

SENATE BILL NO. 2390

Introduced by

Senators Stenehjem, Klein, Lyson

Representatives Haas, Klein

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

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

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

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

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

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