

# Representative Grier Hopkins



## ALASKA STATE HOUSE OF REPRESENTATIVES

### House Bill 4009

**An Act relating to the Alaska permanent fund; relating to dividends for state residents; relating to the use of certain state income; and providing for an effective date.**

### Sponsor Statement

Alaskans are beneficiaries of the foresight of our state's founders, who ensured that state-owned resources would be managed for the maximum benefit of all Alaskans (Article VIII Section 2). Unique among all states, Alaska's constitution creates communal ownership of state resources – what former Governor Wally Hickel called "the Owner State."

Following statehood and the discovery of Alaska's North Slope oil reserves, Alaska's political leaders and voters created the Alaska Permanent Fund to, in the words of Governor Hammond "transform oil wells pumping oil for a finite period into money wells pumping money for infinity." Since 1982, Alaskans have received dividend payments from the State of Alaska.

With a stepped four-year approach, HB 4009 crafts a new dividend formula, where Permanent Fund earnings AND mineral revenues from oil and gas are used to calculate dividend payments. Starting in FY 2023, 35 percent of Oil and Gas Royalties, Rents and Bonuses (OGRRB) would be combined with 10 percent of the total Percent of Market Value (POMV) draw for the payment of dividends. The amount of the state's OGRRB and POMV contribution to the dividend fund would grow by five percent annually until FY 2026, when the final formula of 50 percent of OGRRB and 25% of the POMV takes effect.

HB 4009 creates a new partnership and vision for Alaska's dividend program. By combining the earnings of the Permanent Fund with a percentage of Alaska's oil and gas mineral revenues, Alaskans will benefit from a diversified dividend revenue stream, shielding the dividend from market downturns and commodity price fluctuations. Additionally, Alaskans will see a direct benefit from the continued development of resources on state and federal land, renewing the founders' vision of an owner state.

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