

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 217 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to purchase of investments by the
7 board of trustees of the Alaska permanent fund."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 37.13.120(g)(8) is amended to read:
10 (8) domestic corporate debt securities that [WHICH] are
11 rated AA or better by a nationally recognized rating service, or
12 foreign corporate debt securities of comparable quality;
13 * Sec. 2. AS 37.13.120(g)(19) is amended to read:
14 (19) certificates of deposit, term deposits, or bankers'
15 acceptances, which are issued by a United States or foreign bank or
16 trust company located in a foreign country and are denominated in
17 United States or foreign currency, if either (A) they may be readily
18 sold in a secondary market at prices reflecting fair value, or (B) the
19 issuing bank or trust company has capital, [AND] surplus, and retained
20 earnings at the date of issue equaling at least \$500,000,000; invest-
21 ments made under this paragraph are not subject to the collateral
22 requirements for domestic certificates under (m) of this section;
23 * Sec. 3. AS 37.13.120(g) is amended by adding a new paragraph to read:
24 (21) securities of foreign governments, foreign govern-
25 mental agencies, and foreign corporations the principal of which is,
26 or the interest or dividends on which are, payable in either United
27 States dollars or foreign currencies.
28 * Sec. 4. AS 37.13.120(h) is amended to read:
29 (h) The board may enter into future contracts for the sale of

1 investments purchased under (g) of this section, or for the sale of
2 foreign currencies, only for the purpose of hedging an existing equiv-
3 alent ownership position in these investments [SECURITIES].

4 * Sec. 5. AS 37.13.120(i) is amended to read:

5 (i) [AT THE TIME OF EACH INVESTMENT, THE AGGREGATE INVESTMENT OF
6 THE ALASKA PERMANENT FUND IN EACH STATED CATEGORY OF INVESTMENT MAY
7 NOT EXCEED THE FOLLOWING STATED PERCENTAGE OF THE TOTAL INVESTMENTS OF
8 THE FUND: MORTGAGES UNDER (g)(16) OF THIS SECTION, 15 PERCENT; REAL
9 ESTATE INVESTMENTS UNDER (g)(20) OF THIS SECTION, 15 PERCENT; FOREIGN
10 CERTIFICATES OF DEPOSIT OR THE EQUIVALENT UNDER (g)(19) OF THIS SEC-
11 TION, 20 PERCENT; CORPORATE STOCKS AND DEBT SECURITIES UNDER (g)(8),
12 (9), AND (18) OF THIS SECTION, 50 PERCENT.] The Alaska permanent fund
13 may at no time own more than five percent of the voting stock of a
14 corporation. Domestic stocks, except for bank and insurance company
15 stocks, must be listed at the date of purchase on an exchange regis-
16 tered with the Securities and Exchange Commission. At the time of
17 each investment the aggregate investment of the fund in each stated
18 category of investment may not exceed the following stated percentage
19 of the total investments of the fund:

20 (1) mortgages under (g)(16) of this section - 15 percent;

21 (2) real estate investments under (g)(20) of this section -
22 15 percent;

23 (3) foreign certificates of deposit, foreign term deposits,
24 and foreign bankers' acceptances under (g)(19) of this section, and
25 securities of foreign governments, foreign governmental agencies, and
26 foreign corporations under (g)(8) and (21) of this section - 20 per-
27 cent;

28 (4) domestic corporate stocks and debt securities under
29 (g)(8), (9), and (18) of this section - 50 percent.