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Governor Mike Dunleavy
STATE OF ALASKA

January 19, 2021

Chief Clerk
Alaska House of Representatives
Alaska State Legislature
Thomas Stewart Building, Room 202
Juneau, AK 99801-1182

Dear Chief Clerk:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska permanent fund and the permanent fund dividend.

The bill would establish a new statutory framework for annual spending from the Alaska permanent fund. It provides that five percent of the average market value (POMV) of the permanent fund would be eligible for annual appropriation by the legislature subject to the limitation that an appropriation may not exceed the balance in the earnings reserve account. It would further provide that of the amount available for appropriation – fifty percent of the amount would be available for permanent fund dividends and the remaining fifty percent would be available for appropriation to the general fund.

The bill would further provide that a special statewide election be held to take an advisory vote of qualified voters to advise the legislature on whether the statutory changes accomplished by this bill should continue to be the state's law regarding spending from the permanent fund. The inclusion of an advisory vote ensures that Alaska residents have a voice in the decisions we make regarding the permanent fund.

I propose this measure in order to resolve the current conflict between the statutes governing the annual POMV draw and the calculation of the permanent fund dividend. We must establish a reasonable rule that protects this increasingly important source of state revenue, limits the draw on the fund's earnings and provides for an annual dividend for Alaska residents.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure