

HOUSE BILL NO. 114

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE CARRICK

Introduced: 2/26/25

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska permanent fund; relating to permanent fund dividends;**
2 **relating to the use of state income from mineral lease rentals, royalties, royalty sale**
3 **proceeds, federal mineral revenue sharing payments, and bonuses from mineral leases;**
4 **relating to contributions from permanent fund dividends to the general and permanent**
5 **funds; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 37.13.140(a) is amended to read:

8 (a) [NET INCOME OF THE FUND INCLUDES INCOME OF THE
9 EARNINGS RESERVE ACCOUNT ESTABLISHED UNDER AS 37.13.145.] Net
10 income of the fund shall be computed annually as of the last day of the fiscal year in
11 accordance with generally accepted accounting principles, excluding any unrealized
12 gains or losses. [INCOME AVAILABLE FOR DISTRIBUTION EQUALS 21
13 PERCENT OF THE NET INCOME OF THE FUND FOR THE LAST FIVE FISCAL

1 YEARS, INCLUDING THE FISCAL YEAR JUST ENDED, BUT MAY NOT
 2 EXCEED NET INCOME OF THE FUND FOR THE FISCAL YEAR JUST ENDED
 3 PLUS THE BALANCE IN THE EARNINGS RESERVE ACCOUNT DESCRIBED
 4 IN AS 37.13.145.]

5 * **Sec. 2.** AS 37.13.145(c) is amended to read:

6 (c) After the [TRANSFER UNDER (b) AND AN] appropriation under (e) of
 7 this section, the legislature may appropriate [CORPORATION SHALL
 8 TRANSFER] from the earnings reserve account to the principal of the fund an amount
 9 sufficient to offset the effect of inflation on the principal of the fund during that fiscal
 10 year. However, none of the amount appropriated [TRANSFERRED] shall be applied
 11 to increase the value of that portion of the principal attributed to the settlement of State
 12 v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District) on
 13 July 1, 2004. The corporation shall calculate the amount sufficient to offset the effect
 14 of inflation [TO TRANSFER TO THE PRINCIPAL] under this subsection by

15 (1) computing the average of the monthly United States Consumer
 16 Price Index for all urban consumers for each of the two previous calendar years;

17 (2) computing the percentage change between the first and second
 18 calendar year average; and

19 (3) applying that rate to the value of the principal of the fund on the
 20 last day of the fiscal year just ended, including that portion of the principal attributed
 21 to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,
 22 First Judicial District).

23 * **Sec. 3.** AS 37.13.145(d) is amended to read:

24 (d) Income [NOTWITHSTANDING (b) OF THIS SECTION, INCOME]
 25 earned on money awarded in or received as a result of State v. Amerada Hess, et al.,
 26 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement,
 27 summary judgment, or adjustment to a royalty-in-kind contract that is tied to the
 28 outcome of this case, or interest earned on the money, or on the earnings of the money
 29 shall be treated in the same manner as other income of the Alaska permanent fund,
 30 except that it is not available for appropriation [DISTRIBUTION TO THE
 31 DIVIDEND FUND, FOR TRANSFERS] to the principal under (c) of this section [.]

1 or for an appropriation under (e) of this section, and shall be annually deposited into
2 the Alaska capital income fund (AS 37.05.565).

3 * **Sec. 4.** AS 37.13.145(e) is amended to read:

4 (e) The legislature may not appropriate from the earnings reserve account [TO
5 THE GENERAL FUND] a total amount that exceeds the amount available for
6 appropriation under AS 37.13.140(b) in a fiscal year.

7 * **Sec. 5.** AS 43.23.025(a) is amended to read:

8 (a) By October 1 of each year, the commissioner shall determine the value of
9 each permanent fund dividend for that year by

10 (1) determining the total amount available for dividend payments,
11 which equals

12 (A) the amount appropriated [OF INCOME OF THE
13 ALASKA PERMANENT FUND TRANSFERRED] to the dividend fund
14 established under AS 43.23.045 [AS 37.13.145(b)] during the current year;

15 (B) plus the unexpended and unobligated balances of prior
16 fiscal year appropriations that lapse into the dividend fund under
17 AS 43.23.045(d);

18 (C) less the amount necessary to pay prior year dividends from
19 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
20 43.23.055(3) and (7);

21 (D) less the amount necessary to pay dividends from the
22 dividend fund due to eligible applicants who, as determined by the department,
23 filed for a previous year's dividend by the filing deadline but who were not
24 included in a previous year's dividend computation;

25 (E) less appropriations from the dividend fund during the
26 current year, including amounts to pay costs of administering the dividend
27 program and the hold harmless provisions of AS 43.23.240;

28 (2) determining the number of individuals eligible to receive a
29 dividend payment for the current year and the number of estates and successors
30 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

31 (3) dividing the amount determined under (1) of this subsection by the

amount determined under (2) of this subsection.

* **Sec. 6.** AS 43.23.028(a) is amended to read:

(a) By October 1 of each year, the commissioner shall give public notice of the value of each permanent fund dividend for that year and notice of the information required to be disclosed under (3) of this subsection. In addition, the stub attached to each individual dividend disbursement advice must

(1) disclose the amount of each dividend attributable to **legislative appropriations** [INCOME EARNED BY THE PERMANENT FUND FROM DEPOSITS TO THAT FUND REQUIRED UNDER ART. IX, SEC. 15, CONSTITUTION OF THE STATE OF ALASKA];

(2) [DISCLOSE THE AMOUNT OF EACH DIVIDEND ATTRIBUTABLE TO INCOME EARNED BY THE PERMANENT FUND FROM APPROPRIATIONS TO THAT FUND AND FROM AMOUNTS ADDED TO THAT FUND TO OFFSET THE EFFECTS OF INFLATION];

(3)] disclose the amount by which each dividend has been reduced due to each appropriation from the dividend fund, including amounts to pay the costs of administering the dividend program and the hold harmless provisions of AS 43.23.240;

(3) [(4)] include a statement that an individual is not eligible for a dividend when

(A) during the qualifying year, the individual was convicted of a felony;

(B) during all or part of the qualifying year, the individual was incarcerated as a result of the conviction of a

(i) felony; or

(ii) misdemeanor if the individual has been convicted of a prior felony or two or more prior misdemeanors;

(4) [(5)] include a statement that the legislative purpose for making individuals listed under **(3)** [(4)] of this subsection ineligible is to

(A) provide funds for services for and payments to crime victims and operating costs of the Violent Crimes Compensation Board;

(B) provide funds to pay restitution owed to crime victims;

(C) provide funds for grants to nonprofit organizations for services for crime victims and for mental health services and substance abuse treatment for offenders;

(D) provide funds for the office of victims' rights;

(E) provide funds to the Council on Domestic Violence and Sexual Assault for grants for the operation of domestic violence and sexual assault programs; and

(F) obtain reimbursement for some of the costs imposed on the Department of Corrections related to incarceration or probation of those individuals;

(5) [(6)] disclose the total amount that would have been paid during the previous fiscal year to individuals who were ineligible to receive dividends under AS 43.23.005(d) if they had been eligible;

(6) [(7)] disclose the total amount transferred or appropriated for the current fiscal year under AS 43.23.048 for each of the accounts, funds, and agencies listed in AS 43.23.048.

* **Sec. 7.** AS 43.23.045 is amended by adding a new subsection to read:

(f) Each fiscal year, after the appropriations or transfers made under AS 37.13.010 and AS 37.14.150, the legislature may appropriate to the dividend fund 69 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state during that fiscal year.

* **Sec. 8.** AS 43.23 is amended by adding a new section to read:

Sec. 43.23.135. Contributions to the general and permanent funds. (a)

Notwithstanding AS 43.23.200, the electronic Alaska permanent fund dividend application must allow an applicant to direct that money be subtracted from the dividend payment and contributed to the state general fund or the principal of the permanent fund. A contribution to the state general fund or the principal of the permanent fund may be \$25 or more, in increments of \$25, up to the total amount of the permanent fund dividend that the applicant is entitled to receive. If the applicant's total amount of contributions under this subsection, when added to the total amount of

1 contributions under AS 43.23.130, exceeds the amount of the permanent fund
2 dividend that the applicant is entitled to receive, contributions under AS 43.23.130
3 shall have priority over contributions under this subsection. The electronic application
4 must include notice that seven percent of the money contributed to the state general
5 fund or the principal of the permanent fund will be used for administrative costs
6 incurred in implementing this subsection and that money from the dividend fund will
7 not be used for that purpose.

8 (b) A public agency that claims a permanent fund dividend on behalf of an
9 individual under AS 43.23.015(e) may not elect to make contributions from the
10 dividend under this section.

11 (c) In preparing the electronic Alaska permanent fund dividend application,
12 the department shall ensure that the option to make a contribution under this section is
13 in a separate section of the application than the option to make a contribution under
14 AS 43.23.130.

15 * **Sec. 9.** AS 37.13.145(b) and 37.13.145(f) are repealed.

16 * **Sec. 10.** This Act takes effect July 1, 2025.