--be--filed--with--the secretary--of--state.~~

Approved March 3, 1979

CHAPTER 138

HOUSE BILL NO. 1107
(Committee on Industry, Business and Labor)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA CAPITAL

AN ACT to repeal section 6-09-06 of the North Dakota Century Code, relating to authorization of Bank of North Dakota to transact business after delivery of two million dollars in bonds as capital.

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

SECTION 1. REPEAL.) Section 6-09-06 of the North Dakota Century Code is hereby repealed.

Approved March 3, 1979

CHAPTER 139

SENATE BILL NO. 2109
(Committee on Industry, Business and Labor)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA FARM LOAN AUTHORITY

AN ACT to amend and reenact section 6-09-15 of the North Dakota Century Code, relating to the authority of the Bank of North Dakota to increase maximum loan value of farmland from one-half to sixty-five percent.

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

* SECTION 1. AMENDMENT.) Section 6-09-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-15. BANK MAY MAKE LOANS - REAL-ESTATE-LOANS-LIMITED LOAN LIMITATIONS.)

1. The Bank of North Dakota may make:

- a. Make loans to, and purchase securities issued by instrumentalities of this state, ~~and such.~~ Such loans shall be repaid with interest to the Bank. ~~The Bank of North Dakota may make~~
- b. Make loans to state or national banks, ~~and may participate.~~
- c. Participate with state or national banks, savings and loan associations, and credit unions, in loans being made by them, on such terms and under such rules and regulations as the industrial commission may determine. ~~The Bank may buy~~
- d. Buy and sell federal funds, ~~ex~~ excess reserves, bankers' acceptances, participation loans, and all securities issued by the United States government or its instrumentalities. ~~The Bank of North Dakota may invest~~
- e. Invest its funds in bonds, notes, or debentures of any corporation incorporated under the laws of any state

* NOTE: Section 6-09-15 was also amended by section 1 of Senate Bill No. 2110, chapter 140.

of the United States rated at "A" or higher by a nationally recognized rating service approved by the industrial commission, ~~provided that such~~. Such investments shall not be made to exceed for any one corporation, ten percent of the combined capital, and surplus of the Bank. ~~The Bank may make~~

- f. Make loans, to holders of Bank of North Dakota certificates of deposit and savings accounts, up to ninety percent of the value of the ~~certificate~~ certificates and savings accounts offered as security.
 - g. Make loans to actual farmers who are residents of this state, if such loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed sixty-five percent of the value of the security.
 - h. Make United States insured and guaranteed loans as specifically authorized by law.
2. The Bank of North Dakota shall not otherwise make loans or give its credit to any individual, association, or private corporation, ~~except that it may make loans to actual farmers who are residents of this state, if such loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed one-half the value of the security and except United States insured and guaranteed loans as specifically authorized by law.~~
 3. The Bank of North Dakota shall not loan more than thirty percent of its capital, nor in addition thereto, more than twenty percent of its deposits on real estate security, excluding those loans insured or guaranteed by the United States or its agencies.

Approved March 27, 1979

CHAPTER 140

SENATE BILL NO. 2110
(Committee on Industry, Business and Labor)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA INVESTMENT AND LOAN AUTHORITY

AN ACT to amend and reenact section 6-09-15 of the North Dakota Century Code, relating to the authority of the Bank of North Dakota to participate with subsidiary corporations, to purchase short term commercial and finance company paper, and to increase maximum loan value of farmland from one-half to sixty-five percent.

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

* SECTION 1. AMENDMENT.) Section 6-09-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-15. BANK MAY MAKE LOANS - REAL-ESTATE-LOANS-LIMITED LOAN LIMITATIONS.)

1. The Bank of North Dakota may make:

- a. Make loans to, and purchase securities issued by instrumentalities of this state, ~~and such.~~ Such loans shall be repaid with interest to the Bank. ~~The Bank of North Dakota may make~~
- b. Make loans to state or national banks, ~~and may participate.~~
- c. Participate with state or national banks, savings and loan associations, subsidiary corporations of state banking associations approved by the state banking board pursuant to section 6-03-38, and credit unions, in loans being made by them, on such terms and under such rules and regulations as the industrial commission may determine. ~~The Bank may buy~~
- d. Buy and sell federal funds, ~~or~~ excess reserves, bankers' acceptances, participation loans, and all securities issued by the United States government or

* NOTE: Section 6-09-15 was also amended by section 1 of Senate Bill No. 2109, chapter 139.

its instrumentalities. ~~The Bank of North Dakota may invest~~

- e. Invest its funds in bonds, notes, or debentures of any corporation incorporated under the laws of any state of the United States rated at "A" or higher by a nationally recognized rating service approved by the industrial commission, ~~provided that such~~ and short term commercial and finance company paper rated A-1 or P-1. Such investments shall not be made to exceed for any one corporation, ten percent of the combined capital, and surplus of the Bank. The Bank may make
 - f. Make loans, to holders of Bank of North Dakota certificates of deposit and savings accounts, up to ninety percent of the value of the ~~certificate~~ certificates and savings accounts offered as security.
 - g. Make loans to actual farmers who are residents of this state, if such loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed sixty-five percent of the value of the security.
 - h. Make United States insured and guaranteed loans as specifically authorized by law.
2. The Bank of North Dakota shall not otherwise make loans or give its credit to any individual, association, or private corporation, except that it may make loans to actual farmers who are residents of this state, if such loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed one-half the value of the security and except United States insured and guaranteed loans as specifically authorized by law.
 3. The Bank of North Dakota shall not loan more than thirty percent of its capital, nor in addition thereto, more than twenty percent of its deposits on real estate security, excluding those loans insured or guaranteed by the United States or its agencies.

Approved April 7, 1979

CHAPTER 141

HOUSE BILL NO. 1348
(Representative Kloubec)
(Senators Tennefos and Lodoen)

BANK OF NORTH DAKOTA BANK STOCK LOANS

AN ACT to amend and reenact section 6-09-15.3 of the North Dakota Century Code, permitting loans secured by stock in bank holding companies, eliminating prohibition of loans in excess of North Dakota correspondent balances, and extending the disposal period of bank stock acquired by Bank of North Dakota in foreclosure from one year to three years.

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

SECTION 1. AMENDMENT.) Section 6-09-15.3 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-15.3. BANK STOCK LOANS - REQUIREMENTS.) The Bank of North Dakota may make loans to those who have resided in this state for at least one year ~~for the purpose of purchasing stock in banks~~. These loans shall be secured by bank stock or stock of a bank holding company located in the state. For this purpose, loans to purchase secured by stock in any one bank or bank holding company shall not exceed twenty-five percent of the total of capital and surplus of the Bank of North Dakota. At no time shall the total of all such loans exceed the total deposits in the Bank of North Dakota by all correspondent-respondent banks located within the state.

The industrial commission shall adopt rules and regulations to carry out the purpose of this section which shall include provisions for terms under which such loans shall be made, the types of security required in addition to the stock purchased under the loan, and the procedure for disposition of stock acquired by the Bank.

In the event the Bank of North Dakota becomes the owner of stock in a bank pursuant to foreclosure proceedings on such loan, such stock shall be disposed of within ~~one-year~~ three years after acquisition by the Bank.

Approved March 8, 1979

CHAPTER 142

HOUSE BILL NO. 1447
(Peltier)

FUND TRANSFERS REPEALED

AN ACT to repeal sections 6-09-16 and 6-09-17 of the North Dakota Century Code, relating to funds transferred to state departments, how credited by state treasurer, and to department of accounts and purchases issuance of warrants against transferred funds.

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

SECTION 1. REPEAL.) Sections 6-09-16 and 6-09-17 of the North Dakota Century Code are hereby repealed.

Approved April 3, 1979

CHAPTER 143

SENATE BILL NO. 2200
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

FINANCIAL EXAMINATION FEES

AN ACT to amend and reenact sections 6-09-29, 6-10-06, and 7-05-01 of the North Dakota Century Code, relating to fees for the examination of the Bank of North Dakota, agents for deposits, and savings and loan associations.

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

SECTION 1. AMENDMENT.) Section 6-09-29 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-29. DEPARTMENT OF BANKING AND FINANCIAL INSTITUTIONS AND THE INDUSTRIAL COMMISSION RESPONSIBLE FOR EXAMINATIONS AND AUDIT REPORTS.) The industrial commission shall be responsible for contracting with a nongovernment certified public accounting firm to annually audit the Bank of North Dakota in accordance with generally accepted auditing standards, which shall include inspection and verification of the assets in its possession and under its control with sufficient thoroughness to ascertain with reasonable certainty whether the valuations are carried correctly on its books. The auditor so hired shall audit the Bank's methods of operation and accounting, shall report the results to the industrial commission as soon as practicable, and shall furnish one copy to the legislative assembly. The costs of such audit shall be paid for by the Bank of North Dakota. The department of banking and financial institutions, through the ~~state-examiner~~ commissioner, shall be responsible for an annual examination of the Bank of North Dakota and for any investigation of the Bank which may be necessary. The results of this examination, and any necessary investigation, shall be reported to the industrial commission as soon as practicable and to the legislative assembly. Fees for such examinations shall be charged by the department of banking and financial institutions for the examinations ~~in provided for by this section~~ ~~provided~~ at the rate of ~~forty~~ sixty-five dollars per day for the time used by the ~~state examiner~~ commissioner or other person designated by ~~him~~ the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for the time used by each deputy examiner, or other person or persons in making

and otherwise preparing and typing the reports of examinations herein provided for.

SECTION 2. AMENDMENT.) Section 6-10-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-10-06. DUTY OF EXAMINER COMMISSIONER.) ~~The state-examiner commissioner shall make an examination of the business of such licensee at least once in each year, and such applicant shall pay an examination fee on-the-basis-provided-by-law-for-the-examination--of municipalities to the state treasurer. Fees for such examinations shall be charged by the department of banking and financial institutions for the examinations provided for by this section at the rate of sixty-five dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examination herein provided for.~~

SECTION 3. AMENDMENT.) Section 7-05-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

7-05-01. EXAMINATION AND FEES THEREFOR.) ~~The state-examiner commissioner, at least once each year or oftener if he the commissioner deems it necessary or expedient, shall examine into the affairs of all domestic associations doing business in this state. Whenever persons holding ten percent or more of the subscribed shares of any association file a written application with the state examiner commissioner requesting him the commissioner to make an examination of any such association, he the commissioner shall make such examination forthwith. Upon the completion of any examination of any association made by the state-examiner commissioner or under his the direction of the commissioner, the association so examined shall pay to the state examiner treasurer a fee to-be-determined--as follows:---for--the--first--one--hundred--thousand--dollars--of--assets,--a fee--of--fifty--dollars,--for--each--additional--one--hundred--thousand dollars--of--assets--or--major--portion--thereof,--an--additional--fee--of--ten dollars. Fees for such examination shall be charged by the department of banking and financial institutions for the examinations provided for by this section at the rate of sixty-five dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination or report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examinations herein provided for. The minimum fee for any such examination, however, shall be one hundred dollars. The maximum-fee-shall-not-be-more-than-three--thousand--dollars,--except that--when--a--special--examination--of--an--association--is--requested--by holders--of--ten--percent--or--more--of--the--subscribed--shares--the--maximum fee--shall--not--apply. The state-examiner commissioner shall report such payment to the state banking board, and if any such association shall be delinquent more than twenty days in making such payment,~~

the state banking board may make an order suspending the functions of such association until payment of the amount due, together with a penalty of five dollars additional for each day of delay in payment. All fees collected by the state ~~examiner~~ treasurer shall be ~~paid by him to the state treasurer for credit~~ credited to the general fund. In lieu of the examinations herein required, the ~~state examiner~~ commissioner may accept any examination made by a federal home loan bank, the federal home loan bank board, or, if an insured association, by the federal savings and loan insurance corporation. The ~~state examiner~~ commissioner may in his or her discretion conduct a joint examination with said described federal agencies, ~~in which case the fee paid to the state treasurer as provided herein shall be one-half of the amount specified herein.~~

Approved March 13, 1979

CHAPTER 144

SENATE BILL NO. 2107
(Committee on Industry, Business and Labor)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA ADVISORY BOARD

AN ACT to amend and reenact section 6-09.1-02 of the North Dakota Century Code, relating to the appointment, membership, officers, terms, duties, and compensation of the Bank of North Dakota advisory board of directors.

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

SECTION 1. AMENDMENT.) Section 6-09.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.1-02. ~~ADDITIONAL--AUTHORITY--GRANTED--TO--THE--GOVERNOR--OF--NORTH--DAKOTA--RELATING--TO--THE~~ BANK OF NORTH DAKOTA ~~ADVISORY BOARD OF DIRECTORS.)~~ The governor of North Dakota shall appoint an advisory board of directors to the Bank of North Dakota consisting of five ~~seven~~ persons ~~knowledgeable in banking and finance and in motivating the expansion of industry within and without the state of North Dakota to the Bank of North Dakota. The governor shall appoint a chairman, vice chairman, and secretary of such board and shall define their duties. Terms shall be for periods of from one to four years,~~ at least two of whom shall be officers of banks, the majority of the stock of which is owned by North Dakota residents, and at least one of which shall be an officer of a state or federally chartered financial institution. The governor shall appoint a chairman, vice chairman, and secretary from the advisory board of directors. The term of the directors shall be four years. The five-member advisory board of directors existing prior to July 1, 1979, shall continue to serve until expiration of their terms or until their successors have been appointed. The industrial commission shall define the duties and fix the compensation for of the advisory board on a daily or monthly basis of directors.

Approved March 13, 1979