

Original sponsor: Croft

Offered: 4/12/69
Referred: Rules

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, or in the case
13 of a time deposit, when due, to the department as required by it all
14 funds of the state deposited with the bank unless a bank is a qualified
15 bank as defined by (f) of this section: [.]

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

17 (5) deposit with the department as collateral security to
18 secure the funds 50 per cent of the par value of the funds on deposit
19 in eligible collateral as defined by (f) of this section.

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

21 (f) In this section

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

1 (2) "qualified bank" means member banks of the Federal
2 Deposit Insurance Corporation which maintain total adjusted capital
3 accounts and reserves in an amount equal to 50 per cent more than the
4 substandard assets and which agree to and do furnish to the state
5 director of banking such information as he may require.

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