

Introduced: 4/30/70  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 858

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Investment Corporation."

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 58. ALASKA INVESTMENT CORPORATION.

10 ARTICLE 1. CREATION AND ORGANIZATION.

11 Sec. 44.58.010. PURPOSE. The purpose of this chapter is to pro-  
12 vide an equitable distribution to the people of Alaska of the proceeds  
13 from the sale of the state's natural resources on September 10, 1969.

14 Sec. 44.58.020. ALASKA INVESTMENT CORPORATION. The Alaska  
15 Investment Corporation is a public corporation and a political subdivi-  
16 sion of the state. The corporation is an instrumentality of the state  
17 in the Department of Administration, but has a legal existence  
18 independent of and separate from the state.

19 Sec. 44.58.030. GOVERNING BODY. The corporation's board of  
20 directors shall conduct the business of the corporation.

21 Sec. 44.58.040. COMPOSITION OF BOARD. The board of directors  
22 consists of three persons: the commissioners of the Departments of  
23 Commerce, Revenue, and Administration.

24 Sec. 44.58.050. CONFLICT OF INTERESTS. A board member shall  
25 declare publicly and in a written memorandum to the governor and the  
26 remaining board members any financial or business interest he has which  
27 might conflict with the public nature of his membership on the board.  
28 If there is a serious conflict, the board may ask him to abstain from  
29 decisions resulting in the conflict or rid himself of the conflict.

1           Sec. 44.58.060. COMPENSATION AND EXPENSES. Members of the board  
2 receive no salary, but are entitled to per diem and travel expenses  
3 authorized by law for other boards.

4           Sec. 44.58.070. LEGAL ADVISER. The attorney general is the  
5 legal counsel for the corporation. He shall advise the corporation  
6 in legal matters and represent it in suits.

7           Sec. 44.58.080. PUBLIC BOARD MEETINGS. The meetings of the  
8 board are public.

9           Sec. 44.58.090. QUORUM AND NOTICE OF MEETINGS. Three members  
10 constitute a quorum for the transaction of business and notice of a  
11 meeting of the board must be given to each member.

12           Sec. 44.58.100. MINUTES OF MEETINGS. The board shall keep minutes  
13 of each meeting and send a certified copy to the governor and to the  
14 legislature.

15           Sec. 44.58.110. EXECUTIVE VICE-PRESIDENT. The board may employ  
16 an executive vice-president to manage the corporation. He must be  
17 professionally trained and experienced in the performance of his duties.  
18 His selection is subject to the approval of the governor and the legis-  
19 lature. The executive vice-president may not have any financial or  
20 business interest that might conflict with the management of the  
21 corporation in the best public interest. The board may delegate powers  
22 and duties to the executive vice-president.

23           Sec. 44.58.120. EMPLOYEES' BONDS. The corporation shall bond  
24 its employees. The amount of a bond is to be determined by the board.

25           ARTICLE II. POWERS AND DUTIES.

26           Sec. 44.58.130. POWERS. The corporation may

27           (1) exist continuously as a corporation until its assets  
28 drop below \$20,000,000;

29           (2) adopt a seal;

1 (3) adopt bylaws and regulations governing the business of  
2 the corporation;

3 (4) sue and be sued;

4 (5) appoint officers and employees and prescribe their powers  
5 and duties;

6 (6) make contracts and execute instruments necessary or  
7 convenient in the exercise of its corporate powers;

8 (7) issue stock under the provisions of this chapter;

9 (8) establish the value of each share of stock issued under  
10 this chapter;

11 (9) invest the capital assets of the corporation in those  
12 investment opportunities which are guaranteed by the United States  
13 government or the State of Alaska;

14 (10) declare and distribute annual dividends;

15 (11) repurchase the stock issued under provisions of this  
16 chapter five years after date of issue at the option of the stock-  
17 holder with the value of the stock to be determined by dividing the  
18 number of shares issued into the total assets of the corporation;

19 (12) do what is necessary to carry out the powers granted by  
20 this chapter or other acts of the Alaska legislature.

21 Sec. 44.58.140. ANNUAL REPORT AND PUBLIC RECORDS. (a) Before  
22 December 1 of each year, the board shall submit to the governor and  
23 the legislature a comprehensive report describing the operations, fiscal  
24 transactions, financial condition, and future plans of the board. The  
25 governor may prescribe the form of the report.

26 (b) The board shall maintain the following records which shall  
27 be available to the public:

28 (1) a list of the investments of the corporation showing  
29 the rate of return on each investment;

1 (2) the names of the stockholders in the corporation;

2 (3) a listing of the dividends declared.

3 Sec. 44.58.150. DETERMINATION OF STOCKHOLDERS. (a) The board  
4 shall have the cooperation of every state agency, political subdivision  
5 or resident of the state in determining those persons eligible to  
6 hold stock in the corporation created by this chapter.

7 (b) Every person who was a resident of the state on September 10,  
8 1969 by birth or by having his domicile in the state for a period of  
9 not less than 90 days before September 10, 1969 or who was conceived  
10 before September 10, 1969 by parents one or both of whom are otherwise  
11 qualified under this section shall receive one share of stock in the  
12 corporation created by this chapter.

13 Sec. 44.58.160. ANNUAL AUDITS. (a) The board shall have its  
14 financial records audited annually. The legislative auditor shall  
15 conduct the annual audit. If an audit conducted by a certified public  
16 accountant is satisfactory in the judgment of the legislative auditor,  
17 it may be accepted instead of the state audit. The legislative  
18 auditor may prescribe the form and content of the financial records  
19 of the board and may have access to these records at any time.

20 (b) The state bank examiner shall examine the records of the  
21 corporation at least annually.

22 Sec. 44.58.170. LOCATION OF OFFICES. The principal office of  
23 the corporation is at the state capital.

24 ARTICLE III. FINANCIAL PROVISIONS.

25 Sec. 44.58.180. ASSETS OF CORPORATION. The assets of the  
26 corporation are the proceeds and investment returns from the proceeds  
27 of the September 10, 1969 oil and gas lease sale held by the state.

28 Sec. 44.58.190. TAX EXEMPTION. Because the purpose of the  
29 corporation, as an instrumentality of the state, is to benefit the

1 people of Alaska by increasing their commerce, prosperity, and general  
2 well-being, the corporation is exempt from all taxes and assessments  
3 in the state. Shares issued by the corporation and their income are  
4 exempt from taxes and assessments.

5 ARTICLE IV. GENERAL PROVISIONS.

6 Sec. 44.58.200. ENCUMBERING SHARES. A shareholder in the corpora-  
7 tion may encumber his share in an amount not to exceed 50 per cent of  
8 the share's par value.

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