

Original Sponsor: Rules Committee
by request of the Governor

Offered: 5/28/64
Referred: Health, Welfare
and Education, and Finance

1 IN THE HOUSE BY THE SENATE FINANCE COMMITTEE

2 SCS FOR HOUSE BILL NO. 451

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to investments of retire-
7 ment funds in the Teachers' Retirement
8 System; and providing for an effective
9 date."

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

11 * Section 1. AS 14.25.180(b) is amended to read:

12 (b) When, in the opinion of the commissioner of adminis-
13 tration, there is on hand in the retirement fund a surplus
14 over and above a reasonably safe amount to take care of current
15 demands upon the fund, the surplus or so much of it as in the
16 judgment of the commissioner of administration is considered
17 proper may be invested by the commissioner of revenue in (1)
18 bonds or other interest-bearing obligations and securities of
19 the United States or an agency of the United States, a state
20 of the United States, or a political subdivision of any state
21 of the United States, if the political subdivision has a popu-
22 lation as shown by the last federal census preceding the in-
23 vestment of no less than 30,000 inhabitants, except no popula-
24 tion limitation applies to a political subdivision of this
25 state; (2) first lien real estate mortgage securities insured
26 by the Federal Housing Administration under the National
27 Housing Act of the United States, or held by the Department of
28 Commerce, or the Department of Natural Resources; (3) corpora-
29 tion bonds, and preferred and common stocks as the commissioner

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of revenue considers proper investments for the funds; (4) shares of federally chartered savings and loan associations in Alaska, to the extent that the investment is insured by the federal government or by an agency of the federal government; (5) deposits with mutual savings banks in Alaska, to the extent that the investment is insured by the federal government or an agency of the federal government [.] ; and (6) deposits with state and national banks in Alaska to the extent that the investment is insured by the federal government or an agency of the federal government. No more than 15 per cent of the surplus may be invested in mortgage securities of the Department of Commerce, and the state shall appropriate sufficient money from the general fund to make good any losses as a result of failure of the obligors to pay on the notes. No more than \$300,000 of the surplus may be invested annually in the mortgage securities of the Department of Natural Resources, and the state shall appropriate sufficient money from the general fund to make good any losses as a result of failure of the obligors to pay on the notes.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.