

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 35

Short Title: Bad Checks/No Checking Account.

(Public)

Sponsors: Senator Ballance.

Referred to: Banks and Thrift Institutions.

February 7, 1991

A BILL TO BE ENTITLED

1 AN ACT TO PROHIBIT FINANCIAL INSTITUTIONS FROM OPENING
2 CHECKING ACCOUNTS FOR PERSONS WITH THREE OR MORE
3 WORTHLESS CHECK CONVICTIONS.
4

5 The General Assembly of North Carolina enacts:

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

7 "**§ 53-65. Deposits payable on demand.**

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

12 (b) Before allowing a person to establish a withdrawable account which may be
13 withdrawn or transferred by check or negotiable order of withdrawal of the depositor, a
14 bank shall require the person to sign a written declaration stating under oath whether the
15 person has ever been convicted of a worthless check violation under G.S. 14-107 or the
16 law of another state and, if so, the approximate date of each conviction. If the person
17 states that he or she has been convicted of three or more worthless check violations on
18 three or more different dates within the past seven years and at least one of the
19 convictions occurred on or after October 1, 1991, or if the person does not sign the
20 declaration, the bank shall not allow the person to establish a withdrawable account
21 which may be withdrawn or transferred by check or negotiable order of withdrawal of
22 the depositor."

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

24 "**§ 54-109.55. Deposits.**

1 A-Except as provided in subsection (b), a credit union may receive on deposit the
2 savings of its members and also nonmembers in such amounts and upon such terms as
3 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5 withdrawn or transferred by check or negotiable order of withdrawal of the depositor, a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 or she has been convicted of three or more worthless check
10 violations on three or more different dates within the past seven years and at least one of
11 the convictions occurred on or after October 1, 1991, or if the person does not sign the
12 declaration, the credit union shall 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 or she has been
26 convicted of three or more worthless check violations on three or more different dates
27 within the past seven years and at least one of the convictions occurred on or after
28 October 1, 1991, or if the person does not sign the declaration, the association shall not
29 allow the person to establish a withdrawable account which may be withdrawn or
30 transferred by check or negotiable order of withdrawal of the depositor."

31 Sec. 4. This act becomes effective October 1, 1991.