



Official Business

# Alaska State Legislature

## *Senate Finance Committee*

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### **Sectional Analysis** **Senate Bill 109**

#### **Permanent Fund Dividend; POMV Split**

**Sec. 1.** Repeals the current formula that describes the “amount available for distribution” as 21% of the past five year’s Statutory Net Income. Amends the current 5% Percent of Market Value (POMV) statute to confirm that the appropriation may not exceed the amount in the Earnings Reserve Account.

**Sec. 2** Modifies the Permanent Fund Dividend statute, from being based on 50% of the former “21% of earnings” formula, to being based on 25% of the annual Percent of Market Value draw.

**Sec. 3** Conforming language to clarify that the annual inflation proofing of the Permanent Fund principal is by legislative appropriation.

**Sec. 4** Conforming language related to the exclusion of Amerada Hess earnings from both the POMV and dividend calculations.

**Sec. 5** Conforming language related to the exclusion of Mental Health Trust earnings from the POMV and dividend calculations.

**Sec. 6** Conforming language related to the annual appropriation to the dividend fund.

**Sec. 7** Conforming language repealing sections no longer needed due to the elimination of the former statutory formula and the new language in Sec. 3.

**Sec. 8** Immediate effective date.