

Introduced: 3/7/69
Referred: Local Government
Commerce and Finance

CS

1 IN THE HOUSE

BY CROFT

2 HOUSE BILL NO. 272

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to depositing of state funds; and
7 providing for an effective date."

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

9 * Section 1. AS 43.05.150(b)(4) is amended to read:

10 (4) enter into a bond to the state with a surety company
11 authorized as such to transact business in Alaska as surety on the bond,
12 conditioned that it will safely keep and pay on demand to the department
13 as required by it all funds of the state deposited with the bank; or if
14 a bank is a qualified bank as defined by (f) of this section; or [.]

15 * Sec. 2. AS 43.05.150(b) is amended by adding a new paragraph to read:

16 (5) deposit with the department as collateral security to
17 secure the funds 50 per cent of the value of the funds on deposit in
18 eligible collateral as defined by (f) of this section; however all
19 state deposits in qualified state banks shall have first priority in
20 the event of insolvency of the state bank and state funds shall have
21 the highest priority permissible under federal law in the event of in-
22 solvency of a federal bank having state funds deposited under this para-
23 graph.

24 * Sec. 3. AS 43.05.150 is amended by adding a new subsection to read:

25 (f) In this section

26 (1) "eligible collateral" means bonds or other securities
27 which are eligible to secure deposits of the United States, bond
28 anticipation notes and general obligation bonds of the state, all
29 general obligation municipal bonds receiving an AA or higher rating by

1 a generally accepted national rating organization, and all general
2 obligation bonds of a political subdivision of the state which for the
3 prior 10-year period have experienced no default in payment;

4 (2) "qualified bank" means member banks of the Federal De-
5 posit Insurance Corporation which maintain total adjusted capital
6 accounts and reserves in an amount equal to the substandard assets as
7 disclosed by the Federal Deposit Insurance Corporation or the state in
8 a bank's latest report or examination and which agree to and do fur-
9 nish to the state director of banking the latest report of the bank
10 which is required to be filed with the federal comptroller of currency.

11 * Sec. 4. This Act takes effect on July 1, 1969.
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