



# LAWS OF ALASKA

1970

Source

Chapter No.

HCSSB 103 am H

17

## AN ACT

Relating to the investment of certain retirement funds in mutual funds.

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

\* Section 1. AS 14.25.180(b) is amended to read:

(b) When, in the opinion of the commissioner of administration, there is on hand in the retirement fund a surplus over and above a reasonably safe amount to take care of current demands upon the fund, the surplus or so much of it as in the judgment of the commissioner of administration is considered proper may be invested by the commissioner of revenue in (1) bonds or other interest-bearing obligations and securities of the United States or an agency of the United States, a state of the United States, or a political subdivision of any state of the United States, if the political subdivision has a population as shown by the last federal census preceding the investment of no less than 30,000 inhabitants, except no population limitation applies to a political subdivision of this state; (2) first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States, or held by the Department of Commerce, or the Department of Natural Resources; (3) corporation bonds, and preferred and common stocks as the commissioner of revenue considers proper investments for the funds; (4) shares of federally chartered savings and loan associations in Alaska, to the extent that the investment is insured by the federal government or by an agency of the federal government; (5) deposits with mutual savings banks in Alaska, to the extent that the investment is insured by the federal government or an agency of the federal government; (6) deposits with state and national banks in Alaska to the extent that the investment is insured by the federal government or an agency of the federal government; (7) loans guaranteed

by the division of veterans' affairs under AS 26.15.040(b); and (8) mutual funds. No more than 25 per cent of the surplus may be invested in mortgage securities of the Department of Commerce, and the state shall appropriate sufficient money from the general fund to reimburse the teachers' retirement system for any losses incurred as a result of failure of the obligors to pay on the notes. No more than \$400,000 of the surplus may be invested annually in the mortgage securities of the Department of Natural Resources, and the state shall appropriate sufficient money from the general fund to reimburse the teachers' retirement system for any losses incurred as a result of failure of the obligors to pay on the notes.

\* Sec. 2. AS 14.25.180(c) is amended to read:

(c) In making investments the commissioner of revenue shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital. However, no more than 50 per cent of the retirement fund may be invested at any given time in mutual funds and corporate stocks and bonds, nor may more than five per cent of the voting stock of any corporation be owned. Stocks eligible for purchase are restricted to stocks which, except for bank stocks, insurance stocks and shares in mutual funds, are listed upon an exchange registered with the Federal Securities and Exchange Commission.

\* Sec. 3. AS 39.35.110(a) is amended by adding a new paragraph to read:

(8) mutual funds.

\* Sec. 4. AS 39.35.110(c) is amended to read:

(c) In making investments the commissioner of revenue shall exercise the judgment and care under the circumstances then prevailing which a man of ordinary prudence, discretion, and intelligence exercises in the management of his own affairs not in regard to speculation but in regard to the permanent disposition of his funds, considering the probable income from them as well as the probable safety of his capital. However, no more than 50 per cent of the pension fund may be invested at a given time in mutual funds and corporate stocks and bonds, nor any more than five per cent of the voting stock of one corporation be owned. Stocks eligible for purchase are restricted to stocks which, except for bank stocks, insurance stocks, and shares in mutual funds, are listed upon an exchange registered with the Federal Securities and Exchange Commission.