

Offered: 3/26/68
Referred: Rules

Original sponsor: Commerce Committee

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

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CS FOR SENATE BILL NO. 380

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the investment of certain retirement funds in mutual funds."

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

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* Section 1. AS 14.25.180(b) is amended by adding a new paragraph to read:

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(7) mutual funds.

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

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(c) In making investments the commissioner of revenue shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital. However, no more than 50 per cent of the retirement fund may be invested at any given time in mutual funds and corporate stocks and bonds, nor may more than five per cent of the voting stock of any corporation be owned except through investment in mutual funds. Stocks eligible for purchase are restricted to stocks which, except for bank stocks, [AND] insurance stocks and shares in mutual funds, are listed upon an exchange registered with the Federal Securities and Exchange Commission.

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* Sec. 3. AS 39.35.110(a) is amended by adding a new paragraph to read:
(8) mutual funds.

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* Sec. 4. AS 39.35.110(c) is amended to read:

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1 (c) In making investments the commissioner of revenue shall
2 exercise the judgment and care under the circumstances then prevailing
3 which a man of ordinary prudence, discretion, and intelligence exer-
4 cises in the management of his own affairs not in regard to speculation
5 but in regard to the permanent disposition of his funds, considering
6 the probable income from them as well as the probable safety of his
7 capital. However, no more than 50 per cent of the pension fund may be
8 invested at a given time in mutual funds and corporate stocks and bonds,
9 nor may more than one per cent of the pension fund be invested in
10 securities issued by one corporation, nor any more than five per cent
11 of the voting stock of one corporation be owned, except that neither
12 the one per cent nor the five per cent limitation applies to investments
13 in mutual funds. Stocks eligible for purchase are restricted to stocks
14 which, except for bank stocks, [AND] insurance stocks, and shares in
15 mutual funds, are listed upon an exchange registered with the Federal
16 Securities and Exchange Commission.
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