Senator Lesil McGuire

CS for SS for SB 114
Version F to Version T
Summary of Changes

Title Change
Page 1, Lines 3-4
Insert "relating to the duties of the commissioner of revenue"

Section 2. AS 37.13.010(a)
Page 2, Lines 9-23
Repeals Section 1. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 3. AS 37.13.140
Page 2, Line 24 thru Page 3, Line 8
Renumbered from Section 2
Adds a new section for the calculation of the dividend. Under this section the dividend is calculated as follows:

- Drawn from the earnings reserve account- 15% of the five year average of the net income of the permanent fund.
- Drawn from the earnings reserve- 2% of the market value of the constitutional budget reserve.
- Drawn from the general fund- 15% of the money deposited to the general fund from all mineral lease rents, royalties, sales and bonuses.

Section 4. AS 37.13.140
Page 3, Lines10-29
Renumbered from Section 3

Line 9
Insert "*Sec 4."
Delete "Sec. 37.13.140"
Insert "AS 37.13.140 is amended to read"

Line 10
Insert: "Sec. 37.13.140"

Line 14
Delete "as the income is realized and received"
Insert "excluding unrealized gains or losses"

Line 16-17
Delete "on July 1 of each year"
Insert "under this subsection, computed annually for each fiscal year, following the conclusion of
        the fiscal year."

Lines 18-19
Insert "may not be less than zero and"
Delete "five"
Insert "four and one half"

Line 20
Delete "balance of the"

Line 20-21
Following "reserve account established"
        Delete "under"
        Insert "in"
Preceding "five fiscal years"
        Delete "preceding"

Following "five fiscal years"
        Delete "including"
        Insert "immediately preceding"

Line 22
Delete "computed annually for each fiscal year in accordance with generally accepted accounting
        principles"

Lines 22-26
Following "year just ended"
        Insert "reduced by an amount equal to 85% of the production taxes and mineral lease
        rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g),
        federal mineral revenue sharing payments, and bonuses received by the state from
        mineral leases and deposited into the general fund in the fiscal year just ended that
        exceeds $1,000,000,000"

Section 5. AS 37.13.140
Page 3, Line 30 thru page 4, Line 21
Repeals Section 4. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 6. AS 37.13.145(a)
Page 4, Lines 22-27
Renumbered from Section 4.

Section 7. AS 37.13.145(a)
Page 4, Line 28 thru page 5, Line 2
Repeals Section 6. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 8 AS 37.13.145(c)
Page 5, Lines 3-24

A new section that deletes current statutory inflation proofing calculation tied to the Consumer Price Index, and establishes a new option for calculating the amount for inflation proofing.

Lines 20-23
Following "On July 1, the corporation shall calculate the amount to transfer to the principle under this subsection by"
> Insert "multiplying the amount available for distribution for the previous fiscal year under AS 37.13.140(b) by four and subtracting the product of that calculation from the balance of the earnings reserve account on June 30 of the previous fiscal year."

Section 9. AS 37.13.145(c)
Page 5, Line 25 thru Page 6, Line 14
Repeals Section 8. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 10. AS 37.13.145(d)
Page 6, Lines 15-24
Renumbered from Section 5

Section 11. AS 37.13.145(d)
Page 6, Line 25 thru Page 7, Line 3
Repeals Section 10. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 12. AS 37.13.145
Page 7, Line 4-25

Line 4
Insert "*Sec. 12. AS 37.13.145 is amended by adding new subsections to read:"

Line 5-6
Following "Alaska"
    Delete "income"
    Insert "subject to legislative appropriation, the corporation shall deposit funds"

Line 6
Following "deposit funds from the"
    Delete "fund; including the"

Line 7
Following "account"
    Delete "established under AS 37.13.145, shall be deposited by the corporation"
Following "general fund"
    Delete "within 30 days after it is received"

Line 7-8
Following "distribution"
    Delete "determined by the corporation"
    Insert "for that fiscal year"

Lines 8-9
Following "general fund"
    Delete "for that."
    Insert ".On the last day of a"
Following "year"
    Delete ". If"
    Insert ", if"
Following "fund for" and preceding "fiscal year"
    Delete "a"
    Insert "that"

Line 10
Following "that" and preceding "fiscal year"
    Delete "fiscal year, on the last day of the"

Lines 14-22
New subsections
    Insert
    "(f) Each year, on or before January 30, the commissioner of revenue may, after
    consultation with the board, recommend an adjustment to the percentages of money
    appropriated under AS37.13.015, based on a review of the assets of the fund"
    (g) Each year, on or before January 30, the commissioner of revenue shall provide to the
    legislature a report evaluating the sufficiency of the assets in the earnings reserve account

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and the amount the commissioner projects to be distributed under AS 37.13.140(b). The commissioner shall deliver the report to the senate secretary and the chief clerk of the house or representatives and notify the legislature that the report is available.

(h) At the end of each fiscal year, the corporation shall transfer from the earnings reserve account to the dividend fund established under AS 43.23.045, 50 percent of the income available for distribution under AS 37.13.140."

Section 13. AS 37.13.300(c)
Page 7, Lines 26-29
Renumbered from Section 7

Line 28
Following "computation of"
    Insert "the amount"
    Delete "income"

Section 14. AS 37.13.300(c)
Page 7, Line 30 thru Page 8, Line 2
Repeals Section 13. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 15. AS 37.14.031(c)
Page 8, Lines 3-9
Renumbered from Section 8

Section 16. AS 37.14.031(c)
Page 8, Lines 10-16
Repeals Section 15. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 17. AS 43.23.025(a)
Page 8, Line 17 thru Page 9, Line11
Renumbered from Section 9

Section 18. AS 43.23.025(a)
Page 9, Line 12 thru Page 10, Line6
Repeals Section 17. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 19. AS 43.23.025
Page 10, Lines 7-12
Renumbered from Section 10

Section 20. AS 43.23.045(d)
Page 10, Lines 13-18
Renumbered from Section 11.

Section 21. AS 43.23.045(d)
Page 10, Lines 19-24
Repeals Section 20. This section reverts to the current statute and is effective July 1, 2019, as per Sec. 27 of this bill.

Section 22.
Page 10, Line 25

Following "*Sec."
        Insert "22. AS 37."
Following "13."
        Insert "145(b) is repealed"

Section 23.
Page 10, Lines 26-27

A new section repealing the following statutes (Sections of this bill) on July 1, 2019:
        AS 37.13.015 – (Section 3)
        AS 37.13.145(e) – (Section 12)
        AS 37.13.145(f) – (Section 12)
        AS 37.13.145(g) – (Section 12)
        AS 37.23.025(c) – (Section 19)

Section 24. Transition
Conforming Changes
Page 10, Line 30 thru Page 11, Line 7

Page 10, Line 30
        Delete "9"
        Insert "17"

Page 10, Line 31
        Delete "10"
        Insert "19"

Page 11, Line 1
        Delete "11"
        Insert "20"

Page 11, Line 3
        Delete "9 - 11"
        Insert "17, 19, 20"

Section 25. Transition
Page 11, Lines 8- 20

A new section that allows the 2019 dividend to be paid under the new formula as determined in Sections 3, 17, 19, and 20 of this bill, regardless of the repealing provisions that take effect on July 1, 2019.

Section 26. Retroactivity
Page 11, Lines 21-25

All sections that are not repealing sections are retroactive to July 1, 2016.

Section 26.
Page 12, Lines 11-12

All sections that are repealing sections take effect on July 1, 2019.

Section 28.
Page 12, Line 13
Renumbered from Section 15
      Insert: "*Sec. 28. Sections 24 and 26"

Section 29
Page 12, Line 14-15
Renumbered from 16

Following "*Sec"
      Delete "16"
      Insert "29"
Following "provided in"
      Delete "sec. 15"
      Insert "secs. 27 and 28"