



LAWS OF ALASKA

1970

Source

Chapter No.

HB 857 am 2d FCC

236

AN ACT

Relating to trust companies; and providing for an effective date.

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

* Section 1. AS 06.25.010(3) is amended to read:

(3) the amount of capital stock, which shall be not less than \$100,000, and the number and par value of the shares into which the capital stock is divided, which shall be not less than \$1 per share;

* Sec. 2. AS 06.25.050 is amended to read:

Sec. 06.25.050. COMMENCEMENT OF CORPORATE EXISTENCE.

(a) The existence of a trust company begins on the filing of the articles of incorporation. However, no trust company may transact any business, except that which is preliminary to its organization, until it complies with the following conditions:

(1) All of the capital stock shall be fully paid in cash, and the affidavit of the president and treasurer, or the president and cashier of the trust company, setting forth the fact that it has been paid, subscribed and sworn to before some person authorized to administer oaths, shall be filed with the Department of Commerce.

(2) A complete and correct list of stockholders, showing the name, address, and the amount of stock held by each, verified by the oath of the president and treasurer or president and cashier, or by oath of any two officers of the trust company, shall be filed with the Department of Commerce.

(3) A deposit of securities shall be made with the Department of Revenue as provided by this chapter and

the regulations of the Department of Commerce.

(4) A certificate of authority is issued by the Department of Commerce to the trust company, authorizing it to engage in business.

(5) A trust company proposing to engage in the banking business shall, before commencing the banking business, acquire membership in the Federal Deposit Insurance Corporation.

(b) A certificate of authority may not be issued to a trust company unless the department determines that

(1) the addition of the proposed facilities in the community is not detrimental to a sound banking system;

(2) the incorporators have proceeded in a lawful manner;

(3) the name of the trust company is not deceptively similar to the name of another bank or trust company, or otherwise misleading;

(4) the persons who will serve as directors and officers, insofar as they are known, are qualified by character and experience;

(5) the capital is adequate;

(6) any conditions imposed by the department which are necessary to assure sound banking and trust operations have been satisfied;

(7) the provisions contained in this paragraph shall not apply to the main office of a trust company incorporated before July 1, 1969, and which has been issued a certificate of authority before the effective date of this Act.

* Sec. 3. AS 06.25 is amended by adding a new section to read:

Sec. 06.25.085. APPLICATION OF GENERAL BANKING LAWS. The provisions of AS 06.05.005 - 06.05.085, 06.05.090 - 06.05.270, 06.05.307, 06.05.320 - 06.05.327, 06.05.405 - 06.05.425, 06.05.440 - 06.05.445, 06.05.460 - 06.05.462, 06.05.465 - 06.05.515 and 06.05.525 - 06.05.545 apply to all trust companies engaged in any phase of the business of banking as that term is defined by AS 06.05.540(3) or sec. 100 of this chapter.

* Sec. 4. AS 06.25 is amended by adding a new section to read:

Sec. 06.25.105. BRANCH OFFICES. The department may grant a certificate of authority for branch offices to a trust company insured by the Federal Deposit Insurance Corporation if the department determines that the branch office satisfies the criteria established in sec. 50(b) of this chapter.

* Sec. 5. AS 06.25.230 is amended to read:

Sec. 06.25.230. DEPOSIT OF SECURITIES WITH DEPARTMENT OF ADMINISTRATION. A trust company shall keep on deposit with the Department of Administration interest and/or dividend bearing stocks or bonds of the United States or of the State of Alaska, or of any city of this state, or such other interest and/or dividend bearing stocks, bonds or securities approved by the Department of Commerce, in value of 20 per cent of its capital stock. The securities so deposited may not be of less value than \$5,000. The securities shall be registered in the name of the Department of Administration, in trust for the creditors of and depositors with the trust company, subject to sale and transfer and to the disposal of the proceeds thereof, by the Department of Administration, only on the order of a court of competent jurisdiction. The trust company, so long as it continues solvent and complies with the laws of the state, may be permitted by the Department of Commerce to collect the interest and dividends on the securities and from time to time exchange the securities for others of equal value. All securities before they may be accepted by the Department of Administration for filing under this section shall be approved by the Department of Commerce. A trust company that is a member of the Federal Deposit Insurance Corporation or whose deposits are insured in whole or in part by an agency of the United States is exempt from the requirements of this section.

* Sec. 6. AS 06.25.250 is repealed.

* Sec. 7. AS 06.25 is amended by adding a new section to read:

Sec. 06.25.255. RESTRICTION OF TRUST AND BANKING SERVICES. The department may restrict or prohibit a trust company from offering designated trust or banking services if it determines the trust company is not qualified to provide such services in a competent manner.

* Sec. 8. AS 06.25 is amended by adding a new section to read:

Sec. 06.25.315. REGULATION AND SUPERVISION BY THE DEPARTMENT. The department shall supervise every trust company organized under this chapter so as to promote and maintain a sound banking system and a sound trust company operation, the security of deposits and customers, the preservation of the liquid position of banks and trust companies, and in the interest of preventing injurious credit expansion and contractions. The department may promulgate regulations to carry out the provisions of this chapter.

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