

for spindle

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/8/71
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 360

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment of surplus state
7 funds; and providing for an effective date."

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

9 * Section 1. AS 37.10.070(a) is amended to read:

10 (a) When the commissioner of revenue determines that there is in
11 the state treasury a surplus above an amount sufficient to meet
12 current cash expenditure needs [DEMANDS], the surplus shall be invested
13 in any of the following:

14 (1) [DIRECT] obligations of, or obligations insured or
15 guaranteed by, the United States or agencies or instrumentalities of
16 the United States;

17 (2) obligations secured by reserves paid in by the United
18 States or agencies or instrumentalities of the United States or obli-
19 gations of corporations in which the United States is a shareholder or
20 member [OF AGENCIES AND INSTRUMENTALITIES OF THE UNITED STATES];

21 (3) notes issued by Farmer's Home Administration;

22 (4) bank certificates of deposit which are secured as to
23 the payment of principal and interest in accordance with Alaska law;

24 (5) corporate obligations of prime or equivalent quality,
25 as rated by a nationally recognized rating organization;

26 (6) other securities, including corporate securities;

27 (7) Federal Housing Administration mortgages;

(8) Federal Veterans Administration mortgages;

29 (9) loans made under the provisions of AS 03.10 and AS 26.15;

1 (10) conventional residential mortgages if the offering
2 [ORIGINATING] financial institution retains at least 25 per cent of
3 the mortgage;

4 (11) other secured loans, if the offering [ORIGINATING]
5 financial institution retains at least 33 1/3 per cent of the
6 mortgage;

7 (12) mortgages of the Alaska Rural Rehabilitation Corpora-
8 tion which secure agricultural loans, agricultural business loans and
9 agricultural processing loans;

10 (13) bankers acceptances drawn on and accepted by banks
11 with a combined capital and surplus aggregating at least \$200,000,000.

12 * Sec. 2. AS 37.10.070(b) is amended to read:

13 (b) To qualify as a mortgage or secured loan which may be
14 purchased by the state under (a)(10) or (11) of this section, it must

15 (1) be secured by real estate in the state or other
16 collateral allowed under (a)(11) of this section;

17 (2) have as a mortgagor an Alaska resident or a corporation
18 in which at least 51 per cent of the stock is owned by Alaska residents;

19 (3) be certified by the originating financial institution
20 that the loan being sold has been made in compliance with law and that
21 liens supporting the loan have been perfected;

22 (4) have no initial closing fees or service fees which
23 exceed one-half of one per cent, excluding closing costs.

24 * Sec. 3. This Act takes effect on the day after its passage and approv-
25 al or on the day it becomes law without approval.
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