

1 IN THE HOUSE

BY BORER

2 HOUSE BILL NO. 355

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a bank's reserves against
7 deposits."

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

9 * Section 1. AS 06.05.200 is repealed and re-enacted to read:

10 Sec. 06.05.200. RESERVES AGAINST DEPOSITS. (a) Every commercial
11 bank not a member of the Federal Reserve System shall maintain total
12 reserves equal to the following percentages of the aggregate amount of
13 its deposits, exclusive of deposits for the United States, the State of
14 Alaska, borough and municipal government and other deposits of public
15 money which are secured as required by law:

16 (1) 20 per cent of its demand deposits,

17 (2) 8 per cent of its time deposits.

18 (b) The required reserves shall consist of vault cash and amount
19 due from good and solvent banks located in the state or in the United
20 States and/or U.S. Treasury obligations maturing in less than 180 days.

21 (c) The reserves required by this section shall be computed on
22 the basis of average daily net deposit balances covering two-week
23 periods with the first accounting period to begin January 1, 1968. A
24 daily record of the required reserves shall be maintained on a form
25 prescribed by the department reflecting the current reserve condition
26 of the bank. The report shall be subject to the examination of the
27 department or other duly appointed examiners. The department may from
28 time to time require the bank to submit its report of reserve condition
29 for purposes of examination.

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(d) If the reserves of a commercial bank fall below the amount required to be maintained by this section, it shall make no new loans and pay no dividends until its reserves have been restored to the full amount prescribed by this section.