

**SPONSOR SUBSTITUTE FOR SENATE BILL NO. 18  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY SENATORS POURCHOT, Sturgulewski, Duncan, Collins**

**Introduced: 1/30/91  
Referred: SA, Judiciary and Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska State Pension Corporation; relating to management and  
2 investment of state pension funds and other state funds; and providing for an effective  
3 date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1. FINDINGS.** The legislature finds that after the Alaska State Pension Corporation has  
6 been established and begun to manage the state pension funds, the state should develop a comprehensive  
7 retirement organization. This organization should integrate the investment of pension funds with  
8 retirement benefit administration responsibilities for all state related retirement systems, including the  
9 Elected Public Officers Retirement System (former AS 39.37). Retirement benefit administration  
10 responsibilities should be integrated into the corporation within two years after enactment of this  
11 legislation.

12 \* **Sec. 2.** AS 37.10 is amended by adding new sections to read:

13 **ARTICLE 5. ALASKA STATE PENSION CORPORATION.**

14 **Sec. 37.10.210. ALASKA STATE PENSION CORPORATION.** (a) There is established

1 the Alaska State Pension Corporation. The corporation is a public corporation in the Department  
2 of Revenue managed by a board of trustees. The purpose of the corporation is to provide  
3 professional management and investment of state pension funds and of other state funds upon  
4 agreement with the managers of those funds.

5 (b) The board consists of eight trustees. Four of the trustees shall be elected by the  
6 members of the retirement systems. Nominations may be made by the teachers' retirement board,  
7 the public employees' retirement board, or by petition signed by at least 10 persons eligible to  
8 vote in the election. One of the elected trustees must be an active member of the public  
9 employees' retirement system who is participating in the supplemental benefits program under  
10 AS 39.30.150 - 39.30.180, one must be receiving a benefit from the public employees' retirement  
11 system, one must be an active member of the teachers' retirement system, and one must be  
12 receiving a benefit from a retirement system other than the public employees' retirement system.  
13 The governor shall appoint two trustees from a list of nominees submitted by employers in the  
14 retirement systems. The governor shall appoint one additional trustee from a list of nominees  
15 submitted by the other seven trustees. The commissioner of revenue serves as a trustee.

16 (c) The appointed and elected trustees shall serve for staggered terms of four years and  
17 may be reappointed or reelected to the board.

18 (d) The governor may remove an elected or appointed trustee for just cause, including  
19 failure to comply with AS 37.10.230, by written notice to the trustee. After a trustee receives  
20 written notice of removal from the governor, the trustee may not participate in board business  
21 and may not be counted for purposes of establishing a quorum.

22 (e) A vacancy on the board of trustees shall be promptly filled in the same manner as  
23 the seat was originally filled. A person filling a vacancy holds office for the balance of the  
24 unexpired term of the person's predecessor. A vacancy on the board does not impair the  
25 authority of a quorum of the board to exercise all the powers and perform all the duties of the  
26 board.

27 (f) The board of trustees shall annually elect a chair from among its members.

28 (g) Five trustees constitute a quorum for the transaction of business and the exercise of  
29 the powers and duties of the board.

30 (h) A trustee may not designate another person to serve on the board in the absence of  
31 the trustee.

1 (i) Trustees shall participate in financial education training.

2 Sec. 37.10.220. POWERS AND DUTIES OF THE BOARD. (a) The board shall

3 (1) hold regular and special meetings at the call of the chair or of at least four  
4 members;

5 (2) establish investment policies for the funds for which it is responsible after  
6 reviewing recommendations from the investment advisory council;

7 (3) submit long-range and quarterly investment reports to the Legislative Budget  
8 and Audit Committee;

9 (4) report to the governor, the legislature, and employers participating in the  
10 retirement systems by the first day of each regular legislative session concerning the investment  
11 of funds for which the corporation is responsible including financial and investment policies  
12 established by the board and enclose a summary of the most recent performance evaluations of  
13 the funds managed by the corporation;

14 (5) contract with external performance evaluators to review the performance of  
15 each fund for which the corporation is responsible and report each year on the fund's condition  
16 to the board of trustees and to the other appropriate boards;

17 (6) engage independent certified public accountants to prepare an annual audit of  
18 each of the funds for which the corporation is responsible and to report to the board with the  
19 results of the audit;

20 (7) advise the commissioner of administration concerning the investment of funds  
21 held under the state deferred compensation program.

22 (b) The board may

23 (1) employ outside investment advisors to review investment policies and make  
24 recommendations to the board;

25 (2) employ legal counsel;

26 (3) enter into an agreement with the manager of another state fund to assume  
27 fiduciary, administrative, or management responsibilities for investing the other state fund;

28 (4) provide for actuarial valuations of the retirement systems and other entities  
29 whose funds the board manages;

30 (5) do all acts necessary, convenient, or desirable to carry out the powers  
31 expressly granted or necessarily implied in this chapter.

1           Sec. 37.10.230. CONFLICTS OF INTEREST. (a) Trustees, the executive director,  
2 investment officers, and other fiduciaries who are employees of the corporation are subject to the  
3 provisions of AS 39.50. The board may designate other employees who are also subject to the  
4 provisions of AS 39.50.

5           (b) If a trustee, officer, or employee of the corporation acquires, owns, or controls an  
6 interest, direct or indirect, in an entity or project in which assets under the control of the  
7 corporation are invested, the trustee, officer, or employee shall immediately disclose the interest  
8 to the board. The disclosure is a matter of public record and shall be included in the minutes  
9 of the board meeting next following the disclosure. The board shall adopt regulations to restrict  
10 trustees, officers, and employees from having a substantial interest in an entity or project in  
11 which assets under the control of the corporation are invested.

12           (c) Failure to comply with the requirements of this section or regulations enacted under  
13 it is grounds for termination of employment.

14           Sec. 37.10.240. REGULATIONS. The board may adopt regulations under the Admin-  
15 istrative Procedure Act (AS 44.62) to implement AS 37.10.210 - 37.10.390.

16           Sec. 37.10.250. COMPENSATION OF TRUSTEES. Trustees, other than trustees who  
17 are employees of the state or a political subdivision of the state, receive an honorarium of \$150  
18 for each day spent at a meeting of the board or at a meeting of a subcommittee of the board or  
19 at a public meeting as a representative of the board. Trustees who are state employees are  
20 entitled to administrative leave for service as a trustee. Trustees who are employees of a political  
21 subdivision of the state are entitled to leave benefits provided by their employers comparable to  
22 those provided to state employees for service as a trustee. Trustees are entitled to per diem and  
23 travel expenses authorized for boards and commissions under AS 39.20.180.

24           Sec. 37.10.260. STAFF. (a) The board shall employ an executive director. The  
25 executive director must be qualified by training and experience to manage, administer, and direct  
26 the investment of funds. The board shall fix the compensation of the executive director and other  
27 employees. The executive, administrative, and investment functions of the board are vested in  
28 the executive director who serves under the supervision of the board. With approval of the  
29 board, the executive director may appoint employees of the corporation as necessary.

30           (b) The board shall adopt regulations that restrict the executive director, investment  
31 directors, other officers, and employees from having financial interest, directly or indirectly, in

1 firms or corporations that provide services to the corporation. Officers and employees of the  
2 corporation are subject to AS 39.52.

3 (c) The executive director and each investment director shall file a bond for the faithful  
4 performance of duties in the amount and with the sureties as required by the board.

5 (d) Officers and employees of the corporation are members of the exempt service under  
6 AS 39.25.110.

7 (e) A deed, contract, or other document that must be executed by or on behalf of the  
8 corporation shall be signed by the executive director.

9 Sec. 37.10.270. INVESTMENT ADVISORY COUNCIL. (a) The board shall appoint  
10 an investment advisory council composed of at least three and not more than five members.  
11 Members of the council shall possess experience and expertise in financial investments and  
12 portfolio management.

13 (b) Members of the council serve at the pleasure of the board for staggered terms of three  
14 years.

15 (c) The board shall establish the compensation of members of the council. Members of  
16 the council are entitled to per diem and travel expenses authorized for boards and commissions  
17 under AS 39.20.180.

18 (d) The council shall

19 (1) review the investments made by the board;

20 (2) make recommendations to the board concerning the board's investment  
21 policies, investment strategy, and investment procedures;

22 (3) advise the board on selection of performance consultants, auditors, and on the  
23 form and content of annual reports;

24 (4) provide other advice as requested by the board.

25 (e) With approval of the board, the council may contract with other state agencies to  
26 provide investment advice.

27 Sec. 37.10.280. INSURANCE. The corporation shall protect trusteed assets and its own  
28 assets, services, and employees by purchasing insurance or providing for self-insurance retention  
29 in amounts recommended by the executive director and approved by the board to cover the acts,  
30 including fiduciary acts, errors, and omissions of its board members, officers, employees, and  
31 agents. Insurance must protect the corporation and the state from liability to others and from loss

1 of trusted assets and assets of the corporation.

2 Sec. 37.10.290. EXEMPTION FROM TAXATION. The corporation and all properties  
3 at any time owned by it, managed by it, or held by it in trust, and the income from those  
4 activities, are exempt from all taxes and assessments in the state. All security instruments issued  
5 by the corporation and income from them are exempt from all taxes and assessments in the state,  
6 including transfer taxes.

7 Sec. 37.10.300. SURETY FOR DEPOSITS WITH BANKS. Banks, trust companies,  
8 savings banks, and other persons carrying on a banking business are authorized to give sureties  
9 to the corporation. The sureties shall be approved by the corporation to the effect that the banks  
10 or banking institutions shall faithfully keep and pay over to the order of or upon the warrant of  
11 the corporation or its authorized agent all money deposited with them by the corporation and  
12 agreed interest, at the times or upon the demands agreed on with the banks or banking  
13 institutions. In lieu of these sureties, a depository bank or other banking institution shall deposit  
14 with the corporation or its authorized agent or a trustee as collateral, securities approved by the  
15 corporation. The deposits of the corporation may be evidenced by agreements in the form and  
16 upon the terms and conditions that are agreed upon by the corporation and the depository banks  
17 or banking institutions.

18 Sec. 37.10.310. LIMITATIONS. The corporation may not engage in commercial banking  
19 activity or private trust activity. The corporation may not act as a depository or trustee for a  
20 private person, association, or corporation. The corporation may not act as a lender to a private  
21 person, association, or corporation of money from any source except state funds under  
22 management by the corporation.

23 Sec. 37.10.320. LIABILITY. A liability incurred by the corporation shall be satisfied  
24 exclusively from the assets or revenue of the corporation and a creditor or other person may not  
25 have a right of action against the state because of a debt, obligation, or liability of the  
26 corporation. A liability of the corporation may not be satisfied from trust assets unless expressly  
27 authorized by law.

28 Sec. 37.10.390. DEFINITIONS. In AS 37.10.210 - 37.10.390, unless the context  
29 otherwise requires,

- 30 (1) "board" means the board of trustees of the corporation;  
31 (2) "corporation" means the Alaska State Pension Corporation;

1 (3) "retirement systems" means the teachers' retirement system, the judicial  
2 retirement system, the Alaska National Guard and Alaska Naval Militia retirement system, and  
3 the public employees' retirement system.

4 \* Sec. 3. AS 06.05.025 is amended by adding a new subsection to read:

5 (d) At the request of the board of trustees of the Alaska State Pension Corporation or of  
6 the legislative auditor, the department shall make an examination of the corporation under this  
7 section.

8 \* Sec. 4. AS 14.25.035(d) is amended to read:

9 (d) The commissioner of administration shall report to the board concerning the condition  
10 and administration of the system. The reports shall be distributed to the members of the system.  
11 The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] shall provide  
12 reports to the board on the condition and investment performance of the teachers' retirement trust  
13 fund including a summary of an annual external performance review.

14 \* Sec. 5. AS 14.25.180 is amended to read:

15 Sec. 14.25.180. MANAGEMENT AND INVESTMENT OF FUND. (a) The Alaska  
16 State Pension Corporation [COMMISSIONER OF REVENUE] is the [TREASURER OF THE  
17 SYSTEM AND THE] fiduciary of the fund. In managing the fund, the Alaska State Pension  
18 Corporation [COMMISSIONER OF REVENUE] shall

19 (1) consider the status of the fund's investments and the system's liabilities on  
20 both a current and a probable future basis;

21 (2) determine the appropriate investment objectives for the fund;

22 (3) establish investment policies aimed at achieving the objectives; and

23 (4) act only in regard to the best financial interests of the system's beneficiaries.

24 (b) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] may  
25 invest the fund on the basis of probable total rate of return without regard to the distinction  
26 between principal and income or to the generation of income.

27 (c) In carrying out investment duties under this chapter, the Alaska State Pension  
28 Corporation [COMMISSIONER OF REVENUE] has the same powers and duties in regard to  
29 the teacher's retirement trust fund as are provided in AS 37.10.071, except that the standard of  
30 prudence that the corporation [COMMISSIONER] must obey under AS 37.10.071(c) shall be  
31 in regard to the management of large trust investments rather than large investments.

1 \* Sec. 6. AS 22.25.048(c) is amended to read:

2 (c) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] is the  
3 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers  
4 and duties under this section in regard to the judicial retirement trust fund as are provided in  
5 AS 14.25.180.

6 \* Sec. 7. AS 26.05.228(c) is amended to read:

7 (c) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] is the  
8 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers  
9 and duties under this section in regard to the fund as are provided under AS 14.25.180.

10 \* Sec. 8. AS 36.30.850(b)(15) is amended to read:

11 (15) a contract that is a delegation, in whole or in part, of investment powers held  
12 by the commissioner of revenue under [AS 14.25.180,] AS 14.40.400, AS 14.42.200, 14.42.210,  
13 AS 18.56.095, [AS 22.25.048, AS 26.05.228,] AS 37.10.070, 37.10.071, or AS 37.14 [, or  
14 AS 39.35.080];

15 \* Sec. 9. AS 36.30.990(1) is amended to read:

16 (1) "agency"

17 (A) means a department, institution, board, commission, division,  
18 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
19 the executive branch of state government;

20 (B) does not include

21 (i) the University of Alaska;

22 (ii) the Alaska State Housing Authority;

23 (iii) the Alaska Railroad Corporation;

24 (iv) the Alaska Housing Finance Corporation;

25 (v) a regional Native housing authority created under  
26 AS 18.55.996, or a regional electrical authority created under AS 18.57.020; or

27 (vi) the Alaska State Pension Corporation;

28 \* Sec. 10. AS 37.10.071 is amended to read:

29 Sec. 37.10.071. INVESTMENT POWERS AND DUTIES. (a) In making investments  
30 under this section, the fiduciary of a state fund [COMMISSIONER OF REVENUE] shall

31 (1) act as official custodian of cash and investments by securing adequate and safe

1 custodial facilities for them;

2 (2) receive all items of cash and investments;

3 (3) collect and deposit the principal of and income from owned or acquired  
4 investments;

5 (4) invest and reinvest the assets in accordance with this section;

6 (5) receive and spend appropriations to cover the cost of the exercise of duties  
7 under this section;

8 (6) exercise the powers of an owner with respect to the assets;

9 (7) perform all acts, not prohibited by this section, whether or not expressly  
10 authorized, that the fiduciary [COMMISSIONER] considers necessary or proper in administering  
11 the assets;

12 (8) maintain accounting records in accordance with generally accepted  
13 [INVESTMENT] accounting principles;

14 (9) engage an independent certified public accountant to conduct an annual audit  
15 of the financial condition and investment transactions;

16 (10) enter into and enforce contracts or agreements considered necessary,  
17 convenient, or desirable for the investment purposes of this section; and

18 (11) when choosing to acquire or dispose of investments, secure competitive  
19 national or international market rates or prices, or the equivalence of those rates or prices in the  
20 judgment of the fiduciary [COMMISSIONER].

21 (b) Under this section, the fiduciary of a state fund or the fiduciary's  
22 [COMMISSIONER OR THE COMMISSIONER'S] designee may

23 (1) delegate investment, custodial, or depository authority on a discretionary or  
24 nondiscretionary basis to officers or employees of the state or to independent firms, banks, or  
25 trust companies, by designation through appointments, contracts, or letters or authority;

26 (2) acquire or dispose of investments either directly, indirectly, or through  
27 investment pools or trusts, by competitive or negotiated agreements, contracts, or auctions, in  
28 public or private markets;

29 (3) concentrate or diversify investments as the fiduciary [COMMISSIONER]  
30 considers appropriate to increase the probable total rate of return or to decrease the overall  
31 exposure to potentially adverse market value risks;

1 (4) protect the market value or the rate of return of the investments by entering  
2 into forward agreements to buy or sell assets at a future date as a hedge against existing held  
3 assets or as a precommitment of future cash flows;

4 (5) lend assets, under an agreement and for a fee, against deposited collateral of  
5 equivalent market value;

6 (6) borrow assets on a short-term basis, under an agreement and for a fee, against  
7 the deposit of collateral consisting of other assets in order to accommodate temporary cash or  
8 investment needs;

9 (7) hold investments in bearer or registered form in the name of the state, a fund,  
10 or nominees authorized by the fiduciary [COMMISSIONER];

11 (8) utilize consultants, advisors, custodians, investment services, and legal counsel  
12 for assistance in investment matters on either a continuing or a limited-term basis and with or  
13 without compensation;

14 (9) declare records to be confidential and exempt from AS 09.25.110 and  
15 09.25.120 if the records contain information that discloses the particulars of the business or the  
16 affairs of a private enterprise, investor, borrower, advisor, consultant, counsel, or manager.

17 (c) In exercising investment, custodial, or depository powers or duties under this section,  
18 the fiduciary of a state fund [COMMISSIONER] shall exercise the judgment and care under  
19 the circumstances then prevailing that an institutional investor of ordinary professional prudence,  
20 discretion, and intelligence exercises in managing large investments with consideration for the  
21 purpose of the fund, the investment objectives, the continuing disposition of the fund's invest-  
22 ments, and the probable safety of the capital as well as the probable investment returns. With  
23 respect to the Alaska State Pension Corporation, the fiduciaries of the corporation shall  
24 apply the prudent investor rule and exercise their fiduciary duty in the sole financial best  
25 interest of the funds entrusted to them and of the beneficiaries of those funds. The trustees  
26 may not make or authorize investment decisions or the voting of shares for a purpose other  
27 than the sole financial best interest of the funds or beneficiaries.

28 (d) In exercising investment, custodial, or depository powers or duties under this section,  
29 the fiduciary or the fiduciary's [COMMISSIONER OR A] designee [OF THE  
30 COMMISSIONER] is liable for a breach of a duty that is assigned or delegated under this  
31 section, or under AS 14.25.180, AS 14.40.400(b), AS 37.10.070, AS 37.14.110(c), 37.14.160, 37.-

1 14.170, or AS 39.35.080. However, the fiduciary or the [COMMISSIONER OR THE  
2 COMMISSIONER'S] designee is not liable for a breach of a duty that has been delegated to  
3 another person if the delegation is prudent under the applicable standard of prudence set out in  
4 statute or if the duty is assigned by law to another person, except to the extent that the fiduciary  
5 [COMMISSIONER] or designee

6 (1) knowingly participates [PARTICIPATE] in, or knowingly undertakes to  
7 conceal, an act or omission of another person, knowing that the act or omission is a breach of  
8 that person's duties under this chapter;

9 (2) by failure to comply with this section in the administration of specific  
10 responsibilities, enables another person to commit a breach of duty; or

11 (3) has knowledge of a breach of duty by another person, unless the fiduciary  
12 [COMMISSIONER] or designee makes reasonable efforts under the circumstances to remedy the  
13 breach.

14 (e) The state shall defend and indemnify the fiduciary [COMMISSIONER] or an officer  
15 or employee of the state against liability under (d) of this section to the extent that the alleged  
16 act or omission was performed in good faith and was prudent under the applicable standard of  
17 prudence.

18 (f) In this section, "fiduciary of a state fund" or "fiduciary" ["COMMISSIONER OF  
19 REVENUE" OR "COMMISSIONER"] means

20 (1) the commissioner of revenue for investments under [AS 14.25.180 OR]  
21 AS 37.10.070; [OR]

22 (2) with respect to the Alaska State Pension Corporation, for investments  
23 under AS 14.25.180,

24 (A) each trustee who serves on the corporation's board of directors;

25 (B) each officer of the corporation; and

26 (C) any other person who exercises control or authority with respect  
27 to management or disposition of assets held by the corporation or who gives  
28 investment advice to the corporation; or

29 (3) the person or body provided by law to manage the investments, for  
30 investments not subject to AS 14.25.180 or AS 37.10.070.

31 \* Sec. 11. AS 39.25.110(11) is amended by adding a new subparagraph to read:

1 (G) Alaska State Pension Corporation;

2 \* Sec. 12. AS 39.30 is amended by adding a new section to read:

3 Sec. 39.30.175. INVESTMENT OF BENEFIT PROGRAM RECEIPTS. The State  
4 Pension Corporation is the fiduciary of the receipts of the employee benefits program established  
5 under AS 39.30.150 - 39.30.180 and has the same powers and duties concerning the management  
6 and investment in regard to those receipts as are provided under AS 14.25.180.

7 \* Sec. 13. AS 39.35.020 is amended to read:

8 Sec. 39.35.020. ADMINISTRATION. The commissioner of administration is responsible  
9 for the administration of the system and for carrying out this chapter. In addition the  
10 commissioner shall

11 (1) maintain the accounts of the system;

12 (2) make payments for the various purposes specified;

13 (3) submit periodic reports or statements of account that are needed;

14 (4) issue a statement of account to an employee requesting it showing the amount  
15 of the employee's contributions to the system;

16 (5) as soon as possible after the close of each fiscal year, and not later than six  
17 months after the close of each fiscal year, send to the governor, the legislature, and the board an  
18 annual statement on the operations of the system containing

19 (A) a balance sheet;

20 (B) a statement of income and expenditures for the year;

21 (C) a report on an actuarial valuation of its assets and liabilities;

22 (D) a summary of assets held in the pension fund listed by the categories  
23 of investment, as provided by the Alaska State Pension Corporation [COMMISSIONER  
24 OF REVENUE];

25 (E) other statistical financial data that are necessary for a proper  
26 understanding of the financial condition of the system and the result of its operations;

27 (6) establish a public employees retirement trust fund in which the assets of the  
28 system shall be deposited and held;

29 (7) engage an independent certified public accountant to conduct an annual audit  
30 of the system's accounts and the annual report of the system's financial condition and activity;

31 (8) report to the board concerning the condition and administration of the system

1 and distribute the report to the members of the system.

2 \* Sec. 14. AS 39.35.080 is amended to read:

3 Sec. 39.35.080. DUTIES OF THE ALASKA STATE PENSION CORPORATION  
4 [COMMISSIONER OF REVENUE]. The Alaska State Pension Corporation  
5 [COMMISSIONER OF REVENUE] is the [TREASURER OF THE SYSTEM AND THE]  
6 fiduciary of the fund. The corporation [COMMISSIONER] has the same powers and duties  
7 established under this chapter in regard to the fund as are provided in AS 14.25.035(d) and  
8 14.25.180.

9 \* Sec. 15. AS 39.45.030 is amended by adding a new subsection to read:

10 (c) Before investing the funds held under the state deferred compensation program, the  
11 administrator of the program shall consult with the Alaska State Pension Corporation. The  
12 commissioner shall reimburse the corporation for the cost of providing the advice.

13 \* Sec. 16. AS 39.50.200(b) is amended by adding a new paragraph to read:

14 (52) Alaska State Pension Corporation (AS 37.10.210).

15 \* Sec. 17. AS 44.25.020 is amended to read:

16 Sec. 44.25.020. DUTIES OF DEPARTMENT. The Department of Revenue shall

17 (1) enforce the tax laws of the state;

18 (2) collect, account for, have custody of, invest, and manage all state funds and  
19 all revenues of the state except revenues incidental to a program of licensing and regulation  
20 carried on by another state department and funds managed and invested by the Alaska State  
21 Pension Corporation;

22 (3) register cattle brands;

23 (4) supply necessary clerical and administrative services for the Alcoholic  
24 Beverage Control Board; and

25 (5) invest and manage the balance of the power development fund in accordance  
26 with AS 44.83.386.

27 \* Sec. 18. TRANSITION. All litigation, hearings, investigations, and other proceedings pending  
28 under a law amended or repealed by this Act, or in connection with functions transferred by this Act,  
29 continue in effect and may be continued and completed notwithstanding a transfer, amendment, or repeal  
30 provided for in this Act. Orders and regulations issued or adopted under authority of a law amended  
31 or repealed by this Act remain in effect for the term issued, or until revoked, vacated, or otherwise

1 modified under the provisions of this Act. All contracts, rights, liabilities and obligations created by or  
2 under a law amended or repealed by this Act, and in effect on the effective date of this Act, remain in  
3 effect notwithstanding this Act's taking effect. Records, equipment, and other property of agencies of  
4 the state whose functions are transferred under this Act shall be transferred commensurate with the  
5 provisions of this Act.

6 \* **Sec. 19. ORGANIZATION OF TRUSTEES.** (a) Notwithstanding AS 37.10.210(c), enacted by  
7 sec. 2 of this Act, the initial terms of the members, other than the commissioner of revenue, of the board  
8 of trustees of the Alaska State Pension Corporation shall be as follows:

9 (1) one elected member and one appointed member shall serve terms of four years;

10 (2) one elected member shall serve a three-year term;

11 (3) one elected member and one appointed member shall serve terms of two years;

12 (4) one elected member and one appointed member shall serve one-year terms.

13 (b) The board of trustees of the Alaska State Pension Corporation may hold organizational  
14 meetings as soon as a quorum of the board has been appointed to or selected for the board.

15 \* **Sec. 20.** AS 37.10.210 and 37.10.230 - 37.10.390, enacted by sec. 2 of this Act, and sec. 19 of this  
16 Act take effect July 1, 1991.

17 \* **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect on the earlier of July 1,  
18 1992, or the date established by resolution of the board of trustees of the Alaska State Pension  
19 Corporation for the transfer to it of securities and assets of the retirement funds. The board shall  
20 promptly provide the revisor of statutes and the lieutenant governor with a copy of this resolution.