



LAWS OF ALASKA

1989

Source

CSHB 69 (SA)

Chapter No.

4

AN ACT

Relating to investments for the Alaska permanent fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: March 13, 1989
Actual Effective Date: March 14, 1989

AN ACT

Relating to investments for the Alaska permanent fund;
and providing for an effective date.

* Section 1. AS 37.13.120(g)(8) is amended to read:

(8) domestic corporate debt securities that are rated AA or better by a nationally recognized rating service, or nondomestic corporate debt securities of comparable quality;

* Sec. 2. AS 37.13.120(g)(9) is amended to read:

(9) short-term

(A) domestic corporate promissory notes of the highest ratings assigned by a nationally recognized rating service, or

(B) nondomestic corporate promissory notes of comparable quality, the interest on which may be payable in either United States dollars or nondomestic currencies;

* Sec. 3. AS 37.13.120(g)(19) is amended to read:

(19) certificates of deposit, term deposits, or bankers' acceptances, that are issued by a United States or nondomestic bank or trust company located outside of the United States [IN A FOREIGN COUNTRY] and are denominated in United States or nondomestic currency, if either (A) they may be readily sold in a secondary market at prices reflecting fair value, or (B) the issuing bank or trust company has capital, [AND] surplus, and retained earnings at the date of issue equaling at least \$500,000,000; investments made under this paragraph are not subject to the collateral requirements for domestic

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certificates under (m) of this section;

* Sec. 4. AS 37.13.120(g) is amended by adding new paragraphs to read:

(21) securities of non-domestic governments and non-domestic government agencies, the principal of, or interest on, which is payable in either United States dollars or non-domestic currencies;

(22) securities of non-domestic corporations, including common and preferred stock, whose dividends, if any, may be payable in either United States dollars or non-domestic currencies.

* Sec. 5. AS 37.13.120(h) is amended to read:

(h) The board may enter into future contracts for the sale of investments purchased under (g) of this section, or for the sale of nondomestic currencies, only for the purpose of hedging an existing equivalent ownership position in these investments [SECURITIES].

* Sec. 6. AS 37.13.120(i) is amended to read:

(i) [AT THE TIME OF EACH INVESTMENT, THE AGGREGATE INVESTMENT OF THE ALASKA PERMANENT FUND IN EACH STATED CATEGORY OF INVESTMENT MAY NOT EXCEED THE FOLLOWING STATED PERCENTAGE OF THE TOTAL INVESTMENTS OF THE FUND: MORTGAGES UNDER (g)(16) OF THIS SECTION, 15 PERCENT; REAL ESTATE INVESTMENTS UNDER (g)(20) OF THIS SECTION, 15 PERCENT; FOREIGN CERTIFICATES OF DEPOSIT OR THE EQUIVALENT UNDER (g)(19) OF THIS SECTION, 20 PERCENT; CORPORATE STOCKS AND DEBT SECURITIES UNDER (g)(8), (9), AND (18) OF THIS SECTION, 50 PERCENT.] The Alaska permanent fund may at no time own more than five percent of the voting stock of a corporation. Domestic stocks, except for bank and insurance company stocks, must be listed at the date of purchase on an exchange registered with the Securities and Exchange Commission. At the time of each investment, the aggregate investment of the fund in each stated category of investment may not exceed the following stated percentage of the total investments of the fund:

(1) mortgages under (g)(16) of this section - 15 percent;

(2) real estate investments under (g)(20) of this section - 15 percent;

(3) certificates of deposit, term deposits, or bankers' acceptances under (g)(19) of this section - 20 percent;

(4) securities of nondomestic governments, nondomestic government agencies, and nondomestic corporations under (g)(8), (21), and (22) of this section, domestic corporate stocks and debt securities under (g)(8) and (18) of this section, and short-term nondomestic corporate promissory notes under (g)(9)(B) of this section - 50 percent.

* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).