

# LEGAL SERVICES

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## MEMORANDUM

April 12, 2016

**SUBJECT:** Sectional Summary of CSSB 196(FIN)  
(Work Order No. 29-LS1383\U)

**TO:** Senator Lyman Hoffman  
Attn: Tim Grussendorf

**FROM:** Emily Nauman   
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 adds a new requirement to AS 42.45.080(c), that the commissioner of revenue determine the earnings on the power cost equalization endowment fund (PCE fund) for the previous closed fiscal year.

Section 2 decreases the amount that may be appropriated from the power cost equalization fund for the purposes described in that section from seven percent to five percent of the average market value of the fund for the previous three fiscal years.

Section 3 adds two new subsections to AS 42.45.085. New subsection (c) prorates the amount appropriated under AS 43.55.085(a) among the purposes listed in (a)(1) and (2) of that section if it is insufficient to achieve the purposes listed in AS 43.55.085(a). New subsection (d) sets the amounts and caps on the amounts the legislature may appropriate from the part of the annual fiscal year earnings of the PCE fund in excess of the appropriation under AS 42.45.085(a) to a community revenue sharing or community assistance fund, to the renewable energy grant fund, the bulk fuel revolving loan fund, to the power cost equalization fund, or for rural power system upgrades.

Section 4 gives the bill a June 30, 2016, effective date.

If I may be of further assistance, please advise.

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