

C S H B

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SENATE COMMITTEE REPORT

FURTHER:

4/28/87

DATE TURNED INTO OFFICE 5/1/87

Mr. President:

FINANCE

Committee considered CSHB 273(Jud)

financial institutions; efd.

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Handwritten signatures: Paul Griffin, Steve Duncan, Paul Grish, Ruth Clark, Willie Hunter, Ed Russell]*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten signature: Dale B...]* DO PASS  
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version : HB 273  
Publish Date : HOUSE 4/15/87

Revision Date: \_\_\_\_\_

Agency Affected: Comm. & Econ. Dev.  
BRU: Banking

Title: Relating to reorganization  
of Financial Institutions

Sponsor: RULES

Components: \_\_\_\_\_

Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Willis F. Kirpatrick, Director  
Division: Banking, Securities and Corporations

Phone: 465-2541  
Date: April 14, 1987

Approved by Commissioner: J. Anthony Smith, Commissioner  
Agency: Department of Commerce and Economic Development

Date: April 14, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary
- 0003k41487a

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 273 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 \* Section 1. AS 06.05.470(t) is amended to read:

10 (t) The following claims have priority in liquidation proceed-  
11 ings, in the order listed:

12 (1) obligations incurred by the department;

13 (2) wages and salaries of officers and employees earned  
14 during the three-month period preceding the department's possession in  
15 an amount not exceeding \$3,000 for each person;

16 (3) fees and assessments due to the department;

17 (4) deposits [TO THE EXTENT OF \$1,000 FOR EACH DEPOSITOR].

18 \* Sec. 2. AS 06.30.065 is amended to read:

19 Sec. 06.30.065. CORPORATE NAME. The name of every association  
20 shall include either the words "Savings Association," "Savings Bank,"  
21 or "Savings and Loan Association." These words shall be preceded by  
22 an appropriate descriptive word or words approved by the commissioner.  
23 An ordinal number may not be used as a single descriptive word preced-  
24 ing the words "Savings Association," "Savings Bank," or "Savings and  
25 Loan Association," unless the words are followed by the words "of  
26 ....., " the blank being filled by the name of the city in which  
27 or near which the association has its home office. An ordinal number  
28 may be used together with another descriptive word, preceding the  
29 words "Savings Association," "Savings Bank," or "Savings and Loan

1 Association," provided the other descriptive word has not been used in  
2 the corporate name of any other association in the state, in which  
3 case the suffix mentioned above is not required to be used. An ordi-  
4 nal number may be used, together with another descriptive word, pre-  
5 ceding the words "Savings Association" or "Savings and Loan Associa-  
6 tion," even when the other descriptive word has been used in the  
7 corporate name of an association in the state, provided the suffix "of  
8 ....., " as provided above, is also used. The suffix provided  
9 above may be used in any corporate name. The use of the words "Na-  
10 tional," "Federal," "United States," "Insured," "Guaranteed," or any  
11 form of these words, separately or in combination with other words or  
12 syllables, is prohibited as part of the corporate name of an associa-  
13 tion. A [NO] certificate of incorporation of a proposed association  
14 having the same name as a corporation authorized to do business under  
15 the laws of this state or a name so nearly resembling it as to be  
16 calculated to deceive may not [SHALL] be issued by the commissioner,  
17 except to an association formed by the reincorporation, reorganiza-  
18 tion, or consolidation of other associations, or upon the sale of the  
19 property or franchise of an association.

20 \* Sec. 3. AS 06.30.070 is amended to read:

21 Sec. 06.30.070. PROHIBITED USE OF NAMES AND TITLE. Unless  
22 authorized to do business in the state under this chapter and actually  
23 engaged in carrying on a savings association, a [NO] person may not  
24 [SHALL] do business under a name or title that [WHICH] contains the  
25 terms "savings association," "savings bank," "savings and loan associ-  
26 ation," "building and loan association," "building association," or  
27 any combination employing either or both of the words "building" or  
28 "loan" with one or more of the words "saving," "savings," "thrift" or  
29 words of similar import, or any combination employing one or more of

1 the words "saving," "savings," "thrift" or words of similar import  
2 with one or more of the words "association," "bank," "institution,"  
3 "society," "company," "corporation" or words of similar import, or use  
4 a name or sign or circulate or use a letterhead, billhead, circular or  
5 paper whatever, or advertise or represent in any manner that [WHICH]  
6 indicates or reasonably implies that the [HIS] business is the charac-  
7 ter or kind of business carried on or transacted by an association or  
8 that [WHICH] is calculated to lead a person to believe that the [HIS]  
9 business is that of an association. Upon application by the commis-  
10 sioner or an association, a court of competent jurisdiction may issue  
11 an injunction to restrain a person from violating or continuing to  
12 violate this section.

13 \* Sec. 4. AS 06.05.470(e) is repealed.

14 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

April 14, 1987

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

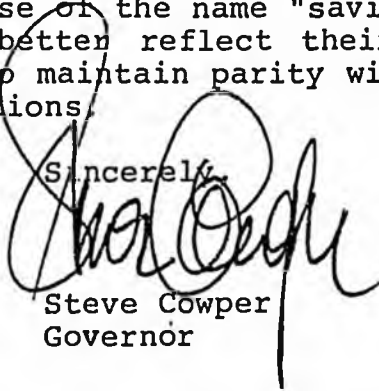
Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to include the title "savings bank" as an appropriate designation for a financial institution organized under AS 06.30 (Alaska Savings Association Act). This bill provides a cure for an inequality placed upon state-chartered savings and loan associations as a result of deregulation.

Federally chartered savings and loan associations may apply under federal law to receive the designation "savings bank" in their name after being granted certain additional banking powers. A state-chartered savings and loan association has recently been granted authority to exercise similar powers, but current Alaska law does not allow a name to reflect this new authority and resulting increased banking services.

This bill simply provides that those financial institutions organized under AS 06.30 which have expanded authority in banking may apply for the use of the name "savings bank" in their title, not only to better reflect their authorized service charter, but also to maintain parity with federally chartered financial institutions.

Sincerely,



Steve Cowper  
Governor

*Same as HB 273*

Introduced: 3/4/87  
Referred: Labor & Commerce & Finance

5-0745A

1 IN THE SENATE

BY FAIKS

2

SENATE BILL NO. 161

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the names of certain financial

7

institutions."

8

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

9

\* Section 1. AS 06.30.065 is amended to read:

10

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or "Savings and Loan Association." These words shall be preceded by

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An ordinal number may not be used as a single descriptive word preced-

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16

Loan Association," unless the words are followed by the words "of

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.....," the blank being filled by the name of the city in which

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or near which the association has its home office. An ordinal number

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words "Savings Association," "Savings Bank," or "Savings and Loan

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Association," provided the other descriptive word has not been used in

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the corporate name of any other association in the state, in which

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case the suffix mentioned above is not required to be used. An ordinal

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27

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"of ....." as provided above, is also used. The suffix provid-

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ed above may be used in any corporate name. The use of the words