

SCOMM

#34:10


STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 7, 1983

SUBJECT: Sectional Analysis of HB 229  
TO: Representative John Lindauer  
FROM:  Linn H. Asper  
Legislative Counsel

You have asked for a sectional analysis of HB 229, establishing a new home mortgage program in the Alaska Housing Finance Corporation (AHFC).

**FILE COPY**  
Section 1 of the bill adds a new chapter to Title 18 containing the necessary provisions to establish the home mortgage program.

Sec. 18.56.300 establishes the home mortgage program in AHFC.

Sec. 18.56.310 gives AHFC the power and the duty to make mortgage loans under the terms and conditions of the chapter from the proceeds of bond sales to the Alaska permanent fund.

Sec. 18.56.320 establishes a home mortgage fund in AHFC, separate from other AHFC money, to finance the operations of the home mortgage program.

Sec. 18.56.320 states conditions for loans made under the chapter as follows:

- (1) loans are made to individuals who are eligible under the terms of the chapter;
- (2) loans are made for 1-4 unit, owner-occupied, residences;
- (3) interest rates are to be established by regulation;
- (4) \$160,000 maximum loan;

(5) loan may not exceed 80 percent of appraised value of residence;

(6) loan to be secured by first mortgage; and

(7) loans assumable after four years.

Sec 18.56.340 requires that AHFC purchase a loan originated by a bank if the following circumstances exist:

(1) the borrower is eligible under the chapter;

(2) the loan meets the conditions of AS 18.56.330 and is for a 1-4 unit owner occupied residence;

(3) the bank retains at least 10 percent of the loan; and

(4) AHFC has money available to purchase the loan.

Section 18.56.350 states borrower eligibility requirements. The borrower must:

(1) be a resident of the state; and

(2) have sufficient income to justify the loan, or demonstrate a record of meeting rent payments comparable to the mortgage payments, or be sponsored by a bank willing to retain at least 10 percent of the loan.

Sec. 18.56.360 allows AHFC to adopt regulations to carry out the purposes of the program.

Sec. 18.56.400 provides a shorthand definition, i.e., "home mortgage program" means "the Alaska Housing Financing Corporation home mortgage program".

Section 2 of the bill amends the Alaska permanent fund law (AS 37.13) to require that the permanent fund purchase AHFC housing mortgage bonds for the home mortgage program at an interest rate negotiated between AHFC and the permanent fund, until 40 percent of the assets of the permanent fund are committed to such bonds. This establishes a source of money for the home mortgage program.

Section 3 sets an effective date of July 1, 1983.

LHA: csh


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March 7, 1983

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LHA:csh

# Alaska State Legislature

Representative John Lindauer  
District 10-A  
3933 Geneva Place  
Anchorage, AK 99508



While in Juneau  
Pouch V  
Juneau, AK 99811  
465-3709

## House of Representatives

March 4, 1983

TO: House Special Committee on Loans  
FROM: Representative John Lindauer *JL*  
RE: HB 229: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

The purpose of this bill is to increase the availability of monies to finance Alaskan home loans and to increase the ability of Alaskans to obtain home loans.

It privatizes the loan process by providing for bank determination of the eligibility of borrowers.

It enables the Alaska Housing Finance Corporation to sell its bonds to the permanent fund in order to cause more of the permanent fund to be invested in Alaska.

**FILE COPY**

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Bill Sheffield, Governor

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

March 4, 1983

Hon. Rick Uehling, Chairman  
Special Committee on State Loans  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Re: Review of HB 229, an Act relating to the Alaska Housing Finance Corporation

Dear Representative Uehling:

Your letter of February 21, 1983 requested our review of HB 229. In our opinion, the bill raises serious constitutional questions.

We see no problem with the bill under the dedicated fund prohibition. Alaska Const. art. IX, § 6. That section was interpreted in the case to which you referred, State v. Alex, 696 P.2d 203 (Alaska 1982), to prohibit the dedication of any state revenues to any special purpose. Although we believe this prohibition does apply to revenue received by the Alaska Housing Finance Corporation (AHFC), it does not in our opinion prohibit the creation of special funds and the pledge of revenues as necessary for revenue bonding by a public corporation. See 1982 Op. Att'y Gen. No. 13 (Nov. 30).

However, the bill raises two other constitutional questions. First, may the board of trustees of the Alaska permanent fund be required by statute to invest up to 40 percent of the fund assets in a single type of investment, issued by a single issuer? This requirement, contained in section 2 of the bill, would prevent the board from managing the fund with regard to diversification of risk. We believe that this statutory requirement would be inconsistent with traditional notions of prudent investment, which have developed under the prudent investor rule stated in AS 37.13.120. By adopting the present statutory scheme for investment of the Alaska permanent fund, the legislature has interpreted article IX, section 15 of our constitution as establishing a public trust fund. This bill would raise the question whether the trust character of the fund is constitutionally required. See 1977 Op. Att'y Gen. No. 35 (Sept 16), regarding the trust character of the permanent fund (copy attached).

Second, may a public agency be compelled to lend public money without evaluating the capacity of individual borrowers to make repayment? Section 18.56.350 as added by section 1 of the bill would require that a borrower who has made regular monthly rental payments in the past be permitted to borrow an amount requiring comparable monthly mortgage payments without regard to income. This may go so far in limiting the discretion of the agency in making loans as to violate either or both of the following constitutional doctrines: (1) the requirement that public money be expended only for a public purpose, Alaska Const. art. IX, § 6, or (2) the general constitutional doctrine of separation of powers. Under both of these doctrines it is the fundamental responsibility of the executive branch of government to ensure that public money is used and managed wisely in order to achieve the objectives determined by the legislature.

The bill would avoid raising these constitutional questions if amended to:

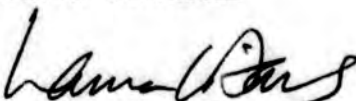
(1) authorize but not require the purchase of AHFC bonds by the permanent fund, and

(2) require that the rental payment history of the prospective borrower be considered as a factor in determining eligibility to borrow.

We hope that this answers your questions. Please let us know if we can be of further assistance.

Very truly yours,

NORMAN C. GORSUCH  
ATTORNEY GENERAL

By:   
Laura L. Davis  
Assistant Attorney General

LLD/pjg  
Enc.

cc w/enc.: Hon. Robert Heath, Commissioner  
Department of Revenue

David Rose, Executive Director  
Alaska Permanent Fund Corporation

Peter McDowell, Director  
Office of Management & Budget

## STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL  
JUNEAU 99811

September 16, 1977

Hon. Clark Gruening  
Chairman  
House Special Committee on  
the Permanent Fund  
528 West Fifth, Suite 270  
Anchorage, Alaska 99501

Re: Permanent fund, accounting  
for inflation; our file J-66-107-78

Dear Representative Gruening:

You have asked whether there is any legal require-  
ment that the statutory guidelines for administering the  
permanent fund take inflation into consideration.

We believe that the answer is no.

The answer to your question requires an inquiry  
into the legal nature of the permanent fund and, there being  
no law on the precise subject, involves some speculation.

First, we believe that, despite the absence of an  
actual transfer of legal and equitable interests to a trustee  
and beneficiary respectively, the Alaska Supreme Court will  
treat the permanent fund as a trust or quasi-trust, and as a  
general rule, apply trust concepts in determining its adminis-  
trators' duties. We make this assumption (1) because of the  
tendency of the court, exemplified by such cases as Moore v.  
State, 553 P.2d 8 (Alaska 1976), to impose trust-like duties  
upon the State's management of its patrimony, and (2) because  
the constitutional amendment which created the permanent

fund is extremely similar to the classic spendthrift trust both in its roots or causes and in its establishment, i.e., the owner of the State's capital, the people, dissatisfied with the state government's spending of the royalty bonus from the Prudhoe Bay leases, has resolved to remove a portion of that capital from the spending power of the government and to place it in trust, with only the income from its investment available to the government for expenditure.

Because the people established the trust, we believe that the state government will be deemed to be the trustee, not the trustor. This means that, despite the power vested in it by the constitutional amendment to designate by law the kinds of investments to be made, the legislature--as the appropriating arm of the government--will not be deemed to be the trustor or settlor, and that therefore, its power to designate eligible investments is not plenary but rather is limited by the express terms of the amendment on the one hand and by implied trust concepts on the other. In other words, the legislature may designate only income-producing investments and may not designate imprudent, income-producing investments or provide for imprudent administration of the fund principal. To the extent, if any, that it did, the managers of the fund would nevertheless remain under a duty to make only prudent income-producing investments and to provide a prudent administration.

Finally, we believe that the Alaska Supreme Court

will rule that--absent exceptional circumstances involving the very existence of the State or its citizens--the preservation of the fund principal is of primary import, i.e., that investment policies cannot endanger the principal. This belief rests on what we perceive to be the essential character of this trust or quasi-trust, i.e., a conservative, cautionary nest egg. \*/

Of course, the Alaska Supreme Court could rule that no trust or quasi-trust exists and that the law of trusts does not, therefore, govern the fund's administration. That would remove the administration of the fund from the operation of the prudent-man rule. There would then be no duty to limit investments to those which are prudent. That would pretty much give the legislature the power to authorize the expenditure of the fund's principal on any income-producing investment even though it would not be a prudent, i.e., an investment which a trustee could not properly make. This result would allow the fund principal to be frittered away and thereby frustrate the basic purpose of the constitutional amendment. Principally for that reason, we believe the Alaska Supreme Court will impose trust concepts to avoid that result and to give the amendment its full effect.

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\*/ While the permanent fund is essentially a conservative device, the constitutional amendment was not overly conservative. It did not apply to taxes on minerals at all and it still leaves 75 percent of other mineral revenues available for expenditure.

There can be no question that a trustee must take into consideration the trend of prices and the cost of living, the prospect of inflation or deflation. RESTATEMENT (SECOND) OF TRUSTS 2d § 227, Comment e (1959). To do otherwise would hardly be the conduct of a man of prudence. Accordingly, the fund managers will have to take inflation (or deflation) into account in making and changing investments, if--as we believe--the fund constitutes a trust.

It does not follow, however, that the legislature has a duty to provide specific guidelines on the matter. If the court rules that there is a trust, the prudent-man rule applies. If it rules otherwise, the rule does not apply. Unless the legislature itself resolves the question by making the fund a trust, the matter is entirely up to the court. Whichever way it rules, the court would not, and could not, order the legislature to adopt any particular guidelines. It would merely order the fund managers to follow the prudent-man rule.

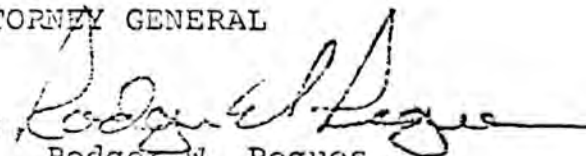
Nor does the legislature have any duty to increase the amount of the fund principal because of inflation. The constitutional amendment, which sets forth the principal terms of the trust, makes it mandatory to deposit 25 percent of the designated mineral revenues in the fund. That is the trust property which must be administered, we believe, under the prudent-man rule. While the legislature qua legislature clearly has the power to increase that amount, nothing in

trust law places a duty on it to do so. It could also provide for all or a portion of the income from the principal to be deposited in the fund, i.e., added to the principal. But under the terms of the trust, i.e., the constitutional amendment, it has no duty to do so.

We hope that this answers your question. We remind you that we are making an educated guess as to the trust or quasi-trust nature of the permanent fund. We believe it is a trust or quasi-trust and that trust law applies. We are constrained to add that we could be wrong. The legislature may wish to treat the fund as a trust. That would resolve the issue. It should feel free, however, to experiment and treat it otherwise insofar as it determines the public interest warrants doing so, and let the court resolve the issue.

Sincerely yours,

AVRUM M. GROSS  
ATTORNEY GENERAL

  
Rodger W. Pegues  
Assistant Attorney General

RWP:chp

# Alaska State Legislature

Representative John Lindauer  
District 10-A  
3933 Geneva Place  
Anchorage, AK 99508



While in Juneau  
Pouch V  
Juneau, AK 99811  
465-3709

## House of Representatives

March 9, 1983

### MEMORANDUM

TO: Representative Rick Uehling

FROM: Representative John Lindauer *JL*

RE: HB 229

Enclosed are two committee substitute amendments to meet the concerns raised in the Attorney General's review of HB 229.

1. Page 2, lines 24 - 29

Delete entire section (b) and instead use :

The corporation shall consider the rental payment history of the prospective borrower as a factor in determining eligibility to borrow.

2. Page 3, line 20

the bonds [.] except as the board finds it necessary to diversify the fund under the prudent man rule stated in AS 37.13.120.

# Alaska State Legislature

Representative John Lindauer  
District 10-A  
3933 Geneva Place  
Anchorage, AK 99508



While in Juneau  
Pouch V  
Juneau, AK 99811  
465-3709

## House of Representatives

March 4, 1983

TO: House Special Committee on Loans

FROM: Representative John Lindauer *JL*

RE: HB 229: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

The purpose of this bill is to increase the availability of monies to finance Alaskan home loans and to increase the availability of Alaskans to obtain home loans.

It privatizes the loan process by providing for bank determination of the eligibility of borrowers.

It enables the Alaska Housing Finance Corporation to sell its bonds to the permanent fund in order to cause more of the permanent fund to be invested in Alaska.

**FILE COPY**

Offered: 3/30/83  
Referred: Finance

Original sponsors: Lindauer and Uehling

1 IN THE HOUSE BY THE SPECIAL COMMITTEE ON LOANS  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 229 (Loans)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance Corpo-  
7 ration; and providing for an effective date."

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

9 \* Section 1. AS 18.56 is amended by adding new sections to read:

10 Sec. 18.56.300. HOME MORTGAGE PROGRAM ESTABLISHED. The Alaska  
11 Housing Finance Corporation home mortgage program is established in  
12 the corporation.

13 Sec. 18.56.310. POWERS AND DUTIES OF THE CORPORATION. The  
14 corporation may sell home mortgage program bonds to the Alaska  
15 permanent fund under AS 37.13.120(g)(21) and (n) or to other  
16 purchasers and shall use the proceeds from the sale of the bonds to  
17 make loans or purchase mortgages under the terms and conditions set  
18 out in AS 18.56.300 - 18.56.400.

19 Sec. 18.56.320. HOME MORTGAGE FUND. The home mortgage fund is  
20 created in the corporation as a trust fund separate and distinct from  
21 any other money or funds administered by the corporation. The pro-  
22 ceeds from the sale of home mortgage program bonds shall be deposited  
23 in the home mortgage fund. The home mortgage fund shall be used only  
24 to carry out the purposes of AS 18.56.300 - 18.56.400.

25 Sec. 18.56.330. CONDITIONS OF LOANS. (a) The corporation may  
26 make a loan under AS 18.56.300 - 18.56.400 to an eligible individual  
27 for the purchase of an owner-occupied residence having between one and  
28 four dwelling units.

29 (b) A home mortgage program loan

1 (1) shall be made at an interest rate established by regu-  
2 lation adopted by the corporation;

3 (2) may not exceed 95 percent of the appraised value of the  
4 residence being purchased;

5 (3) shall be secured by a first mortgage; and

6 (4) may be assumed after a period of four years on approval  
7 of the corporation in accordance with regulations adopted by the  
8 corporation.

9 Sec. 18.56.340. PURCHASE OF MORTGAGES. The corporation shall  
10 purchase a mortgage initiated by a bank or other financial institution  
11 in the state if

12 (1) the borrower is eligible to participate in the home  
13 mortgage program under AS 18.56.350;

14 (2) the loan is for an owner-occupied residence having  
15 between one and four dwelling units;

16 (3) the loan meets the conditions set out in AS 18.56.330;

17 (4) the bank or other financial institution retains at  
18 least 10 percent of the financing for the loan, secured by participa-  
19 tion in a first or second mortgage; and

20 (5) the corporation has money available to make the pur-  
21 chase.

22 Sec. 18.56.350. BORROWER ELIGIBILITY. (a) To receive a loan  
23 under the home mortgage program a borrower must be a resident of the  
24 state.

25 (b) The corporation shall consider the borrower's rental payment  
26 history as a factor in determining eligibility for a loan under the  
27 home mortgage program.

28 (c) The willingness of a bank or other financial institution in  
29 the state to take a second mortgage to secure a retained interest

1 under AS 18.56.340(4) establishes the financial eligibility of a  
2 borrower under the home mortgage program.

3 Sec. 18.56.360. REGULATIONS. The corporation may make and  
4 enforce reasonable regulations to carry out the purposes of AS 18.-  
5 56.300 - 18.56.400.

6 Sec. 18.56.400. DEFINITION. In AS 18.56.300 - 18.56.400 "home  
7 mortgage program" means the Alaska Housing Finance Corporation home  
8 mortgage program.

9 \* Sec. 2. AS 37.13.120(g) is amended by adding a new paragraph to read:  
10 (21) bonds of the Alaska Housing Finance Corporation.

11 \* Sec. 3. AS 37.13.120 is amended by adding a new subsection to read:  
12 (n) Notwithstanding the other provisions of this section, the  
13 board may purchase Alaska Housing Finance Corporation bonds.

14 \* Sec. 4. This Act takes effect July 1, 1983.

Introduced: 3/16/83  
Referred: House Special Committee  
on Loans and Finance

1 IN THE HOUSE

BY LINDAUER AND UEHLING

2

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 229

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance Corpo-  
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13 Sec. 18.56.310. POWERS AND DUTIES OF THE CORPORATION. The  
14 corporation may sell home mortgage program bonds to the Alaska  
15 permanent fund under AS 37.13.120(n) or to other purchasers and shall  
16 use the proceeds from the sale of the bonds to make loans or purchase  
17 mortgages under the terms and conditions set out in AS 18.56.300 -  
18 18.56.400.

19 Sec. 18.56.320. HOME MORTGAGE FUND. The home mortgage fund is  
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23 in the home mortgage fund. The home mortgage fund shall be used only  
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25 Sec. 18.56.330. CONDITIONS OF LOANS. (a) The corporation may  
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7           Sec. 18.56.340. PURCHASE OF MORTGAGES. The corporation shall  
8 purchase a mortgage initiated by a bank or other financial institution  
9 in the state if

10           (1) the borrower is eligible to participate in the home  
11 mortgage program under AS 18.56.350;

12           (2) the loan is for an owner-occupied residence having  
13 between one and four dwelling units;

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16 least 10 percent of the financing for the loan, secured by participa-  
17 tion in a first or second mortgage; and

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20           Sec. 18.56.350. BORROWER ELIGIBILITY. (a) To receive a loan  
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4 56.300 - 18.56.400.

5       Sec. 18.56.400.     DEFINITION.     In AS 18.56.300 - 18.56.400 "home  
6 mortgage program" means the Alaska Housing Finance Corporation home  
7 mortgage program.

8     \* Sec. 2. AS 37.13.120 is amended by adding a new subsection to read:

9             (n) Notwithstanding the other provisions of this section, the  
10 board shall purchase the Alaska Housing Finance Corporation bonds,  
11 bearing interest at a rate negotiated between the board and the Alaska  
12 Housing Finance Corporation, guaranteed by the Alaska Housing Finance  
13 Corporation, and secured by first mortgages under the Alaska Housing  
14 Finance Corporation home mortgage program (AS 18.56.300 - 18.56.400),  
15 that are offered to it by the Alaska Housing Finance Corporation until  
16 a maximum of 40 percent of the assets of the corporation are invested  
17 in the bonds, unless the board finds it necessary to decline the  
18 purchase of the bonds in order to diversify the permanent fund under  
19 the prudent-man rule stated in (a) of this section.

20     \* Sec. 3. This Act takes effect July 1, 1983.

Introduced: 2/25/83  
Referred: House Special Committee  
on State Loan and Finance

1 IN THE HOUSE

BY LINDAUER AND UEHLING

2

HOUSE BILL NO. 229

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance Corpo-  
7 ration; and providing for an effective date."

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

9 \* Section 1. AS 18.56 is amended by adding new sections to read:

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11 Housing Finance Corporation home mortgage program is established in  
12 the corporation.

13 Sec. 18.56.310. POWERS AND DUTIES OF THE CORPORATION. The  
14 corporation shall use the proceeds from the sale of its bonds to the  
15 Alaska permanent fund under AS 37.13.120(n) to make loans or purchase  
16 mortgages under the terms and conditions set out in AS 18.56.300 -  
17 18.56.400.

18 Sec. 18.56.520. HOME MORTGAGE FUND. (a) The home mortgage fund  
19 is created in the corporation as a trust fund separate and distinct  
20 from any other money or funds administered by the corporation. The  
21 proceeds from the sale of <sup>any money</sup> corporation bonds to the Alaska Permanent  
22 fund under AS 37.13.120(n) shall be deposited in the home mortgage  
23 fund. The home mortgage fund shall be used only to carry out the  
24 purposes of AS 18.56.300 - 18.56.400.

25 Sec. 18.56.330. CONDITIONS OF LOANS. (a) The corporation may  
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27 for the purchase of an owner-occupied residence having between one and  
28 four dwelling units.

29 (b) A home mortgage program loan

1 (1) shall be made at an interest rate established by  
2 regulation adopted by the corporation;

3 (2) may not exceed \$160,000;

4 (3) may not exceed 80 percent of the appraised value of the  
5 residence being purchased;

6 (4) shall be secured by a first mortgage; and

7 (5) may be assumed after a period of four years.

8 Sec. 18.56.340. PURCHASE OF MORTGAGES. The corporation shall  
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11 (1) the borrower is eligible to participate in the home  
12 mortgage program under AS 18.56.350;

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14 between one and four dwelling units;

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17 least 10 percent of the financing for the loan, secured by participa-  
18 tion in a first or second mortgage; and

19 (5) the corporation has money available to make the pur-  
20 chase.

21 Sec. 18.56.350. BORROWER ELIGIBILITY. (a) To receive a loan  
22 under the home mortgage program a borrower ~~must~~ be a resident of the X(1)  
23 state.

24 (b) If a borrower is otherwise eligible for a loan under the  
25 home mortgage program and can demonstrate a record of meeting monthly  
26 rental payments that are comparable to the proposed home mortgage  
27 program loan payments, the corporation may not require that the bor-  
28 rower have a specified level of income as a condition of eligibility  
29 for a home mortgage program loan. Rental Receipt (2)

*secured by other assets*

1 (c) The willingness of a bank or other financial institution in  
2 the state to take a second mortgage to secure a retained interest  
3 under AS 18.56.340(4) establishes the financial eligibility of a  
4 borrower under the home mortgage program.

5 Sec. 18.56.360. REGULATIONS. The corporation may make and  
6 enforce reasonable regulations to carry out the purposes of AS 18.-  
7 56.300 - 18.56.400.

8 Sec. 18.56.400. DEFINITION. In AS 18.56.300 - 18.56.400 "home  
9 mortgage program" means the Alaska Housing Finance Corporation home  
10 mortgage program.

11 \* Sec. 2. AS 37.13.120 is amended by adding a new subsection to read:

12 (n) Notwithstanding the other provisions of this section, the  
13 board shall purchase all of the Alaska Housing Finance Corporation  
14 bonds, bearing interest at a rate negotiated between the board and the  
15 Alaska Housing Finance Corporation, guaranteed by the Alaska Housing  
16 Finance Corporation and secured by first mortgages under the Alaska  
17 Housing Finance Corporation home mortgage program (AS 18.56.300 -  
18 18.56.400) that are offered to it by the Alaska Housing Finance  
19 Corporation until 40 percent of the assets of the corporation are  
20 invested in the bonds. 1576

*Delete*

21 \* Sec. 3. This Act takes effect July 1, 1983.

A H F C

37-13-120

Does the stated currently provide  
for further investment