

HOUSE BILL NO. 1375

Introduced by

Representative Boucher

1 A BILL for an Act to provide for disclosures of funds transfers to a financial institution and
2 liability for funds transfers that are not authorized by the financial institution.

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

4 **SECTION 1. Funds transfers - Disclosure to financial institution required.** A
5 person may not direct, cause, arrange, or permit a transfer of funds into a financial institution
6 account that is not owned by the intended beneficiary of the funds transfer unless the person
7 has first disclosed to the financial institution the fact that the account is not owned by the
8 intended beneficiary of the funds transfer and has obtained the express, written consent of the
9 financial institution for each transfer. A person who directs, causes, arranges, or permits a
10 transfer of funds into a financial institution account that is not owned by the intended beneficiary
11 of the funds transfer may not withdraw the funds without the written consent of the
12 accountholder and may not recover from the financial institution any damages, costs, or
13 expenditures, including reasonable attorney fees, incurred in connection with the transfer or the
14 use or withdrawal of the transferred funds by the owner of the account.

15 **SECTION 2. Unauthorized funds transfer - Liability.** A person who directs, causes,
16 arranges, or permits a transfer of funds into a financial institution account that is not owned by
17 the beneficiary of the funds transfer is liable to the financial institution for all damages, costs, or
18 expenditures, including reasonable attorney fees, which the financial institution suffers or incurs
19 in connection with the unauthorized funds transfer transaction or any use or withdrawal of the
20 funds by the owner of the account.