

# Alaska State Legislature

SESSION:  
Alaska State Capitol  
Juneau, AK 99801  
(907) 465-3709



INTERIM:  
1292 Sadler Way Suite 308  
Fairbanks, AK 99701  
(907) 451-4347

## REPRESENTATIVE BART LEBON

### Sponsor Statement

#### House Bill 85 – Financial Institutions; Liability

HB 85 modernizes and streamlines Alaska’s outdated banking laws to recognize industry changes and to bring regulatory parity between state-chartered and national banks. HB 85 provides Alaska’s state banking regulator tools to level the playing field and promote healthy competition among state and national banks.

Over the course of the pandemic, the Alaska economy has been tested like never before and has more than proven its resilience. That is thanks in no small part to our diverse financial system: a network of financial institutions of all sizes, charters and business models that are dedicated to providing the products and services that consumers and businesses need to thrive.

The diversity of our financial system is something that is uniquely American. It is important that we preserve that diversity—but we must do so in a manner that ensures a level playing field between providers of financial services.

Banks play a critical role in the Alaska and United States economies, channeling funds from savers to borrowers and thereby facilitating economic activity. The U.S. has what is referred to as a “dual banking system,” in which banks can choose to apply for a charter from a state banking authority or a federal charter from the Office of the Comptroller of the Currency (OCC), a bureau within the Department of the Treasury.

A bank’s choice of chartering authority is also a choice of primary regulator; state regulatory agencies serve as the primary regulators of state-chartered banks, and the OCC serves as the primary regulator of national banks. Over time, due to increasingly broad powers granted to national banks by the OCC, state banks have experienced difficulty in remaining competitive with national banks.

I would appreciate your support in helping to keep Alaska's state-chartered financial institutions competitive by updating Alaska statutes to reflect modern best practices.