

# ALASKA STATE LEGISLATURE

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### CS Senate Bill 103 (FIN)

#### Sectional Analysis

Version 31-LS0654\U

**Sec. 1 & 2:** Removes from AS 37.13.140(a) the 1982 formula for calculating the amount available for distribution and leaves the Net Income language for accounting purposes.

Adds language to AS 37.13.140(b), the Percent of Market Value (POMV) calculation for the Permanent Fund draw, stating that the amount for appropriation cannot exceed the balance of the Earnings Reserve Account (ERA).

Section 1 inserts the language into current statute; Section 2 is necessary to accommodate the delayed effective date of the same statute when the POMV draw rate “steps down” effective July 1, 2021 (Fiscal Year 2022).

**Sec. 3:** Amends AS 37.13.145(b) to enact the “split” of the POMV draw: 50% to dividends and 50% to the general fund.

**Sec. 4:** Conforming: AS 37.13.145(c) states that inflation proofing payments may not be used to increase the value of Amerada Hess subaccount. Sec. 4 makes technical changes in this statute to conform with changes made by this bill.

**Sec. 5:** Conforming: AS 37.13.145(d) states that funds from the Amerada Hess settlement cannot be used for dividends. Section 5 makes technical changes in this statute to conform to changes made by this bill.

**Sec. 6:** Conforming: AS 37.13.300(c) states that net income from the Mental Health Trust Fund is not included in calculations for the Permanent Fund. Section 6 makes technical changes in this statute to conform to changes made by this bill.

**Sec. 7:** Conforming: AS 37.14.031(c) states that the computation of net income of the Mental Health Trust Fund shall be computed in the same way as the Permanent Fund. Since the POMV split makes the net income calculation for the Permanent Fund obsolete, section 7 replaces the reference with a net income calculation.

- Sec. 8:** Conforming: AS 43.23.025(a) defines the formula for calculating individual dividends once the amount available for appropriation is known. Section 8 makes technical changes to conform to changes made by section 3 of this bill.
- Sec. 9:** Conforming: Repeals statutes that are no longer needed: AS 37.13.145(e) & (f), which limit the draw to the net income calculation being repealed in this bill
- Sec. 10:** Effective date for Section 2 of this bill.