

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version: HB 257
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB257-DCCED-DBS-03-13-20
Title: FINANCIAL INSTITUTIONS; LIABILITY
Sponsor: LEBON BY REQUEST
Requester: (H) Labor and Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Banking and Securities
Allocation: Banking and Securities
OMB Component Number: 2808

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/21

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Office of Management and Budget
Phone: (907)269-5496
Date: 02/25/2020
Date: 03/13/20

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

BILL NO. HB 257

Analysis

HB 257 amends statutes relating to banks and credit unions as follows:

- Removes statutory requirements for banks and allows the Division of Banking and Securities (DBS) to streamline the processes for branch approval and change of branch location via regulations. This will allow parity between state banks and state credit unions.
- Exempts banks and credit unions from the requirement to obtain a business license in Alaska.
- Removes the statutory requirement for a bank to publish reports in a newspaper and reduces the number of meetings a board of directors is required to hold in a calendar year.
- Repeals language that is outdated or duplicative, such as liability for directors and the requirement of surplus accounts for a mutual savings bank.
- Repeals the Model Foreign Bank Loan Act.
- Increases the amount a director or executive officer of a bank may borrow from a bank.
- Allows a bank to give preference to a depositor or creditor by pledging assets of a bank as collateral to a federally recognized tribe or a wholly owned subsidiary.
- Requires an application for a new state chartered bank (certificate for authority) to include membership with the Federal Deposit Insurance Corporation (FDIC).
- Amends the definition of “branch bank” to exclude a remote service unit. This modernizes the law to exclude new banking tools from needing to be a branch; such as automated teller machines, computers, telephones, or similar automated or electronic devices that allow customers to perform banking functions.

HB 257 will require a change to regulations to provide details on the application requirements for a branch bank or a branch change of location. However, the Division of Banking and Securities does not anticipate a fiscal impact from this legislation, as the division can absorb the costs of the regulations project through existing authority.