



# LAWS OF ALASKA

1971

**Source**

SCS CSHB 360

**Chapter No.**

94

## AN ACT

Relating to the investment of surplus state funds; and providing for an effective date.

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

\* Section 1. AS 37.10.070(a) is amended to read:

(a) When the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current cash expenditure needs, the surplus shall be invested in any of the following:

- (1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;
- (2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;
- (3) notes issued by Farmer's Home Administration;
- (4) bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law;
- (5) corporate obligations of prime or equivalent quality, as rated by a nationally recognized rating organization;
- (6) other securities, including corporate securities;
- (7) Federal Housing Administration mortgages;

(8) Federal Veterans Administration mortgages;

(9) loans made under the provisions of AS 03.10 and AS 26.15;

(10) conventional residential mortgages if the offering financial institution retains at least 25 per cent of the mortgage;

(11) other secured loans, if the offering financial institution retains at least 33 1/3 per cent of the mortgage;

(12) mortgages of the Alaska Rural Rehabilitation Corporation which secure agricultural loans, agricultural business loans and agricultural processing loans;

(13) bankers acceptances drawn on and accepted by banks with a combined capital and surplus aggregating at least \$200,000,000.

\* Sec. 2. AS 37.10.070(b) is amended to read:

(b) To qualify as a mortgage or secured loan which may be purchased by the state under (a)(10) or (11) of this section, it must

(1) be secured by real estate in the state or other collateral allowed under (a)(11) of this section;

(2) have as a mortgagor an Alaska resident or a corporation in which at least 51 per cent of the stock is owned by Alaska residents;

(3) be certified by the originating financial institution that the loan being sold has been made in compliance with law and that liens supporting the loan have been perfected;

(4) have no initial closing fees or service fees which exceed one-half of one per cent, excluding closing costs.

\* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.