

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 6
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB006-DOR-TRS-3-18-25
Title: STATE FUND FIDUC DUTY: SOCIAL/POL
INTEREST
Sponsor: MCCABE
Requester: (H) JUD

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Alaska Retirement Management Board
OMB Component Number: 2813

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0						

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Pamela Leary, Director	Phone:	(907)465-3751
Division:	Treasury Division	Date:	03/18/2025
Approved By:	Janelle Earls, Administrative Services Director	Date:	03/18/25
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB6

Analysis

This bill adds subsections to current statutes relating to fiduciary investment powers and duties for state funds, the Alaska Retirement Management Board funds and the Alaska Permanent Fund, to require fiduciaries to prioritize the financial interests of beneficiaries and to prohibit fiduciaries from making an investment for the purpose of furthering social, political, or ideological interests.

AS 37.10.071(c) already requires that in "exercising investment, custodial, or depository powers or duties under this section, the fiduciary of a state fund shall apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the fund entrusted to the fiduciary." This language also applies to the Alaska Retirement Management Board (ARMB). Therefore, the investment of ARMB assets for social, political, or ideological interests would be contrary to existing state law.

Additional resources may be required to manage the process to identify whether companies have established policies and/or marketing efforts that fall within the five areas that are identified in HB6. This fiscal note is indeterminate as it is unclear what the additional workload would be to identify and review policies outside of the maximum return objective.