

Introduced: 3/17/72
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment of surplus retire-
7 ment fund money; 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 commis-
15 sioner 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, if the political subdivision has a popula-
18 tion as shown by the last federal census preceding the investment of
19 no less than 30,000 inhabitants, except no population limitation applies
20 to a political subdivision of this state; (2) first lien real estate
21 mortgage securities insured by the Federal Housing Administration under
22 the National Housing Act of the United States, or held by the Department
23 of Commerce, or the Department of Natural Resources; (3) corporation
24 bonds, and preferred and common stocks as the commissioner of revenue
25 considers proper investments for the funds; (4) shares of federally
26 chartered savings and loan associations in Alaska, to the extent that
27 the investment is insured by the federal government or by an agency of
28 the federal government; (5) deposits with mutual savings banks in
29 Alaska, to the extent that the investment is insured by the federal

1 government or an agency of the federal government; (6) deposits with
2 state and national banks in Alaska to the extent that the investment is
3 insured by the federal government or an agency of the federal govern-
4 ment; (7) loans guaranteed by the division of veterans' affairs under
5 AS 26.15.040(b); [AND (8) MUTUAL FUNDS;] and (9) the guaranteed portion
6 of Small Business Administration loans. No more than 25 per cent of
7 the surplus may be invested in mortgage securities of the Department of
8 Commerce, and the state shall appropriate sufficient money from the
9 general fund to reimburse the teachers' retirement system for any
10 losses incurred as a result of failure of the obligors to pay on the
11 notes. No more than \$400,000 of the surplus may be invested annually
12 in the mortgage securities of the Department of Natural Resources, and
13 the state shall appropriate sufficient money from the general fund to
14 reimburse the teachers' retirement system for any losses incurred as a
15 result of failure of the obligors to pay on the notes.

16 * Sec. 2. AS 39.35.110(a) is amended by adding a new paragraph to read:

17 (9) the guaranteed portion of Small Business Administration
18 loans.

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