

LAWS OF ALASKA

CHAPTER 1.

AN ACT

[S. B. 1]

To authorize the Territorial Banking Board to declare a banking holiday, and to authorize banks to postpone payment of deposits, and giving this Act immediate effect.

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

Section 1. This Act shall be known as "The Bank Stabilization Act." Title of Act.

Section 2. The Territorial Banking Board, when in its opinion an emergency exists, is authorized to declare a bank holiday of not to exceed five days, during which period the banks of the Territory may, in their discretion, remain closed. Bank holiday may be declared, when.

Section 3. The Territorial Banking Board is hereby empowered upon the written or telegraphic application of the directors of a bank, if in its judgment the circumstances warrant it, to authorize a bank to postpone for a period of ninety days and for such further period or periods as the Board may deem expedient, the payment of such proportions or amounts of the demands of its depositors from time to time as the Board may deem necessary. The period or periods of postponement and the proportions or amounts of the demands to be deferred shall be determined by the Board according to the ability of the bank to pay withdrawals. By the regulations prescribed for deferred payments, the Banking Board may classify accounts and limit payments to depositors of the several classes differently. The Banking Board's orders, regulations and directions Territorial Banking Board empowered to authorize suspension of bank payments.

shall be in writing and be filed in its office, and copies thereof shall be delivered to the bank and forthwith posted in a conspicuous place in the banking room.

Banks to remain open during suspension period. Suspension not grounds for receivership.

Section 4. During postponement of payments the bank shall remain open for business and be in charge of its officers, but shall not make any loans, investments or expenditures except such as the Banking Board shall approve as necessary to conserve its assets and pay the costs of operation. The bank's refusal, during a period of postponement, to repay a greater portion of a deposit existing at the commencement of the period than the limit prescribed by the Board shall not authorize or require the Banking Board to take charge of or liquidate the bank, nor constitute ground for the appointment of a receiver.

Deposits while suspension in effect to be kept separate, not loaned, etc.

Section 5. Deposits received during a period of postponement, and for sixty days thereafter, shall be kept separate from other assets of the bank; shall not draw interest; shall not be loaned or invested, except by investing in liquid securities approved by the Banking Board, and shall be withdrawable upon demand. If during a postponement of payments or at the expiration thereof, the Banking Board shall take charge of the bank for liquidation, deposits made during the period of postponement shall be deemed trust funds and be repaid to the depositors forthwith.

Definition of "Bank."

Section 6. In this Act the word "Bank" includes branch banks, savings banks, mutual savings banks, and trust companies.

Emergency.

Section 7. This Act shall be in effect from and after the date of its passage and approval.

Approved March 9, 1933.