

Sectional Summary of SB 78

Section 1: Amends the definition of “gambling” in AS 11.66.280(3) to exclude the permanent fund dividend drawing in AS 43.23.064.

Section 2: Adds new sections to AS 43.23:

Sec. 43.23.063: Creates an education endowment fund in the general fund. The fund consists of contributions to the fund from permanent fund dividends (dividends) under AS 43.23.064(b), transfers to the fund under AS 43.23.064(c), interest, and any other money appropriated to the fund. Makes the commissioner of revenue the fiduciary of the fund. Sets the requirements for the commissioner to manage the fund. When the average market value of the fund exceeds \$1,000,000,000, 4.5 percent of the average fiscal-year-end market value of the balance of the fund for the last five fiscal years is transferred to the public education fund, subject to appropriation.

Sec. 43.23.064: Creates the dividend lottery fund as an account in the general fund. Requires the commissioner of revenue to manage the fund. The fund consists of appropriations from dividends, interest and income earnings shall also be appropriated to the fund. This section allows the commissioner to use the fund without further appropriation to pay for prizes and to pay the cost of administering the fund. When the balance of the dividend lottery fund exceeds \$500,000,000 at the end of the fiscal year, the commissioner transfers the amount above \$500,000,000 to the education endowment fund. Allows a person to contribute all or a portion of the person’s dividend in increments of \$100 or more. 25 percent of the contributions may be appropriated to the education endowment fund, 25 percent of the contributions may be appropriated to the dividend lottery fund, and 50 percent of the contributions may be appropriated to the public education fund. Entitles each \$100 contribution to one entry into the drawing. The prizes are based on a percentage of the balance of the lottery fund.

Section 3: Provides an effective date of January 1, 2018.