

Introduced: 1/21/70
Referred: Local Government,
State Affairs and Finance

BY CROFT, SCHWAMM, CHANCE,
DEVEAU, HENSLEY, HOHMAN,
JACKSON, KAY, MCVEIGH, METCALF,
MILLER, PAUKAN AND SASSARA

1 IN THE HOUSE

2 HOUSE BILL NO. 500

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a state investment fund."

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

8 * Section 1. AS 44 is amended by adding a new chapter to read:

9 CHAPTER 55. STATE INVESTMENT FUND.

10 Sec. 44.55.010. STATE INVESTMENT FUND. There is created a fund,
11 designated as the "state investment fund". The Department of Revenue
12 is the custodian of the fund and shall administer it. The fund shall
13 be composed of money appropriated to carry out the purpose of secs. 10
14 - 120 of this chapter.

15 Sec. 44.55.020. LOANS FROM FUND. (a) The money in the fund
16 shall be continuously available to the Department of Revenue to

17 (1) purchase Federal Housing Administration and Veterans
18 Administration insured mortgages and deeds of trust;

19 (2) purchase real estate mortgages in which the participa-
20 tion ratio is 25 per cent state bank funds and 75 per cent state in-
21 vestment funds; and

22 (3) make commercial loans in which the participation ratio
23 is 33-1/3 state bank funds and 66-2/3 state investment funds.

24 (b) The loans provided for in (a)(2) of this section may be made
25 in an amount up to 80 per cent of the appraised value of the property
26 securing the loan.

27 (c) The loans provided for in (a)(1) and (2) of this section may
28 be made only for those mortgage agreements entered into after the ef-
29 fective date of this section.

1 (d) No repayment of a loan contracted for before the effective
2 date of this section may be made from the proceeds of a loan contracted
3 for under (a) of this section.

4 (e) Loans acquired under the provisions of this section must be
5 either secured by real property in the state or obtained by businesses
6 located in the state.

7 Sec. 44.55.030. DEFAULT ON LOANS. When there is a default on a
8 loan obtained under sec. 20 of this chapter, the state and the bank may
9 institute whatever legal proceedings are necessary to protect their
10 position.

11 Sec. 44.55.040. SERVICE CHARGE. On loans granted under this
12 chapter the bank participating is entitled to charge a service fee of
13 not more than one-half of one per cent of the original amount of the
14 loan.

15 Sec. 44.55.050. ADMINISTRATION OF FUND. The department shall
16 appoint as a full time salaried employee a director, to be known as the
17 director of the state investment fund, and he shall receive a salary
18 commensurate with the deputy head of each principal executive depart-
19 ment of the state as provided for in AS 39.20.080(b).

22 Sec. 44.55.060. REGULATIONS. The department has the authority to
23 promulgate regulations under the provisions of the Administrative Pro-
24 cedure Act (AS 44.62) to carry out the provisions and purposes of this
25 chapter.

26 Sec. 44.55.070. APPRAISALS OF SECURED PROPERTY. (a) Only real
27 estate appraisers who have been approved and licensed by the commis-
28 sioner of commerce may make the appraisal of property used as security
29 for loans acquired under sec. 20 of this chapter.

(b) The commissioner of commerce shall adopt rules fixing the
qualifications, requirements and procedure necessary to obtain an

1 appraiser's license referred to in (a) of this section.

2 Sec. 44.55.080. PUBLICATION OF CERTAIN LOAN INFORMATION. (a)
3 When a loan is granted under sec. 20 of this chapter, the department
4 shall publish in a paper of general circulation in the judicial dis-
5 trict in which the loan is made a statement showing the amount of the
6 loan, the interest rate, the principals obtaining it, the security given
7 for the loan, the value of the security, the amount of the state parti-
8 cipation and the name of the bank and the extent of its participation.
9 When a loan is granted to a corporation the statement shall include the
10 names of the officers and directors of the corporation, and if there
11 are less than 20 stockholders the names of the stockholders, and if
12 there are more than 20 stockholders the names of those owning five per
13 cent or more of the stock. When a loan is granted to a partnership,
14 the statement shall include the names of all silent, limited and
15 general partners.

16 (b) The state shall publish one time each quarter in a newspaper
17 of general circulation in each of the four judicial districts a
18 statement of the condition of the fund. This statement shall include
19 the amount invested, the names and the amount of participation of every
20 bank participating, the number of losses occurring in the previous
21 quarter, description and amount of the types of loans made, and the
22 number of delinquencies.

23 Sec. 44.55.090. REPORT TO LEGISLATURE. Before December 1 of each
24 year the department shall submit a detailed report of the condition of
25 the fund to each session of the legislature. A copy of the annual re-
26 port on the fund shall also be sent to the Legislative Affairs Agency
27 for distribution of copies to the members of the legislature. The terms
28 of the loans may be obtained upon a written request.

29 Sec. 44.55.100. ANNUAL AUDITS. (a) The department shall have its

1 financial records of the fund audited annually. The legislative auditor
2 shall conduct the annual audit. If an audit conducted by a certified
3 public accountant is satisfactory in the judgment of the legislative
4 auditor, it may be accepted instead of the state audit. The legisla-
5 tive auditor may prescribe the form and content of the financial records
6 of the fund and may have access to these records at any time.

7 (b) The state bank examiner shall examine the records of the fund
8 at least annually.

9 Sec. 44.55.110. DEFINITIONS. In this chapter

- 10 (1) "department" means the Department of Revenue;
11 (2) "fund" means the Alaska state investment fund.
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29