

**Fifty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 9, 2001**

SENATE BILL NO. 2231
(Senators Nething, Wardner)
(Representative N. Johnson)

AN ACT to create and enact a new subsection to section 15-29-08 of the North Dakota Century Code, relating to authority of school district boards to establish student financial institutions; and to amend and reenact subsection 6 of section 6-01-17.1 of the North Dakota Century Code, relating to application fee for establishment of a separate banking facility.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 6 of section 6-01-17.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6. A banking association's application to establish and operate a separate facility, a fee of one thousand five hundred dollars. A banking institution that discontinues a facility established for the purpose of providing educational opportunities to a high school is entitled to a refund of any application fee paid.

SECTION 2. A new subsection to section 15-29-08 of the North Dakota Century Code is created and enacted as follows:

To establish, maintain, and supervise a student financial institution which is not subject to section 6-02-01, 6-02-03, 6-03-67.1, or 6-06-05 or any other statute or rule that regulates banks, other financial institutions, or currency exchanges. To qualify as a student financial institution, the student financial institution must be operated as part of a high school educational program under guidelines adopted by the school board, be advised on a regular basis by one or more state-chartered or federally chartered financial institutions including credit unions, but not owned or operated by a financial institution, be located on school premises and have as customers only students enrolled in, or employees of, the school of which it is located, and have a written commitment from the school board guaranteeing reimbursement of any depositor's funds lost due to insolvency of the student financial institution. Funds of a student financial institution that meet the requirements of this subsection are not school district or other public funds for purposes of any state law governing the use or investment of school district or other public funds. For purposes of borrowing money, cashing checks, and taking deposits concerning the operation of a student financial institution, the obligations of a minor have the same force and effect as though they were the obligations of a person over the age of majority.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-seventh Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2231.

Senate Vote: Yeas 49 Nays 0 Absent 0

House Vote: Yeas 93 Nays 0 Absent 5

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2001.

Approved at _____ M. on _____, 2001.

Governor

Filed in this office this _____ day of _____, 2001,

at _____ o'clock _____ M.

Secretary of State