

Introduced: 3/10/64
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, WELFARE
AND EDUCATION COMMITTEE

2 SENATE BILL NO. 320

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 date."

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

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

11 (b) When, in the opinion of the commissioner of adminis-
12 tration, there is on hand in the retirement fund a surplus
13 over and above a reasonably safe amount to take care of cur-
14 rent demands upon the fund, the surplus or so much of it as in
15 the judgment of the commissioner of administration is con-
16 sidered proper may be invested by the commissioner of revenue
17 in (1) bonds or other interest-bearing obligations and
18 securities of the United States, or an agency of the United
19 States, a state of the United States [THEREOF], or a political
20 subdivision of any state of the United States, if the politi-
21 cal subdivision has a population as shown by the last federal
22 census preceding the investment of not less than 30,000 in-
23 habitants, except no population limitation applies to a
24 political subdivision of this state; (2) first lien real
25 estate mortgage securities insured by the Federal Housing
26 Administration under the National Housing Act of the United
27 States, or held by the Department of Commerce; [AND] (3)
28 corporation bonds, and preferred and common stocks as the com-
29 missioner of revenue considers proper investments for the

1 fund; (4) shares of federally chartered savings and loan as-
2 sociations within Alaska, to the extent that the investment is
3 insured by the federal government or by an agency of the fed-
4 eral government; (5) deposits with mutual savings banks in
5 Alaska, to the extent that the investment is insured by the
6 federal government or an agency of the federal government. Not
7 more than 15 per cent of the surplus may be invested in mort-
8 gage securities of the Department of Commerce, and the state
9 shall appropriate sufficient money from the general fund to
10 make good any losses as a result of failure of the obligees
11 to pay on the notes.

12 * Sec. 2. AS 14.25.180(c) is amended to read:

13 (c) In making investments the commissioner of revenue
14 shall exercise the judgment and care under the circumstances
15 then prevailing which men of ordinary prudence, discretion,
16 and intelligence exercise in the management of their own
17 affairs not in regard to speculation but in regard to the
18 permanent disposition of their funds, considering the probable
19 income therefrom as well as the probable safety of their
20 capital. However, not more than 50 per cent of the retire-
21 ment fund may be invested at any given time in corporate
22 stocks and bonds, [NOR MAY MORE THAN ONE PER CENT OF THE
23 RETIREMENT FUND BE INVESTED IN SECURITIES ISSUED BY ONE COR-
24 PORATION,] nor may more than five per cent of the voting
25 stock of any corporation be owned. Stocks eligible for pur-
26 chase are restricted to stocks which, except for bank stocks
27 and insurance stocks, are listed upon an exchange registered
28 with the Federal Securities and Exchange Commission.

29 * Sec. 3. This Act takes effect on the day after its passage

ALASKA
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LEGISLATURE

1 and approval or on the day it becomes law without such approval.

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