

1 IN THE SENATE

BY SENATOR OWEN

2

SENATE BILL NO. 56

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the regulation of the
7 banking business; adding subsection (9) to
8 Sec. 3.201 of Ch. 129, SLA 1951; amending
9 Sec. 3.207, part A, subsection 5 of Sec.
10 3.207, Sec. 3.212, and part A of Sec. 3.223
11 of Ch. 129, SLA 1951; and repealing part G
12 of Sec. 3.221 of Ch. 129, SLA 1951."

13 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

14 Section 1. Sec. 3.201 of Ch. 129, SLA 1951, is hereby
15 amended to include subsection (9) to read as follows:

16 N (9) In addition to powers vested by law in banking
17 E associations organized under Territorial laws, banks may,
18 W when authorized and under any limitations or conditions
19 by the Banking Board, act as agent for any insurance
20 company, authorized to do business in Alaska by soliciting
21 K and selling insurance and collecting premiums on policies
22 A issued by such company; provided, however, that when on-
23 T gaging in the insurance business as above described, the
24 T particular banking association shall be subject to all
25 E Territorial insurance laws, and such rules and regulations
26 R as may be promulgated by the insurance commissioner.

27 Sec. 2. Sec. 3.207 of Ch. 129, SLA 1951 is hereby amended
28 to read as follows:

29 Sec. 3.207. INCORPORATORS. Any number of persons,

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1 not less than THREE five, may become incorporated under
2 this Act for the purpose of conducting and carrying on a
3 general banking business upon the terms and conditions,
4 and subject to the restrictions prescribed in this Act.

5 Sec. 3. Subsection (5) of part A of Sec. 3.210 of Ch. 129,
6 SLA 1951 is hereby amended to read as follows:

7 (5) The number of directors, which shall not be less
8 than THREE five.

9 Sec. 4. Sec. 3.212 of Ch. 129, SLA 1951 is hereby amended
10 to read as follows:

11 Sec. 3.212. LIMITATION OF BRANCH BANKING. NO BANK
12 HERETOFORE OR HEREAFTER ORGANIZED, SHALL OPEN, COMMENCE OR
13 ESTABLISH ANY BRANCH BANK, OFFICE OR AGENCY WHICH IS LOCATED
14 MORE THAN ONE HUNDRED (100) MILES FROM ITS PRINCIPAL OFFICE.

15 N A Territorial bank, may with the approval of the Board,
16 E establish and operate branches and seasonal agencies, sub-
17 W ject to the following provisions and restrictions:

18 (1) Within the limits of the city, town or village
19 in which the Head Office of the bank is located, if, after
20 investigation the Board has determined the adequacy of the
21 bank's capital structure, the general character of the
22 management, the future earning prospects, the proposed lo-
23 cation of the branch and distance from the nearest banking
24 M facilities, the convenience and needs of the community to
25 A be served, the nature of the potential clientele, and
26 T possible business available within a reasonable period of
27 T time, would indicate the establishment of the branch to be
28 E a sound and profitable operation; and

29 R (2) At any city, town or village in the Territory in

1 N which no independent bank is operating, if, after investiga-
2 E tion by the Board as provided in the foregoing, the Board
3 W has determined the establishment of the Branch would result
4 in a sound and profitable operation: Provided, however, a
5 Branch may be established in such city, town or village in
6 the Territory, in which an independent bank is operating,
7 if such branch is resultant from a merger and conversion
8 an existing bank in such city, town or village, and

9 (3) A Territorial bank may, with approval of the
10 Board, establish without the capital requirement of this
11 Act, a seasonal agency in any community within the Terri-
12 tory, for the purpose of receiving and paying out deposits,
13 issuing and cashing checks and drafts, and doing business
14 M incident thereto: Provided, that any permit issued under
15 A this Subsection shall be revoked upon the opening of a
16 T Territorial or National bank in such community.

17 T (4) No branch of any Territorial Bank shall be
18 E established or moved from one location to another without
19 R first obtaining the consent and approval of the Board.

20 Sec. 5. Part A of Sec. 3.223 of Ch. 129, SLA 1951 is hereby
21 amended to read as follows:

22 A. The affairs of every bank incorporated under this
23 Act shall be managed by not less than ~~THREE (3)~~ five
24 directors who shall be elected by the stockholders and hold
25 office for one year, and until their successors are elected
26 and have qualified. A majority of the Board of Directors
27 shall be bona fide residents of the Territory of Alaska and
28 a majority of such board shall constitute a quorum for the
29 transaction of business.

1 Sec. 6. Part G of Sec. 3,221 of Ch. 129, SLA 1951 is
2 hereby repealed.

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