

Introduced: 3/7/64
Referred: State Affairs

1 IN THE SENATE

RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 316

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to banking interest of
7 department employees."

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

9 * Section 1. AS 06.05.065 is repealed and re-enacted to read:

10 Sec. 06.05.065. BANKING INTEREST OF DEPARTMENT

11 EMPLOYEES. (a) No employee of the Department of Commerce
12 (including the deputy commissioner of commerce) who deals
13 with the regulation of lending institutions, or special
14 agent selected by the department to do work relating to
15 lending institutions, may be an officer, employee, director,
16 trustee, attorney, stockholder, or partner of a lending
17 institution; or receive directly or indirectly a payment
18 or gratuity from a lending institution. No person subject
19 to this section may borrow money from a lending institution
20 except as provided in this statute.

21 (b) A person subject to this section may

22 (1) be a depositor in a lending institution;

23 (2) purchase shares of a savings and loan associa-
24 tion on the same terms available to the public generally;

25 (3) be a member of an employee credit union;

26 (4) obtain a loan by the assignment of a deposit
27 in a lending institution;

28 (5) obtain a personal loan from a lending insti-
29 tution up to the amount of \$1000 for reasons and upon terms

1 that loans are given to the public generally; and

2 (6) be indebted to a lending institution upon

3 (A) a mortgage loan upon the mortgagor's
4 real property; or

5 (B) an installment debt transferred to the
6 lending institution in the regular course of business
7 by a seller of household goods or automobiles purchased
8 by the employee; or

9 (C) an installment debt or loan for auto-
10 mobiles or household goods obtained from the lending
11 institution in the regular course of business.

12 (c) Each employee in the division shall notify the
13 commissioner when he is or may be involved in transactions
14 under this section.

15 (d) This section does not limit the authority of an
16 employee of the department acting in his official capacity
17 in the business of the department.

18 (e) When used in this section the term "lending insti-
19 tution" means a bank, savings institution, industrial bank,
20 savings and loan association, foreign banking corporation
21 or institution, bank holding company or other institution
22 doing banking business in the State of Alaska.

23 (f) An employee who violates this section must be
24 dismissed by the commissioner. A non-exempt employee dis-
25 missed under this section may appeal his dismissal under
26 the state personnel act.

27 (g) An employee who violates this section is guilty
28 of a misdemeanor and upon conviction is punishable by a fine
29 of not more than \$5000 or by imprisonment for not more than

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one year, or by both.