

CS FOR HOUSE JOINT RESOLUTION NO. 7(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 5/10/21

Referred: Judiciary, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A RESOLUTION

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, appropriations from the permanent fund, and the permanent fund dividend.

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. **Except as provided in (b), (c) and (d) of this section, all** [ALL] income from the permanent fund shall be **retained** [DEPOSITED] in the [GENERAL] fund [UNLESS OTHERWISE PROVIDED BY LAW].

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

(b) Each fiscal year, the legislature may appropriate from the permanent fund to the general fund an amount that is not more than five percent of the average fiscal-year-end market value of the permanent fund for the first five of the preceding six fiscal years, including the fiscal year just ended.

(c) Each fiscal year, a portion of the amount appropriated under (b) of this section shall be allocated for dividend payments to residents of the State as provided by law. A law that changes the amount allocated for dividend payments must be approved by the voters of the State under (d) of this section.

(d) Notwithstanding Section 18 of Article II, a law enacted under Sections 14 - 17 of Article II that would amend the amount allocated for dividend payments to residents of the State under (c) of this section shall not take effect unless approved by the voters of the State in the next statewide election held more than one hundred twenty days after enactment of the law. The lieutenant governor shall prepare a ballot title and proposition summarizing the law and shall place it on the ballot. If a majority of the votes cast on the proposition favor its adoption, it shall become effective on the later of ninety days after the certification of the election returns by the lieutenant governor or an effective date provided for by concurrence of two-thirds of the membership of each house. If a majority of votes cast on the proposition favor its rejection, the law is rejected and does not take effect.

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

Section 30. Permanent Fund Amendments: Transition. (a) On June 30, 2023, the unencumbered balance of the earnings reserve account established by law shall be deposited in the Alaska permanent fund and become part of the principal of the fund.

(b) The 2022 amendments relating to the Alaska permanent fund (art. IX, sec. 15) apply to appropriations made for the fiscal year ending June 30, 2024, and thereafter.

(c) For purposes of the 2022 amendments to Section 15 of Article IX, the law governing the percentage of the average fiscal-year-end market value of the permanent fund that may be appropriated from the permanent fund to the general fund under

1 Section 15(b) of Article IX is a law setting forth the percentage of the average fiscal-
2 year-end market value of the permanent fund that may be appropriated to the general
3 fund at the time of adoption of the 2022 amendments to Section 15(b) of Article IX
4 and that is not a law that is enacted as an appropriation bill.

5 (d) For purposes of the 2022 amendments to Section 15 of Article IX, the law
6 governing the amount allocated for dividend payments to residents of the State under
7 Section 15(c) of Article IX is the law setting forth the allocation for dividend
8 payments at the time of adoption of the 2022 amendments to Section 15(c) of Article
9 IX and that is not a law that is enacted as an appropriation bill, subject to the
10 enactment of a law amending the law regarding dividend payments in accordance with
11 the requirements of Section 15(d) of Article IX.

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