

Original sponsor: Croft

Offered: 4/12/69  
Referred: Rules

*am*

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR 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 unless  
14 a bank is a qualified bank as defined by (f) of this section; [.]

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 par value of the funds on deposit  
18 in eligible collateral as defined by (f) of this section.

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

20 (f) In this section

21 (1) "eligible collateral" means bonds or other securities  
22 which are eligible to secure deposits of the United States, bond antici-  
23 pation notes, revenue bonds and general obligation bonds of the state,  
24 all general obligation political subdivision bonds receiving an AA  
25 or higher rating by a generally accepted national rating organization,  
26 and all general obligation bonds of a political subdivision of the  
27 state which for the prior 10-year period have experienced no default in  
28 payment;

29 (2) "qualified bank" means member banks of the Federal

1 Deposit Insurance Corporation which maintain total adjusted capital  
2 accounts and reserves in an amount equal to 50 per cent more than the  
3 substandard assets as disclosed by the Federal Deposit Insurance  
4 Corporation or the state in a bank's latest report or examination and  
5 which agree to and do furnish to the state director of banking such  
6 further information as he may require.

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