

SENATE BILL NO. 5

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATOR STEVENS

Introduced: 1/7/19

Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to management of certain municipal assets by the Alaska Permanent**
2 **Fund Corporation."**

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

4 *** Section 1.** AS 37.13 is amended by adding a new section to article 2 to read:

5 **Sec. 37.13.310. Management of municipal assets.** (a) The corporation shall
6 manage the assets in an account of a municipality if

7 (1) the governing body of the municipality directs the corporation by
8 resolution to manage the assets; and

9 (2) the account

10 (A) was established by the municipality under an ordinance or
11 charter provision;

12 (B) is a savings or investment account for the municipality;

13 (C) consists of only cash or other financial assets belonging to
14 the municipality; and

1 (D) has an asset value of at least \$50,000,000.

2 (b) In managing the assets of a municipality under (a) of this section, the
3 corporation shall

4 (1) hold and invest the assets subject to AS 37.13.120;

5 (2) at least quarterly, prepare, publish, and distribute to the governing
6 body of the municipality a financial report showing investment revenue and
7 expenditures, including the allocation of the assets in the account among investments;

8 (3) annually prepare, publish, and distribute to the governing body of
9 the municipality financial statements prepared in accordance with generally accepted
10 accounting principles consistently applied and an audit report prepared by a certified
11 public accountant;

12 (4) periodically advise the governing body of the municipality when
13 revisions to long-range investment policy, including asset allocation changes, are
14 contemplated and provide an opportunity for consultation and comment on the
15 changes before they are implemented; and

16 (5) if the governing body of the municipality requests by resolution
17 that the corporation transfer funds from the account to the municipality, transfer the
18 amount requested by the resolution, not to exceed the total value of the assets that the
19 corporation is managing for the municipality.

20 (c) A municipality with assets managed by the corporation under this section
21 shall pay to the corporation the amount determined by the corporation to be sufficient
22 to reimburse the corporation for the costs of managing the assets.

23 (d) Net income from assets managed by the corporation for a municipality
24 under this section may not be included in the computation of net income or market
25 value available for distribution or appropriation under AS 37.13.140.