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Martin
3/11/18

CS FOR HOUSE JOINT RESOLUTION NO. 23(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES TUCK, LeDoux, Edgmon, Seaton, Foster, Kawasaki, Kreiss-Tomkins,
Drummond, Spohnholz, Parish, Tarr, Josephson

A RESOLUTION

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska
permanent fund and establishing the earnings reserve account.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

Section 15. Alaska Permanent Fund. (a) At least twenty-five percent of all
mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
payments and bonuses received by the State shall be placed in a permanent fund, the
principal of which shall be used only for those income-producing investments
specifically designated by law as eligible for permanent fund investments. **The**
earnings reserve account is established as a separate account in the fund. Income
from the fund shall be deposited into the earnings reserve account as soon as it is
received and may be invested as authorized for investments of the principal.
Money in the earnings reserve account may be appropriated only as provided in
this section [ALL INCOME FROM THE PERMANENT FUND SHALL BE
DEPOSITED IN THE GENERAL FUND UNLESS OTHERWISE PROVIDED BY
LAW].

1 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding new
2 subsections to read:

3 (b) The amount available for distribution from the permanent fund equals 4.75
4 percent of the average market value of the permanent fund, including the earnings
5 reserve account, for the first five of the preceding six fiscal years, including the fiscal
6 year just ended, computed annually for each fiscal year in accordance with generally
7 accepted accounting principles. Each year, the legislature shall appropriate the amount
8 available for distribution from the earnings reserve account to the general fund.

9 (c) The legislature may appropriate thirty-three percent of the amount
10 available for distribution from the general fund for use in a program of dividend
11 payments to State residents as provided by law.

12 (d) The legislature may make an appropriation from the earnings reserve
13 account to the principal of the permanent fund at any time.

14 (e) An appropriation from the earnings reserve account, other than as provided
15 in (b) - (d) of this section, may be made for any public purpose upon affirmative vote
16 of three-fourths of the members of each house of the legislature.

17 (f) Appropriations made from the earnings reserve account under this section
18 in a fiscal year may not exceed the balance of the earnings reserve account.

19 * **Sec. 3.** Article XV, Constitution of the State of Alaska, is amended by adding a new
20 section to read:

21 **Section 30. Permanent Fund Amendments: Transition.** The earnings
22 reserve account established in the 2018 amendments to the Alaska permanent fund
23 (art. IX, sec. 15) replaces the existing earnings reserve account established by law.
24 Money in the existing earnings reserve account on the effective date of the 2018
25 amendments to the Alaska permanent fund (art. IX, sec. 15) shall be deposited into the
26 earnings reserve account established by those amendments.

27 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
28 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
29 State of Alaska, and the election laws of the state.