

CS FOR SENATE BILL NO. 161(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/17/97

Referred: Rules

Sponsor(s): SENATORS SHARP, Wilken

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 an account of that municipality if the account was established by the
8 municipality under an ordinance or charter provision and the account

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

10 (2) has investment goals and objectives similar to those established by
11 the corporation for the fund;

12 (3) consists only of cash and other financial assets belonging to the
13 municipality; and

14 (4) has an asset value of at least \$50,000,000.

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

3 (1) hold and invest those assets subject to AS 37.13.120;

4 (2) at least quarterly, prepare, publish, and distribute to the governing
5 body of the municipality a financial report showing investment revenue and
6 expenditures, including the allocation of the assets in the account among investments;

7 (3) annually prepare, publish, and distribute to the governing body of
8 the municipality financial statements prepared in accordance with generally accepted
9 accounting principles consistently applied and an audit report prepared by a certified
10 public accountant;

11 (4) periodically advise the governing body of the municipality when
12 revisions to long-range investment policy, including asset allocation changes, are
13 contemplated and provide an opportunity for consultation and comment on the changes
14 before they are implemented; and

15 (5) when directed by resolution of the governing body of the
16 municipality, transfer from the account to the municipality the amount requested in the
17 resolution, but not to exceed the total value of the assets being managed for the
18 municipality.

19 (c) A municipality with assets managed by the corporation under this section
20 shall pay to the corporation the amount determined by the corporation to be sufficient
21 to reimburse the corporation for the costs of managing those assets. All charges
22 collected by the corporation under this subsection shall be deposited in the earnings
23 reserve account in the fund. The corporation may request the legislature to appropriate
24 the amount deposited in the earnings reserve account under this subsection for
25 operations of the corporation.

26 (d) Net income from assets managed by the corporation for a municipality
27 under this section may not be included in the computation of net income available for
28 distribution under AS 37.13.140.