

CHAPTER 65.

AN ACT

[S. B. 66]

To amend Section 17 of Chapter 48 of the Session Laws of Alaska 1913, the same being an act entitled "An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this act," as amended by the provisions of Chapter 30 of the Session Laws of Alaska 1915.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. That Section 17 of Chapter 48 of the Session Laws of Alaska 1913, the same being an act entitled, "An Act to provide for the formation of banking corporations and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this act," as amended by the provisions of Chapter 30 of the Session Laws of Alaska 1915, the same being an act entitled, "An Act to amend Section 17, Chapter 48, Session Laws of Alaska, 1913, of an Act, entitled 'An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this Act' approved April 29, 1913," be and the same hereby is amended to read as follows:

"Section 17. It shall be unlawful for the officers or employees, or any officer or employee, of any bank in the Territory of Alaska, to loan funds of such bank in an amount exceeding One Thousand (\$1,000.00) Dollars to any one person, firm or corporation, without having first obtained the approval of such loan from the Board of Directors of such bank, or from a committee of said board consisting of not less than three members thereof; and it shall be unlawful for the officers or em-

Amending Sec.
17 of Chap. 48
Laws of 1913
as amended by
Chap 30 Laws
of 1915.

Restrictions on
loans to one
person or cor-
poration.

ployees or any officer or employee of any bank in the Territory of Alaska to loan funds of such bank to any one person, firm or corporation in a sum exceeding thirty-five (35%) per cent. of its combined capital stock and surplus, and in the case of a corporation the total of any sum loaned directly to such corporation, and of any sum or sums loaned in such manner or to such person that the capital stock of such corporation is received by the bank as collateral security for such loan or loans, shall never exceed thirty-five (35%) per cent. of the combined capital and surplus of the bank. But the discount of bills of exchange drawn in good faith against actual existing values, or loans upon gold, gold dust, bullion, cannery products, or other produce in transit, or upon warehouse receipts as collateral security, and the discount of commercial or business paper actually owned by a person negotiating the same, shall not be considered as money borrowed.

Exemptions.

Officers and directors liable to bank for violation.

Proviso.

“Section 17-a. Any loan made in violation of the provisions of this section shall make the officers and directors of such bank authorizing or permitting the same jointly and severally liable to the bank for such loan, which liability shall be in addition to other liabilities to the bank created by this act. Provided, that any bank now having a loan or loans outstanding any one of which exceeds thirty-five (35%) per cent. of its capital stock, and surplus, shall be allowed eighteen months from and after the approval of this Act in which to reduce such loan or loans to the limit herein specified.

No preference to be given any creditor by pledging assets of bank as collateral security.

“Section 17-b. No bank, banker or bank officer shall give preference to any depositor or creditor by pledging the assets of the bank as collateral security, except that such security may be given to the Treasurer of the Territory to secure deposits of the Territorial funds in lieu of the indemnity bond required by Section 7 of Chapter 77 of the Session Laws of 1913, at the discretion of the Treasurer; provided, that any bank may borrow money for temporary purposes not to exceed

in amount fifty per cent. of its paid up capital, and may pledge the assets of the bank, not exceeding twenty (20%) per cent. in excess of the amount borrowed, as collateral security therefor; provided further, that whenever it shall appear that a bank is borrowing habitually for the purpose of re-loaning, the Banking Board may require such bank to pay off such borrowed money. Nothing herein shall prevent any bank from re-discounting in good faith and endorsing any of its negotiable notes. It shall be unlawful for any bank to issue its certificate of deposit for the purpose of borrowing money. And no creditor of any bank shall be allowed to obtain any preference in the payment of, or security for his debt, by attachment, garnishment or other legal proceedings; and all such attachments, garnishments and judicial proceedings levied or taken against a bank shall be held and construed to be for the benefit of all creditors alike. Exemptions.

“Any pledge, assignment or transfer of any of the assets of a bank in violation of this section shall be absolutely null and void as against the creditors of said bank.”

Approved April 30, 1923.

CHAPTER 66.

AN ACT

[S. B. 102]

To provide for the obtaining of bids and awarding of contract for printing required by public offices and institutions of the Territory of Alaska.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Every public office or institution of the Territory of Alaska shall obtain competitive bids in writing for all printing to be done for said offices or institutions the amount of which shall be in excess of Competitive bids required on all printing for Territorial Government, unless—