

**HOUSE BILL NO. 466**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

**Introduced: 2/16/04**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to investments of Alaska permanent fund assets; and providing for an**  
2 **effective date."**

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

4 **\* Section 1.** AS 37.13.120(e) is amended to read:

5 (e) The corporation may not borrow money or guarantee from principal of the  
6 fund the obligations of others except as provided in this subsection. With respect to  
7 [REAL PROPERTY] investments of the fund, the corporation may, through an entity  
8 in which the investment is made, borrow money if the borrowing is without recourse  
9 to the corporation and the fund.

10 **\* Sec. 2.** AS 37.13.120(k) is amended to read:

11 (k) The board shall establish and from time to time as necessary modify  
12 guidelines for the investment of the assets of the fund. Before adoption of any  
13 guidelines, the guidelines shall be reported to the Legislative Budget and Audit  
14 Committee for review and comment. Notwithstanding (g), **(h), and (i)** of this section

1 or the percentage investment limitations under (i) of this section and so long as doing  
2 so satisfies the prudent-investor rule under (a) of this section, the board may invest up  
3 to 15 [FIVE] percent of the total assets of the fund in either or a combination of the  
4 following:

5 (1) other types of investments not specifically listed in (g) of this  
6 section;

7 (2) categories of investment subject to the percentage investment  
8 limitations established in (i) of this section, even though investing additional assets in  
9 a category will cause the aggregate investment in the category to exceed the applicable  
10 percentage limitation.

11 \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).