

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

IN THE SENATE BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 247

IN THE LEGISLATURE OF THE STATE OF ALASKA
FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to banks and banking;
repealing and re-enacting Sec. 3.170, Ch. 129,
SLA 1951 as amended by Ch. 124, SLA 1955;
amending Ch. 129, SLA 1951 by adding new
sections 3.173 and 3.228; and providing for
an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. Sec. 3.170, Ch. 129, SLA 1951 as amended by
Ch. 124, SLA 1955 is repealed and re-enacted to read as follows:

Sec. 3.170. ACQUISITION OF BANKING PREMISES AND EQUIP-
MENT: LIMITATION OF INVESTMENT. a. A state bank may ac-
quire real estate and equipment and improve real estate to
be used in the transactions of its business and may rent
space so acquired in a building in excess of its actual need.
Unless a larger investment is authorized by the Commissioner
of Commerce, no bank shall invest more than the following:

(1) Sixty percent of capital and surplus in land
and buildings.

(2) Twenty-five percent of capital and surplus in
leasehold improvements in lieu of land and buildings.

(3) Fifteen percent of capital and surplus in
addition to the above in safe deposit equipment.

(4) Such amount as may be needed for the ordinary
and necessary equipment, furniture, and fixtures of the bank.

1
2
3
4
5
N 6
E 7
W 8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
M 24
A 25
T 26
T 27
E 28
R 29

other than safe deposit equipment.

b. The rates of depreciation and amortization of property so acquired may be prescribed by the Commissioner.

Sec. 2. Ch. 129, SLA 1951 is amended by adding a new Sec. 3.173 to read as follows:

Sec. 3.173. INVESTMENTS AUTHORIZED. a. In addition to other investments expressly authorized by this Act, a state bank may purchase or discount:

(1) Obligations which satisfy the requirements of this Act for loans, and are acquired in full.

(2) Obligations of the United States, a state of the United States, or the Dominion of Canada.

(3) Obligations of a territory of the United States, a province of the Dominion of Canada, a subdivision or instrumentality of a state of the United States, an authority organized under state law, an interstate compact or by substantially identical legislation adopted by two or more states.

(4) Obligations of a corporation chartered by the United States or a state thereof, doing business in the United States, or any territory or possession thereof.

(5) Investment securities under such limitations and restrictions as the Commissioner of Commerce may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by a bank for its own account, exceed at any time ten percent of its capital and surplus. As used in this section the term "investment securities" shall mean marketable obligations evidencing indebtedness of any person in the form of

N 1 bonds, notes or debentures, commonly known as investment
E 2 securities, along with such further definition as may be
W 3 regulation be prescribed by the Commissioner. Except as
4 otherwise provided in this Act, nothing in this Act shall
5 authorize the purchase by a bank for its own account of any
6 shares of stock of any corporation.

7 b. A state bank may purchase or sell without recourse,
8 any security upon the written order of a customer and for
9 his account.

M 10 c. This section shall apply to all investments pur-
A 11 chased or discounted by state banks in Alaska after the
T 12 effective date of this Act; but nothing in this Act applies
T 13 to investments now held by state banks in Alaska, which in-
E 14 vestments if otherwise lawful, may continue to be held, not-
R 15 withstanding the provisions of this section to the contrary.

16 Sec. 3. Ch. 129, SLA 1951 is amended by adding a new Sec.
17 3.228 to read as follows:

N 18 Sec. 3.228. AUTHORIZATION TO ENGAGE IN THE INSURANCE
E 19 BUSINESS. In addition to the powers vested by law in bank-
W 20 ing associations organized under this Act and other state
21 laws, banks may, under such rules and regulations as may be
22 prescribed by the Commissioner of Commerce, act as an agent
23 for any fire, life, or other insurance company authorized by
M 24 the authorities of the state to do business by soliciting
A 25 and selling insurance and collecting premiums on policies
T 26 issued by such company; and may receive for services so
T 27 rendered such fees or commissions as may be agreed upon
E 28 between said associations and the insurance company for which
R 29 it may act as agent; provided, however, that no bank shall

N 1
E 2
W 3
- 4
M 4
A 5
T 6
T 7
E 8
R 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

in any case guarantee the payment of any premium on insurance policies issued through its agency by its principal; and provided, further, that the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance; and provided, further, such authority to write insurance shall not be granted to any banking office located in a town having a population in excess of 5,000 people, as shown by the last preceding decennial census.

Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.