

Changes to Permanent Fund Statutes (AS. 37.13.120) to increase investment flexibility
Prepared by Alaska Permanent Fund Corporation staff
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1980 – SB 161, Sponsored by Sen. Tim Kelly, Sen. George Hohman, Sen. Mike Colletta, and Sen. John Sacket

SB 161 created the Alaska Permanent Fund Corporation to manage the Permanent Fund and started the existing statutory list of allowed investments. This list extended beyond the Fund's initial investment limitation of Treasury bonds to include corporate bonds, certificate of deposits and bankers acceptances. The list initially allowed the Permanent Fund to invest in shares of savings and loan associations, but this provision has since been removed.

1982 – SB 684, sponsored by Gov. Jay Hammond

SB 684 allowed the Permanent Fund to invest in common stocks, partial ownership of real estate properties (not to exceed 40%), loans for commercial real estate and deposits of US dollars held overseas.

1989- HB 69, sponsored by Gov. Steve Cowper

HB 69 gave the APFC authority to invest in non-domestic (International) stocks and bonds.

1992 – SB 39, sponsored by the Senate Finance Committee

SB 39 gave the APFC authority to invest in A rated corporate bonds to a maximum of 5%. Prior to this change, the Fund could only be invested in bonds rated AA or higher.

1994 – HB 373, sponsored by the Legislative Budget and Audit Committee

HB 373 allowed the Fund to own up to 100% in real estate properties worth less than \$150 million, and up to 67% in properties worth greater than \$150 million.

1996 – HB 525, sponsored by the House Finance Committee

HB 525 gave the APFC authority to invest in corporate bonds rated BBB or higher.

1999 – HB 156, sponsored by the Legislative Budget and Audit Committee

HB 156 allowed the Fund to leverage real estate investments and be the sole owner of any qualified property. In addition the bill increased the asset allocation limit for stocks to 55% of the total market value of the Fund. HB 156 also created the "basket clause" that allows up to 5% of the Fund to be invested in alternative investments or to be applied to existing asset allocations to expand their limits.

2004 – SB 326, sponsored by the Legislative Budget and Audit Committee

SB 326 increased the "basket clause" allocation limit from 5 to 10 percent. The bill also provided clean-up language explicitly stating that the investments restricted under AS 37.13.120(h) and (j) are allowed under the basket clause.

2004 – SB 379, sponsored by Governor Frank Murkowski

SB 379 requires cause before one of the four public members of the Board of Trustees may be removed before the expiration of their term.