

Introduced: 3/21/69
Referred: State Affairs, Health
Welfare & Education and Finance

1 IN THE HOUSE

BY CROFT

2 HOUSE BILL NO. 316

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public employees' and teachers'
7 retirement funds; and providing for an effective date."

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

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

10 (b) When, in the opinion of the commissioner of administration,
11 there is on hand in the retirement fund a surplus over and above a
12 reasonably safe amount to take care of current demands upon the fund,
13 the surplus or so much of it as in the judgment of the commissioner of
14 administration is considered proper may be invested by the commissioner
15 of revenue in (1) bonds or other interest-bearing obligations and
16 securities of the United States or an agency of the United States, a
17 state of the United States, or a political subdivision of any state of
18 the United States, if the political subdivision has a population as
19 shown by the last federal census preceding the investment of no less
20 than 30,000 inhabitants, except no population limitation applies to a
21 political subdivision of this state; (2) first lien real estate
22 mortgage securities insured by the Federal Housing Administration under
23 the National Housing Act of the United States, or held by the Depart-
24 ment of Commerce, or the Department of Natural Resources and first lien
25 mortgages held by financial institutions in the state on one-to four-
26 family unit dwellings located in Federal Housing Administration approved
27 areas in the state when the structures are not over 10 years old at the
28 time of purchasing the mortgage and the amount of the mortgage does not
29 exceed 80 per cent of the appraised value of the real property in

1 question; (3) corporation bonds, and preferred and common stocks as
2 the commissioner of revenue considers proper investments for the funds;
3 (4) shares of federally chartered savings and loan associations in
4 Alaska, to the extent that the investment is insured by the federal
5 government or by an agency of the federal government; (5) deposits
6 with mutual savings banks in Alaska, to the extent that the investment
7 is insured by the federal government or an agency of the federal
8 government; and (6) deposits with state and national banks in Alaska
9 to the extent that the investment is insured by the federal government
10 or an agency of the federal government. No more than 25 per cent of
11 the surplus may be invested in mortgage securities of the Department
12 of Commerce, and the state shall appropriate sufficient money from the
13 general fund to reimburse the teachers' retirement system for any
14 losses incurred as a result of failure of the obligors to pay on the
15 notes. No more than \$400,000 of the surplus may be invested annually
16 in the mortgage securities of the Department of Natural Resources, and
17 the state shall appropriate sufficient money from the general fund to
18 reimburse the teachers' retirement system for any losses incurred as a
19 result of failure of the obligors to pay on the notes.

20 * Sec. 2. AS 39.35.110(a)(2) is amended to read:

21 (2) first lien real estate mortgage securities insured by
22 the Federal Housing Administration under the National Housing Act of
23 the United States or held by the division of veterans' affairs under
24 AS 26.15 and first lien mortgages held by financial institutions in the
25 state on one- to four-family unit dwellings located in Federal Housing
26 Administration approved areas in the state when the structures are not
27 over 10 years old at the time of purchasing the mortgage and the amount
28 of the mortgage does not exceed 80 per cent of the appraised value of
29 the real property in question;

1 * Sec. 3. This Act takes effect on the day after its passage and approval
2 or on the day it becomes law without approval.
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