

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2300

Introduced by

Senators Klein, Dever, Robinson

Representatives Boe, Kasper, Wald

1 A BILL for an Act to amend and reenact sections 6-08.4-01 and 6-08.4-06 of the North Dakota
2 Century Code, relating to interstate branching by banks; and to declare an emergency.

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

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

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

8 1. "Affiliate" means a company that controls, is controlled by, or is under common
9 control with another company.

10 2. "Bank" means insured bank depository institution as defined in 12 U.S.C. 4813(h)
11 1813(c)(2), but the term does not include "foreign bank" as defined in 12 U.S.C.
12 3101(7), except any foreign bank organized under the laws of a territory of the
13 United States, the deposits of which are insured by the federal deposit insurance
14 corporation.

15 3. "Commercial activities" means activities in which a bank holding company, a
16 financial holding company, a national bank, or a national bank financial subsidiary
17 may not engage under federal law.

18 ~~2.~~ 4. "Home state" means:

19 a. With respect to a national bank, the state in which the main office is located;
20 and

21 b. With respect to a state bank, the state by which the bank is chartered.

22 ~~3.~~ 5. "Transaction" means a bank's establishment, operation, and, as applicable,
23 retention of a bank branch office in a state other than its home state, whether

1 de novo, by acquisition of a separate branch office, or through a merger of a North
2 Dakota bank with another bank.

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

5 **6-08.4-06. Powers.**

- 6 1. An out-of-state state-chartered bank that establishes, acquires, and retains one or
7 more branches in this state under this chapter may conduct any activities at the
8 branch or branches that are authorized under the laws for North Dakota state
9 banks, except to the extent those activities may be prohibited by the laws, rules, or
10 orders of the home state applicable to the out-of-state state-chartered bank.
- 11 2. A North Dakota state-chartered bank may conduct any activities at any branch
12 outside this state which are permissible for an out-of-state state-chartered bank
13 where the branch is located, except to the extent those activities are expressly
14 prohibited by North Dakota law, rule, or order.
- 15 3. A bank may not establish or maintain a branch in this state on the premises or
16 property or within one mile [1.60 kilometers] of the premises or property of an
17 affiliate if the affiliate engages in commercial activities.

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