



Sectional Analysis

HB 315 "An Act relating to the qualifications and confirmation of appointees to the Board of 1 Trustees of the Alaska Permanent Fund Corporation; and providing for an effective 2 date."

Section 1: Amendment to AS 37.13.050(a)

Amends the composition of the Board of Trustees to consist of six members appointed by the governor: two must be heads of principal state departments (one being the commissioner of revenue), and four are public members who may not hold other state or federal office/employment (except military service). Public members must be separately confirmed by a majority of the legislature in joint session.

Purpose/Effect: Maintains the existing six-member structure but introduces mandatory legislative confirmation for the four public members, adding a layer of legislative oversight and accountability to gubernatorial appointments for this high-stakes board managing billions in assets.

Section 2: Amendment to AS 37.13.050(b)

Requires the four public members to be residents of Alaska and have recognized competence and wide experience in finance, investments, or other business management-related fields.

Purpose/Effect: Establishes clear residency and professional qualification standards for public trustees, ensuring they bring relevant expertise (e.g., in investments and finance) to the board's decision-making on the Permanent Fund's portfolio.

Section 3: Amendment to AS 37.13.060

Changes the term of office for public members from four years to six years, allows reappointment subject to legislative confirmation in joint session, and requires staggered terms so that no more than one public member's term expires each year.

Purpose/Effect: Extends terms for greater continuity and institutional knowledge while the confirmation requirement applies to reappointments. Staggering prevents mass turnover, promoting board stability and long-term strategic oversight of the fund.

Section 4: Amendment to AS 37.13.070(b)

Requires the governor to fill a vacancy within 30 days after it occurs, with the appointee confirmed by a majority in joint session. The appointee serves the balance of the predecessor's term. If the vacancy occurs during a legislative recess, the governor may make an interim appointment who exercises full powers until the next session, at which point the interim appointee's name must be presented for confirmation.

Purpose/Effect: Replaces vague "promptly" language with a strict 30-day timeline, ensures all appointees (including interims) face confirmation, and prevents prolonged vacancies that could impair board function. This balances executive appointment authority with legislative checks.

Section 5: Uncodified Law (Applicability Provision)

Adds a new uncodified section stating that changes to AS 37.13.050(a) and (b) (composition, confirmation, and qualifications) do not apply to members serving on the effective date of the Act. However, members reappointed under AS 37.13.060 on or after the effective date must be confirmed by the legislature in joint session.

Purpose/Effect: Applies the new rules prospectively to avoid disrupting the current board but ensures future reappointments comply with confirmation and qualification standards, allowing a smooth transition.

Section 6: Effective Date

The Act takes effect December 1, 2026.