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Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 315

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment of state funds; and
7 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 at competitive na-
15 tional market rates by the commissioner of revenue in

16 [(1) BONDS OR OTHER INTEREST-BEARING OBLIGATIONS AND SECURITIES
17 OF THE UNITED STATES OR AN AGENCY OF THE UNITED STATES, A STATE OF THE
18 UNITED STATES, OR A POLITICAL SUBDIVISION OF ANY STATE OF THE UNITED
19 STATES, IF THE POLITICAL SUBDIVISION HAS A POPULATION AS SHOWN BY THE
20 LAST FEDERAL CENSUS PRECEDING THE INVESTMENT OF NO LESS THAN 30,000
21 INHABITANTS, EXCEPT NO POPULATION LIMITATION APPLIES TO A POLITICAL
22 SUBDIVISION OF THIS STATE;

23 (2) FIRST LIEN REAL ESTATE MORTGAGE SECURITIES INSURED BY THE
24 FEDERAL HOUSING ADMINISTRATION UNDER THE NATIONAL HOUSING ACT OF THE
25 UNITED STATES, OR HELD BY THE DEPARTMENT OF COMMERCE, OR THE DEPARTMENT
26 OF NATURAL RESOURCES;

27 (3) CORPORATION BONDS, AND PREFERRED AND COMMON STOCKS AS THE
28 COMMISSIONER OF REVENUE CONSIDERS PROPER INVESTMENTS FOR THE FUNDS;]

29 (4) shares of federally chartered savings and loan associa-

1 tions in Alaska, to the extent that the investment is insured by the
2 federal government or by an agency of the federal government;

3 (5) deposits with mutual savings banks in Alaska, to the
4 extent that the investment is insured by the federal government or an
5 agency of the federal government;

6 (6) deposits with state and national banks in Alaska to the
7 extent that the investment is insured by the federal government or an
8 agency of the federal government;

9 [(7) LOANS GUARANTEED BY THE DIVISION OF VETERANS' AFFAIRS
10 UNDER AS 26.15.040(b);]

11 (8) (deleted);

12 (9) the guaranteed portion of Small Business Administration
13 loans;

14 (10) first lien real estate mortgages guaranteed by the
15 federal Veterans Administration;

16 (11) notes secured by mortgages of commercial or residential
17 buildings [REAL ESTATE OR OTHER SECURITY] if the mortgages are insured
18 by a private mortgage insurance corporation which is authorized to do
19 business in Alaska and has combined capital, surplus and reserves aggre-
20 gating at least \$20,000,000; however,

21 (A) no mortgage insurance is necessary for commercial
22 loans having loan-to-value ratios of less than 50 percent and the
23 minimum coverage of other commercial loans shall be 10 percent for
24 those having a loan-to-value ratio of 50-60 percent and 15 percent
25 for those having a loan-to-value ratio greater than 60 percent but
26 no more than 75 percent, and

27 (B) no mortgage insurance is necessary for residential
28 loans having a loan-to-value ratio of less than 70 percent and the
29 minimum coverage of other residential loans shall be 10 percent for

1 those having a loan-to-value ratio greater than 70 percent but less
2 than 90 percent and 20 percent for those having a loan-to-value
3 ratio of 90 percent;

4 (12) conventional residential mortgages if the originating
5 financial institution retains at least 25 percent of the mortgage for a
6 minimum of two years;

7 (13) notes secured by mortgages of commercial buildings [REAL
8 ESTATE] if the originating financial institution retains at least 25
9 percent of the mortgage until maturity;

10 (14) FHA guaranteed portion of business and industrial loans
11 made under the Rural Development Act of 1972;

12 [(15) GUARANTEED PORTION OF LOANS MADE UNDER THE FEDERAL SHIP
13 FINANCING ACT OF 1972. NO MORE THAN 25 PERCENT OF THE SURPLUS MAY BE
14 INVESTED IN MORTGAGE SECURITIES OF THE DEPARTMENT OF COMMERCE, AND THE
15 STATE SHALL APPROPRIATE SUFFICIENT MONEY FROM THE GENERAL FUND TO REIM-
16 BURSE THE TEACHERS' RETIREMENT SYSTEM FOR ANY LOSSES INCURRED AS A
17 RESULT OF FAILURE OF THE OBLIGORS TO PAY ON THE NOTES. NO MORE THAN
18 \$400,000 OF THE SURPLUS MAY BE INVESTED ANNUALLY IN THE MORTGAGE SECURI-
19 TIES OF THE DEPARTMENT OF NATURAL RESOURCES, AND THE STATE SHALL APPRO-
20 PRIATE SUFFICIENT MONEY FROM THE GENERAL FUND TO REIMBURSE THE TEACHERS'
21 RETIREMENT SYSTEM FOR ANY LOSSES INCURRED AS A RESULT OF FAILURE OF THE
22 OBLIGORS TO PAY ON THE NOTES;

23 (16) BONDS, DEBENTURES, NOTES, OR OTHER OBLIGATIONS ISSUED,
24 GUARANTEED, OR ASSUMED AS TO BOTH PRINCIPAL AND INTEREST BY THE GOVERN-
25 MENT OF THE DOMINION OF CANADA, OR BY ANY PROVINCE OF CANADA, OR BY ANY
26 MUNICIPALITY OF CANADA WHICH HAS A POPULATION OF NOT LESS THAN 150,000,
27 IF (A) THE FULL FAITH AND CREDIT OF THE ISSUER, GUARANTOR, OR ASSUMER OF
28 THE BONDS, DEBENTURES, NOTES, OR OTHER OBLIGATIONS IS PLEDGED FOR THE
29 PAYMENT OF PRINCIPAL AND INTEREST ON THEM, (B) THE PRINCIPAL AND INTEREST

1 ON THEM IS PAYABLE IN UNITED STATES CURRENCY, EITHER UNCONDITIONALLY OR
2 AT THE OPTION OF THE HOLDER, AND (C) THESE OBLIGATIONS ARE RATED A OR AN
3 EQUIVALENT QUALITY BY A NATIONALLY RECOGNIZED RATING ORGANIZATION;]

4 (17) bankers' acceptances which are eligible for discount at
5 the Federal Reserve Bank and [NEGOTIABLE TIME] certificates of deposit
6 issued by United States domestic [COMMERCIAL] banks which are members of
7 the Federal Deposit Insurance Corporation if a generally recognized
8 secondary market exists for the certificates of deposit;

9 (18) obligations of, or obligations insured by or guaranteed
10 by, the United States or agencies or instrumentalities of the United
11 States;

12 (19) obligations secured by reserves paid in by the United
13 States or agencies or instrumentalities of the United States or obliga-
14 tions of corporations in which the United States is a shareholder or
15 member;

16 (20) corporate debt securities with a minimum rating of "A" or
17 an equivalent rating by a nationally recognized rating organization;

18 (21) preferred and common stock of companies which have paid
19 dividends in each of the three years immediately preceding the invest-
20 ment;

21 (22) commercial paper bearing the highest rating of a nation-
22 ally recognized rating organization;

23 (23) securities of foreign governments, foreign governmental
24 agencies, and foreign corporations the principal, interest or dividends
25 on which are payable in either United States dollars or foreign curren-
26 cies; however, investments under this paragraph may not exceed 15 per-
27 cent of the total investments of the retirement fund;

28 (24) foreign time deposits of both United States-owned and
29 foreign-owned banks and trust companies denominated in either United

1 States dollars or foreign currencies; however, investments under this
2 paragraph may not exceed 25 percent of the total investments of the re-
3 irement fund;

4 (25) gold bullion if it is registered with a nationally recog-
5 nized dealer and is certified as to fineness of at least 99.5 percent;
6 however, investments under this paragraph may not exceed 15 percent of
7 the total investments of the retirement fund.

8 * Sec. 2. AS 14.25.180(c) is amended to read:

9 (c) In making investments the commissioner of revenue shall exer-
10 cise the judgment and care under the circumstances then prevailing which
11 an institutional investor [MEN] of ordinary prudence, discretion, and
12 intelligence exercises [EXERCISE] in the management of large investments
13 entrusted to it [THEIR OWN AFFAIRS] not in regard to speculation but in
14 regard to the permanent disposition of [THEIR] funds, considering [THE]
15 probable safety of capital as well as probable income [THEREFROM AS WELL
16 AS THE PROBABLE SAFETY OF THEIR CAPITAL]. However, no more than 50
17 percent of the retirement fund may be invested at any given time in
18 corporate stocks and debt securities [BONDS], nor may more than five
19 percent of the voting stock of a [ANY] corporation be owned. Stocks
20 eligible for purchase are restricted to stocks which, except for bank
21 stocks and insurance stocks, are listed upon an exchange registered with
22 the Federal Securities and Exchange Commission.

23 * Sec. 3. AS 14.25.180(d)(5) is amended to read:

24 (5) register investments held in the retirement fund in the
25 name of the system;

26 * Sec. 4. AS 14.25.180(e) is repealed and re-enacted to read:

27 (e) To qualify as a mortgage which may be purchased under (b)(11),
28 (12) or (13) of this section,

29 (1) the originating financial institution must certify that

1 the mortgage has been made in compliance with law and that liens sup-
2 porting the mortgage have been perfected;

3 (2) the mortgage may not have been held by the originating
4 financial institution for a period greater than 90 days.

5 * Sec. 5. AS 14.25.180 is amended by adding new subsections to read:

6 (g) The commissioner of revenue may enter into futures contracts
7 for the sale of investments purchased under (b) of this section only for
8 the purpose of hedging an existing equivalent ownership position in the
9 investments.

10 (h) The commissioner of revenue may transfer at any time a portion
11 of the assets of the retirement fund to a trust which is qualified under
12 sec. 401(a) and exempt from taxation under sec. 501(a) of the Internal
13 Revenue Code of 1954, as amended, and which is maintained as a medium
14 for pooling a portion of the funds of pension and profit-sharing trusts
15 for diversifying investments in real estate and interests in real
16 estate.

17 (i) The commissioner of revenue may enter into a contract or trust
18 agreement necessary to effectuate the transfer of assets of the retire-
19 ment fund or to maintain the assets of the retirement fund to be trans-
20 ferred to a trust under (h) of this section.

21 * Sec. 6. AS 37.10.070 is repealed and re-enacted to read:

22 Sec. 37.10.070. INVESTMENT OF SURPLUS FUNDS. (a) When the
23 commissioner of revenue determines that there is in the state treasury a
24 surplus above an amount sufficient to meet current and projected cash
25 expenditure needs, the surplus shall be invested at competitive national
26 market rates unless otherwise provided by law in any of the following:

- 27 (1) obligations of, or obligations insured or guaranteed by,
28 the United States or agencies or instrumentalities of the United States;
29 (2) obligations secured by reserves paid in by the United

1 States or agencies or instrumentalities of the United States or obliga-
2 tions of corporations in which the United States is a shareholder or
3 member;

4 (3) certificates of deposit issued by United States domestic
5 banks which are members of the Federal Deposit Insurance Corporation for
6 which a generally recognized secondary market exists or which are
7 secured fully at all times as to the payment of principal and interest
8 in accordance with Alaska law;

9 (4) corporate debt securities with a minimum rating of "Baa"
10 or the equivalent by a nationally recognized rating organization and the
11 preferred and common stocks of companies which have paid dividends
12 continuously for the last three years;

13 (5) commercial paper bearing the highest rating of a na-
14 tionally recognized rating organization;

15 (6) securities of foreign governments, foreign governmental
16 agencies, and foreign corporations the principal, interest or dividends
17 of which are payable in either United States dollars or foreign curren-
18 cies;

19 (7) bankers acceptances drawn on and accepted by banks with a
20 combined capital and surplus aggregating at least \$200,000,000;

21 (8) shares of federally chartered savings and loan associa-
22 tions in Alaska which are fully secured at all times as to the payment
23 of principal and interest in accordance with Alaska law;

24 (9) savings certificates issued by state-chartered savings
25 and loan associations in Alaska which are fully secured at all times as
26 to the payment of principal and interest in accordance with Alaska law;

27 (10) deposits with mutual savings banks in Alaska which are
28 fully secured at all times as to the payment of principal and interest
29 in accordance with Alaska law;

1 (11) fixed-term certificates of indebtedness of federally
2 insured credit unions in Alaska which are fully secured at all times as
3 to the payment of principal and interest in accordance with Alaska law;

4 (12) foreign time deposits of both United States-owned and
5 foreign-owned banks and trust companies denominated in either United
6 States dollars or foreign currencies;

7 (b) The maturity date of an investment made under (a) of this
8 section may not be later than one year after the date of the investment.

9 (c) In making investments, the commissioner of revenue shall
10 exercise the judgment and care under the circumstances then prevailing
11 which an institutional investor of ordinary prudence, discretion, and
12 intelligence exercises in the management of large investments entrusted
13 to it not in regard to speculation but in regard to the permanent dispo-
14 sition of funds, considering probable safety of capital as well as
15 probable income.

16 (d) Except as provided in this section, the commissioner of
17 revenue may

18 (1) invest and reinvest the principal and income without
19 distinction between principal and income;

20 (2) sell, exchange, convey, transfer, or otherwise dispose of
21 an investment of the general fund by private contract or at public
22 auction;

23 (3) vote upon a stock, bond, or other security; give a
24 general or special proxy or power of attorney with or without power of
25 substitution; exercise a conversion privilege, subscription right, or
26 other option and make payments incidental to it; consent to or partici-
27 pate in a corporate reorganization or other change affecting corporate
28 securities, delegate discretionary power, pay an assessment or charge in
29 connection with the delegation; and generally exercise any of the powers

1 of an owner with respect to stocks, bonds, securities, or other invest-
2 ments held in the general fund;

3 (4) make, execute, acknowledge, and deliver documents of
4 transfer and conveyance and instruments necessary or appropriate to
5 carry out the powers granted;

6 (5) register investments held in the name of the state;

7 (6) do all acts whether or not expressly authorized which are
8 considered necessary or proper for the protection of the investments.

9 (e) The commissioner of revenue may enter into futures contracts
10 for the sale of investments purchased under (a) of this section only for
11 the purpose of hedging an existing equivalent ownership position in
12 these investments.

13 (f) The commissioner of revenue may enter into contracts for
14 services providing investment advice, custody of securities, and execu-
15 tion of transactions, in or out of Alaska.

16 * Sec. 7. AS 39.35.110(a) is amended to read:

17 (a) When, in the opinion of the commissioner of administration,
18 there is on hand in the pension fund a surplus over and above a reason-
19 ably safe amount to take care of current demands upon the fund, the
20 surplus, or so much of it as in the judgment of the commissioner of
21 administration is considered proper, may be invested at competitive
22 national market rates by the commissioner of revenue in

23 [(1) BONDS OR OTHER INTEREST-BEARING OBLIGATIONS AND SECURI-
24 TIES OF THE (A) UNITED STATES OR AN AGENCY OF THE UNITED STATES, (B) A
25 STATE OF THE UNITED STATES, OR (C) A POLITICAL SUBDIVISION OF A STATE OF
26 THE UNITED STATES, IF THE POLITICAL SUBDIVISION HAS A POPULATION AS
27 SHOWN BY THE LAST FEDERAL CENSUS PRECEDING THE INVESTMENT OF NOT LESS
28 THAN 30,000 INHABITANTS; WITH RESPECT TO POLITICAL SUBDIVISIONS OF THIS
29 STATE, NO POPULATION LIMITATION APPLIES,

1 (2) FIRST LIEN REAL ESTATE MORTGAGE SECURITIES INSURED BY THE
2 FEDERAL HOUSING ADMINISTRATION UNDER THE NATIONAL HOUSING ACT OF THE
3 UNITED STATES OR HELD BY THE DIVISION OF VETERANS' AFFAIRS UNDER
4 AS 26.15, OR LOANS GUARANTEED BY THE DIVISION OF VETERANS' AFFAIRS UNDER
5 AS 26.15.040(b);

6 (3) CORPORATION BONDS AND PREFERRED AND COMMON STOCKS AS THE
7 COMMISSIONER OF REVENUE CONSIDERS PROPER INVESTMENTS FOR THE FUNDS;

8 (4) FIRST LIEN REAL ESTATE MORTGAGE SECURITIES HELD BY THE
9 DEPARTMENT OF NATURAL RESOURCES UNDER AS 03.10;]

10 (5) shares of federally chartered savings and loan associa-
11 tions in Alaska, to the extent that the [SUCH] investment is insured by
12 the federal government or an agency of the federal government [THEREOF];

13 (6) deposits with mutual savings banks in Alaska, to the
14 extent that the [SUCH] investment is insured by the federal government
15 or an agency of the federal government [THEREOF];

16 (7) deposits with state and national banks in Alaska to the
17 extent that the investment is insured by the federal government or an
18 agency of the federal government;

19 (8) [MUTUAL FUNDS;]

20 (9) the guaranteed portion of Small Business Administration
21 loans;

22 (10) first lien real estate mortgages guaranteed by the
23 federal Veterans Administration;

24 (11) notes secured by mortgages of commercial or residential
25 buildings [REAL ESTATE OR OTHER SECURITY] if the mortgages are insured
26 by a private mortgage insurance corporation which is authorized to do
27 business in Alaska and has combined capital, surplus and reserves aggre-
28 gating at least \$20,000,000; however,

29 (A) no mortgage insurance is necessary for commercial

1 loans having loan-to-value ratios of less than 50 percent and the
2 minimum coverage of other commercial loans shall be 10 percent for
3 those having a loan-to-value ratio of 50-60 per cent and 15 percent
4 for those having a loan-to-value ratio greater than 60 percent but
5 no more than 75 percent, and

6 (B) no mortgage insurance is necessary for residential
7 loans having a loan-to-value ratio of less than 70 percent and the
8 minimum coverage of other residential loans shall be 10 percent for
9 those having a loan-to-value ratio greater than 70 percent but less
10 than 90 percent and 20 percent for those having a loan-to-value
11 ratio of 90 percent;

12 (12) conventional residential mortgages if the originating
13 financial institution retains at least 25 percent of the mortgage for a
14 minimum of two years;

15 (13) notes secured by mortgages of commercial buildings [REAL
16 ESTATE] if the originating financial institution retains at least 25
17 percent of the mortgage until maturity;

18 (14) FHA guaranteed portion of business and industrial loans
19 made under the Rural Development Act of 1972;

20 [(15) GUARANTEED PORTION OF LOANS MADE UNDER THE FEDERAL SHIP
21 FINANCING ACT OF 1972;

22 (16) BONDS, DEBENTURES, NOTES, OR OTHER OBLIGATIONS ISSUED,
23 GUARANTEED, OR ASSUMED AS TO BOTH PRINCIPAL AND INTEREST BY THE GOVERN-
24 MENT OF THE DOMINION OF CANADA, OR BY ANY PROVINCE OF CANADA, OR BY ANY
25 MUNICIPALITY OF CANADA WHICH HAS A POPULATION OF NOT LESS THAN 150,000,
26 IF (A) THE FULL FAITH AND CREDIT OF THE ISSUER, GUARANTOR, OR ASSUMER OF
27 THE BONDS, DEBENTURES, NOTES, OR OTHER OBLIGATIONS IS PLEDGED FOR THE
28 PAYMENT OF PRINCIPAL AND INTEREST ON THEM, (B) THE PRINCIPAL AND INTEREST
29 ON THEM IS PAYABLE IN UNITED STATES CURRENCY, EITHER UNCONDITIONALLY OR

1 AT THE OPTION OF THE HOLDER, AND (C) THESE OBLIGATIONS ARE RATED A OR AN
2 EQUIVALENT QUALITY BY A NATIONALLY RECOGNIZED RATING ORGANIZATION;]

3 (17) bankers' acceptances which are eligible for discount at
4 the Federal Reserve Bank and [NEGOTIABLE TIME] certificates of deposit
5 issued by United States domestic [COMMERCIAL] banks which are members of
6 the Federal Deposit Insurance Corporation if a generally recognized
7 secondary market exists for the certificates of deposit;

8 (18) obligations of, or obligations insured by or guaranteed
9 by, the United States or agencies or instrumentalities of the United
10 States;

11 (19) obligations secured by reserves paid in by the United
12 States or agencies or instrumentalities of the United States or obliga-
13 tions of corporations in which the United States is a shareholder or
14 member;

15 (20) corporate debt securities with a minimum rating of "A" or
16 an equivalent rating by a nationally recognized rating organization;

17 (21) preferred and common stock of companies which have paid
18 dividends in each of the three years immediately preceding the invest-
19 ment;

20 (22) commercial paper bearing the highest rating of a nation-
21 ally recognized rating organization;

22 (23) securities of foreign governments, foreign governmental
23 agencies, and foreign corporations the principal, interest or dividends
24 on which are payable in either United States dollars or foreign curren-
25 cies; however, investments under this paragraph may not exceed 15 per-
26 cent of the total investments of the pension fund;

27 (24) foreign time deposits of both United States-owned and
28 foreign-owned banks and trust companies denominated in either United
29 States dollars or foreign currencies; however, investments under this

1 paragraph may not exceed 25 percent of the total investments of the pen-
2 sion fund;

3 (25) gold bullion if it is registered with a nationally recog-
4 nized dealer and is certified as to fineness of at least 99.5 percent;
5 however, investments under this paragraph may not exceed 15 percent of
6 the total investments of the pension fund.

7 * Sec. 8. AS 39.35.110(c) is amended to read:

8 (c) In making investments the commissioner of revenue shall exer-
9 cise the judgment and care under the circumstances then prevailing which
10 an institutional investor [A MAN] of ordinary prudence, discretion, and
11 intelligence exercises in the management of large investments entrusted
12 to it [HIS OWN AFFAIRS] not in regard to speculation but in regard to
13 the permanent disposition of [HIS] funds, considering [THE] probable
14 safety of capital as well as probable income [FROM THEM AS WELL AS THE
15 PROBABLE SAFETY OF HIS CAPITAL]. However, no more than 50 percent of
16 the pension fund may be invested at a given time in [MUTUAL FUNDS AND]
17 corporate stocks and debt securities [BONDS], nor may [ANY] more than
18 five percent of the voting stock of one corporation be owned. Stocks
19 eligible for purchase are restricted to stocks which, except for bank
20 stocks and [,] insurance stocks [, AND SHARES IN MUTUAL FUNDS], are
21 listed upon an exchange registered with the Federal Securities and
22 Exchange Commission.

23 * Sec. 9. AS 39.35.110(e) is repealed and re-enacted to read:

24 (e) To qualify as a mortgage which may be purchased under (a)(11),
25 (12), or (13) of this section,

26 (1) the originating financial institution must certify that
27 the mortgage being sold has been made in compliance with law and that
28 liens supporting the mortgage have been perfected;

29 (2) the mortgage may not have been held by the originating

1 financial institution for a period greater than 90 days.

2 * Sec. 10. AS 39.35.110 is amended by adding new subsections to read:

3 (h) The commissioner of revenue may enter into futures contracts
4 for the sale of investments purchased under (a) of this section only for
5 the purpose of hedging an existing equivalent ownership position in the
6 investments.

7 (i) The commissioner of revenue may transfer at any time a portion
8 of the assets of the retirement fund to a trust which is qualified under
9 sec. 401(a) and exempt from taxation under sec. 501(a) of the Internal
10 Revenue Code of 1954, as amended, and which is maintained as a medium
11 for pooling a portion of the funds of pension and profit sharing trusts
12 for diversifying investments in real estate and interests in real es-
13 tate.

14 (j) The commissioner of revenue may enter into a contract or trust
15 agreement necessary to effectuate the transfer of assets of the pension
16 fund or to maintain the assets of the pension fund to be transferred to
17 a trust under (i) of this section.

18 * Sec. 11. AS 03.10.054; AS 16.10.330, 16.10.550; AS 26.15.070(b);
19 AS 44.33.270(b), 44.33.370(b); AS 44.47.350(b); AS 45.88.040(b); AS 45.90.-
20 040(b); and AS 45.95.020(b) are repealed.

21 * Sec. 12. AS 39.35.110(b) and (g) are repealed.

22 * Sec. 13. Section 11 of this Act takes effect July 1, 1980.

23 * Sec. 14. Sections 1 - 10, 13, and 14 of this Act take effect immedi-
24 ately in accordance with AS 01.10.070(c).