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Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/25/70  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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CS FOR SENATE BILL NO. 403

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act providing for the collection and deposit of  
state money and the collateralization of deposits; and  
providing for an effective date."

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

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\* Section 1. AS 37.10.060 is repealed and re-enacted to read:

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Sec. 37.10.060. COLLECTION AND DEPOSIT OF STATE MONEY. (a) The  
purpose of this section is to provide for the collection and deposit  
of state money and to require the collateralization of state deposits,  
in a manner which will tend to stimulate the economy of the State of  
Alaska.

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(b) The Department of Revenue shall receive from other departments  
and safely keep all money of the state which is not entrusted by law to  
some other office.

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(c) State funds deposited in a bank shall be secured in accordance  
with the provisions of this section.

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(d) To secure a deposit of state funds the depositary bank shall  
pledge eligible collateral by delivering it to any bank or Federal  
Reserve Bank or branch designated by the department, or to the trust  
department of a depositary bank approved by the department. The deposi-  
tary bank shall furnish evidence satisfactory to the department that the  
state has a perfected security interest in the collateral.

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(e) The following, while not in default, if issued, made, or  
created after July 1, 1969, constitute eligible collateral the market  
value of which, or when it has no recognized market value the unpaid

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1 principal balance of which, may never be less than 75 per cent of the  
2 amount of state deposits it secures:

3 (1) mortgages insured by Federal Housing Administration on  
4 Alaska real estate improved by not more than four residential units;

5 (2) the guaranteed portion only of loans guaranteed by the  
6 Small Business Administration;

7 (3) fishing vessel mortgages and loans insured by the Depart-  
8 ment of Interior;

9 (4) notes insured by Farmer's Home Administration, the pro-  
10 ceeds of which are used to finance projects in Alaska;

11 (5) mortgages guaranteed by Veteran's Administration of the  
12 United States on improved Alaska real estate;

13 (6) mortgages guaranteed by Division of Veteran's Affairs  
14 of the State of Alaska on improved Alaska real estate;

15 (7) the insured portion only of loans to Alaska residents  
16 who are students in colleges or vocational schools if the loans are  
17 insured either by federal insurance or by a state agency or private  
18 nonprofit institution or organization administering a student loan  
19 insurance program in accordance with a formal agreement with the commis-  
20 sioner of education under the provisions of the Higher Education Act of  
21 1965 or the National Vocational Student Loan Insurance Act of 1965.

22 (f) The following bonds, while not in default, if issued after  
23 July 1, 1969, constitute eligible collateral the market value of which  
24 may never be less than 50 per cent of the amount of state deposits it  
25 secures:

26 (1) general obligation bonds and revenue bonds of the State  
27 of Alaska;

28 (2) bonds of Alaska State Housing Authority;

29 (3) general obligation bonds of incorporated cities or

1 (m) Unless otherwise indicated "department" as used in this  
2 section means the Department of Revenue.

3 (n) "Bank" as used in this section and in sec. 70 of this chapter  
4 means a financial institution which receives deposits.

5 \* Sec. 2. AS 43.05.150(b) is repealed.

6 \* Sec. 3. This Act takes effect on the day after its passage and approval  
7 or on the day it becomes law without approval.

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