

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 828

Short Title: Bad Checks/No Checking Account.

(Public)

Sponsors: Senators Ballance; Allran, Bryan, Daniel, Murphy, Richardson, and Sands.

Referred to: Banks and Thrift.

April 10, 1989

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT FINANCIAL INSTITUTIONS FROM OPENING CHECKING ACCOUNTS FOR PERSONS WITH THREE OR MORE WORTHLESS CHECK CONVICTIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53-65 reads as rewritten:

"§ 53-65. Deposits payable on demand.

Any (a) Except as provided in subsection (b), any bank may receive deposits of funds subject to withdrawals or to be paid upon the checks of the depositor. All deposits in such banks shall be payable on demand, without notice, except when the contract of deposit shall otherwise provide.

(b) Before allowing a person to establish a withdrawable account which may be withdrawn or transferred by check or negotiable order of withdrawal of the depositor, a bank shall require the person to sign a written declaration stating under oath whether the person has ever been convicted of a worthless check violation under G.S. 14-107 or the law of another state and, if so, the approximate date of each conviction. If the person states that he has been convicted of three or more worthless check violations on three or more different dates within the past seven years and at least one of the convictions occurred on or after October 1, 1989, or if the person does not sign the declaration, the bank may not allow the person to establish a withdrawable account which may be withdrawn or transferred by check or negotiable order of withdrawal of the depositor."

Sec. 2. G.S. 54-109.55 reads as rewritten:

"§ 54-109.55. Deposits.

1 A (a) Except as provided in subsection (b), a credit union may receive on deposit  
2 the savings of its members and also nonmembers in such amounts and upon such terms  
3 as the board of directors may determine and the bylaws shall provide.

4 (b) Before allowing a person to establish a withdrawable account which may be  
5 withdrawn or transferred by check or negotiable order of withdrawal of the depositor, a  
6 credit union shall require the person to sign a written declaration stating under oath  
7 whether the person has ever been convicted of a worthless check violation under G.S.  
8 14-107 or the law of another state and, if so, the approximate date of each conviction. If  
9 the person states that he has been convicted of three or more worthless check violations  
10 on three or more different dates within the past seven years and at least one of the  
11 convictions occurred on or after October 1, 1989, or if the person does not sign the  
12 declaration, the credit union may not allow the person to establish a withdrawable  
13 account which may be withdrawn or transferred by check or negotiable order of  
14 withdrawal of the depositor."

15 Sec. 3. G.S. 54B-127 reads as rewritten:

16 "**§ 54B-127. Negotiable orders of withdrawal.**

17 Notwithstanding any other provisions of law, the Administrator shall by regulation,  
18 authorize associations to accept deposits to withdrawable accounts which may be  
19 withdrawn or transferred on or by negotiable or transferable order or authorization to  
20 the association. The regulations shall provide that before allowing a person to establish  
21 a withdrawable account which may be withdrawn or transferred by check or negotiable  
22 order of withdrawal of the depositor, an association shall require the person to sign a  
23 written declaration stating under oath whether the person has ever been convicted of a  
24 worthless check violation under G.S. 14-107 or the law of another state and, if so, the  
25 approximate date of each conviction. If the person states that he has been convicted of  
26 three or more worthless check violations on three or more different dates within the past  
27 seven years and at least one of the convictions occurred on or after October 1, 1989, or  
28 if the person does not sign the declaration, the association may not allow the person to  
29 establish a withdrawable account which may be withdrawn or transferred by check or  
30 negotiable order of withdrawal of the depositor."

31 Sec. 4. This act shall become effective October 1, 1989.