

Introduced: 1/19/84
Referred: Labor and Commerce

1 IN THE SENATE

BY RAY AND KERTTULA

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SENATE BILL NO. 360

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - SECOND SESSION

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A BILL

6 For an Act entitled: "An Act relating to checking accounts."

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

8 * Section 1. AS 06 is amended by adding a new chapter to read:

9

CHAPTER 55. CHECKING ACCOUNTS.

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Sec. 06.55.010. REQUIRED INFORMATION. (a) Before opening or

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authorizing signatory power over a transaction account, a financial

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institution shall require an applicant to provide the following infor-

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mation on an application document signed by the applicant:

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(1) full name;

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(2) birth date;

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(3) address of residence;

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(4) address of current employment, if employed;

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(5) telephone numbers of residence and place of employment,

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if any;

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(6) social security number;

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(7) state driver's license number or if the applicant does

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not have a state driver's license, the applicant may provide an iden-

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tification document number issued for identification purposes by a

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state, federal, or foreign government if the document includes the

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applicant's photograph, full name, birth date, and signature;

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(8) whether the applicant has had a transaction account at

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the same or another financial institution within 12 months immediately

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preceding the application, and, if so, the name of the financial

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institution;

1 (9) whether the applicant has had a transaction account
2 closed by a financial institution without the applicant's consent
3 within 12 months immediately preceding the application, and, if so,
4 the reason the account was closed;

5 (10) whether the applicant has been convicted of a criminal
6 offense because of the use of a check or other similar item within 24
7 months immediately preceding the application; and

8 (11) additional information that may be required by the
9 financial institution.

10 (b) An applicant who makes a material statement in an applica-
11 tion document that is false and that the applicant does not believe to
12 be true with respect to information required to be provided by (a) of
13 this section is guilty of perjury. The financial institution shall
14 notify the applicant of the provisions of this subsection.

15 (c) Before opening or authorizing signatory power over a trans-
16 action account, the financial institution shall attempt to verify the
17 information disclosed under (a)(9) of this section. The financial
18 institution may not open or authorize signatory power over a trans-
19 action account if the applicant had a transaction account closed by a
20 financial institution without the applicant's consent because of the
21 applicant's issuance of dishonored checks within 12 months immediately
22 preceding the application, or the applicant has been convicted of a
23 criminal offense because of the use of a check or other similar item
24 within 24 months immediately preceding the application. If the trans-
25 action account is refused, the reasons for the refusal shall be given
26 to the applicant in writing.

27 (d) A financial institution may not open or authorize signatory
28 power over a transaction account if none of the applicants provides a
29 driver's license, identification card, or identification document as

1 required by (a) of this section. When a minor is the applicant and
2 the minor does not have a driver's license, the identification re-
3 quirements of (a)(7) of this section and this subsection are satisfied
4 if the minor's parent or guardian provides identification that meets
5 the identification requirement. The financial institution may waive
6 the identification requirement if the applicant has had another type
7 of account with the financial institution for at least one year imme-
8 diately preceding the time of application.

9 (e) The requirements of this section do not impose a liability
10 on financial institutions offering transaction accounts or, except as
11 provided in (c) and (d) of this section, limit a financial institu-
12 tion's discretion as to whether to grant or deny an application for a
13 transaction account.

14 Sec. 06.55.020. IDENTIFICATION CARD. When a transaction account
15 is opened under the provisions of this chapter the financial institu-
16 tion that opens the account shall provide the account holder with an
17 identification card that includes the holder's photograph, full name,
18 birth date, and signature. An account holder may present the identi-
19 fication card for identification in order to use the holder's trans-
20 action account. A financial institution shall require an account
21 holder to return an identification card issued for an account that has
22 been closed.

23 Sec. 06.55.030. CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.

24 (a) A person who issues a check that is dishonored and is not paid
25 within 30 days after the mailing of a notice of dishonor and a copy of
26 this subsection is liable to the holder for the amount of the check
27 plus a civil penalty of up to \$100, interest at 12 percent on the face
28 amount of the check from the date of dishonor, reasonable attorney
29 fees if the amount of the check is over \$500, and a service charge not

1 to exceed \$15 if written notice of the service charge is conspicuously
2 displayed on the premises when the check is issued.

3 (b) Notice of nonpayment or dishonor and a copy of (a) of this
4 section shall be sent by the payee or holder of the check to the
5 drawer by certified mail, return receipt requested, or by regular
6 mail, supported by an affidavit of service by mailing, to the address
7 printed or written on the check. The issuance of a check with an
8 address printed or written on it is a representation by the drawer
9 that the address is the correct address for receipt of mail concern-
10 ing the check. Failure of the drawer to receive a regular or cer-
11 tified mail notice sent to that address is not a defense to liability
12 under this section, if the drawer has had actual notice for 30 days
13 that the check has been dishonored. An affidavit of service by mail
14 shall be retained by the payee or holder of the check.

15 (c) The check is prima facie evidence of the identity of the
16 drawer if the person receiving the check

17 (1) records the following information about the drawer on
18 the check, unless it is printed on the face of the check:

19 (A) name;

20 (B) home or work address; and

21 (C) home or work telephone number;

22 (2) compares the drawer's physical appearance, signature,
23 and the personal information recorded on the check with a piece of
24 identification with the drawer's name and photograph; and

25 (3) initials the check to indicate compliance with these
26 requirements.

27 Sec. 06.55.500. DEFINITIONS. In this chapter

28 (1) "check" means a check, draft, order of withdrawal, or
29 similar negotiable or nonnegotiable instrument;

1 (2) "credit" means an arrangement or understanding with the
2 drawee for the payment of the check;

3 (3) "financial institution" means a bank, savings and loan
4 association, credit union, or other business association authorized to
5 offer transaction accounts in the state; and

6 (4) "transaction account" means a deposit or account estab-
7 lished and maintained by a person under an individual or business name
8 for personal, household, or business purposes, on which the depositor
9 or account holder is permitted to make withdrawals by negotiable or
10 transferable instruments, payment orders of withdrawal, or other
11 similar device for the purpose of making payments or transfers to
12 third persons or others, including demand deposits or accounts subject
13 to check, draft, negotiable order of withdrawal, share draft, or other
14 similar item; a transaction account does not include the deposit or
15 account of a partnership having more than three partners, the personal
16 representative of an estate, the trustee of a trust or a limited
17 partnership.