

Introduced: 3/3/71
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to banking; and providing for an
7 effective date."

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

9 * Section 1. AS 06.05.165 is repealed.

10 * Sec. 2. AS 06.05 is amended by adding a new section to read:

11 Sec. 06.05.166. LEGAL HOLIDAYS AND EMERGENCY CLOSINGS. (a) Any
12 bank organized under or doing business under the laws of the state or
13 any national bank may remain closed on the legal holidays described
14 in AS 44.12.010, AS 44.12.020 and AS 44.12.025, except that no bank
15 shall be closed for more than three consecutive days. The bank shall
16 post a notice of holiday closing in the place of business affected at
17 least 15 days in advance.

18 (b) Where a contract by its terms requires the payment of money
19 or the performance of a condition on any holiday allowed under (a) of
20 this section by or at a state or national bank, payment may be made
21 or the condition performed on the next succeeding business day with
22 the same effect as if made or performed in accordance with the terms
23 of the contract.

24 (c) In the event of an emergency as defined by the department,
25 a bank in the reasonable and proper exercise of its discretion, may
26 determine not to open any of its banking offices on any business or
27 banking day, or if having opened, to close any banking office during
28 the occurrence of an emergency. If communication facilities are
29 operative, the bank shall notify the department, or in the case of a

1 national bank the comptroller of the currency, of the non-opening or
2 the closing prior to taking such action. Any act relating to the
3 banking office which has not been opened or which has been closed for
4 any period of time pursuant to this subsection may be performed on the
5 next succeeding business day that the office is reopened for business.
6 No liability or loss of rights of any kind on the part of any person,
7 firm, or corporation or of such bank shall result from the non-opening
8 or closing.

9 * Sec. 3. AS 06.05.207(c) is amended to read:

10 (c) The provisions of (a) of this section do not apply to real
11 estate loans when a written commitment to fully insure or guarantee
12 repayment according to the terms of the loan has been issued by

13 (1) an agency or instrumentality of the United States or
14 the State of Alaska;

15 (2) a private mortgage insurer authorized to do insurance
16 business in Alaska. [WHICH ARE INSURED UNDER THE PROVISIONS OF THE
17 NATIONAL HOUSING ACT, OR TO GUARANTEED OR PARTICIPATING LOANS UNDER
18 THE SMALL BUSINESS ADMINISTRATION.]

19 * Sec. 4. AS 06.05.232(a)(5) is repealed.

20 * Sec. 5. AS 06.05.270(a) is amended by adding new paragraphs to read:

21 (7) commercial paper of prime or equivalent quality as
22 rated by a recognized national rating service subject to the limitation
23 of (b) of this section;

24 (8) secured corporate obligations rated within the three
25 highest grades of any national rating service subject to the limitation
26 of (b) of this section;

27 (9) obligations of the International Bank for Reconstruction
28 and Development or the Inter-American Development Bank subject to the
29 limitation of (b) of this section.

1 * Sec. 6. AS 06.05.270(b) is amended to read:

2 (b) A state bank may not underwrite or invest for its own account
3 an amount exceeding 15 per cent of its combined capital, surplus and
4 undivided profits [AND SURPLUS] in any one issue of securities
5 authorized in (a)(4) and (5) of this section or with any one obligor
6 of the securities authorized in (a)(7), (8) and (9) of this section
7 [THE REVENUE OBLIGATIONS OF A SINGLE STATE OR POLITICAL SUBDIVISION].

8 * Sec. 7. AS 06.05.540(4) is amended to read:

9 (4) "branch bank" includes any branch bank, branch office,
10 branch agency, additional office, or any branch place of business
11 located in the state, at which deposits are received, or checks paid,
12 or money lent [MEANS AN OFFICE OR AGENCY OTHER THAN THE BANK'S
13 PRINCIPAL PLACE OF BUSINESS, KEPT FOR THE PURPOSE OF DEPOSIT AND
14 DISCOUNT];

15 * Sec. 8. Any branch or limited banking facility operating under a
16 charter from the State of Alaska on January 1, 1971 is a duly chartered
17 branch.

18 * Sec. 9. This Act takes effect on the day after its passage and approval
19 or on the day it becomes law without approval.
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