

SENATE BILL NO. 161

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATORS SHARP, Wilken

Introduced: 4/4/97

Referred: CRA, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to management of certain municipal assets by the Alaska
2 Permanent Fund Corporation."

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

4 * **Section 1.** AS 37.13 is amended by adding a new section to read:

5 **Sec. 37.13.310. Management of municipal assets.** (a) When directed to do
6 so by resolution of the governing body of a municipality, the corporation shall manage
7 the assets in a fund of that municipality if the fund was established by the municipality
8 under an ordinance or charter provision and the fund

9 (1) is a savings or investment fund or account for the municipality;

10 (2) consists only of cash and other financial assets belonging to the
11 municipality; and

12 (3) has an asset value of at least \$50,000,000.

13 (b) In managing the assets of a municipality under (a) of this section, the
14 corporation shall

- 1 (1) hold and invest those assets subject to AS 37.13.120;
- 2 (2) at least quarterly, prepare, publish, and distribute to the governing
3 body of the municipality a financial report showing investment revenue and
4 expenditures, including the allocation of the assets in the fund among investments;
- 5 (3) annually prepare, publish, and distribute to the governing body of
6 the municipality financial statements prepared in accordance with generally accepted
7 accounting principles consistently applied and an audit report prepared by a certified
8 public accountant;
- 9 (4) periodically advise the governing body of the municipality when
10 revisions to long-range investment policy, including asset allocation changes, are
11 contemplated and provide an opportunity for consultation and comment on the changes
12 before they are implemented; and
- 13 (5) when directed by resolution of the governing body of the
14 municipality, transfer from the fund to the municipality the amount requested in the
15 resolution, but not to exceed the total value of the assets being managed for the
16 municipality.
- 17 (c) A municipality with assets managed by the corporation under this section
18 shall pay to the corporation the amount determined by the corporation to be sufficient
19 to reimburse the corporation for the costs of managing those assets. All charges
20 collected by the corporation under this subsection shall be deposited in the general
21 fund. The corporation may request the legislature to appropriate the amount deposited
22 in the general fund under this subsection for operations of the corporation.
- 23 (d) Net income from assets managed by the corporation for a municipality
24 under this section may not be included in the computation of net income available for
25 distribution under AS 37.13.140.