

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 officers and 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 AS 06.05.065 is repealed and re-enacted to read: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 OFFICERS AND EMPLOYEES. (a) No officer or employee of the  
12 Department of Commerce who deals with the regulation of  
13 lending institutions, or special agent selected by the de-  
14 partment to do work relating to lending institutions, may be  
15 an officer, employee, director, trustee, attorney, stock-  
16 holder, or partner of a lending institution; or receive  
17 directly or indirectly a payment or gratuity from a lending  
18 institution. No person subject to this section may borrow  
19 money from a lending institution except as provided in this  
20 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 asso-  
24 ciation 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 \$2500 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 officer and employee in the division shall  
13           notify the governor when he is or may be involved in  
14           transactions under this section.  
15           (d) This section does not limit the authority of an  
16           officer or employee of the department acting in his official  
17           capacity 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 officer or employee who violates this section  
24           must be dismissed. A non-exempt employee dismissed under  
25           this section may appeal his dismissal under the state  
26           personnel act.  
27           (g) An officer or employee who violates this section  
28           is guilty of a misdemeanor and upon conviction is punishable  
29           by a fine of not more than \$5000 or by imprisonment for not

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more than one year, or by both.