

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version: HB 4009  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB4009-PF-PFD-10-12-21  
Title: PERMANENT FUND DIVIDEND; ROYALTIES  
Sponsor: HOPKINS  
Requester: (H)W&M

Department: Permanent Fund  
Appropriation: Permanent Fund Dividends  
Allocation: Permanent Fund Dividend Fund  
OMB Component Number: 2616

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous			739,000.0	1,051,000.0	1,388,000.0	1,724,000.0	1,813,000.0
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>739,000.0</b>	<b>1,051,000.0</b>	<b>1,388,000.0</b>	<b>1,724,000.0</b>	<b>1,813,000.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)			403,000.0	511,000.0	628,000.0	724,000.0	758,000.0
1041 PF ERA (UGF)			336,000.0	540,000.0	760,000.0	1,000,000.0	1,055,000.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>739,000.0</b>	<b>1,051,000.0</b>	<b>1,388,000.0</b>	<b>1,724,000.0</b>	<b>1,813,000.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial version.

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Agency: Office of Management and Budget

Phone: (907)465-4698  
Date: 10/12/2021 05:00 PM  
Date: 10/12/21

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION

BILL NO. HB4009

### Analysis

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to the sum of 25 percent of the market value (POMV) draw from the Permanent Fund under AS 37.13.140(b) and 50 percent of oil and gas royalty payments. This calculation is effective for the dividend payment in fiscal year 2026, or calendar year 2025.

In the intervening years, this legislation provides for a stair-step calculation for the appropriation for permanent fund dividends outlined in the table below.

Under the calculation proposed by this legislation, the fiscal year 2023 appropriation for permanent fund dividends is estimated to be \$739 million based on 10 percent of the POMV draw and 35 percent of royalties, equating to an estimated dividend of \$1,092 for eligible recipients. The table below shows estimated permanent fund dividends under the proposed statutory calculation based on current Alaska Permanent Fund Corporation and Department of Revenue projections.

<i>Dollars in millions</i>	FY23	FY24	FY25	FY26	FY27
POMV % to PFD	10%	15%	20%	25%	25%
POMV \$ to PFD	\$336	\$540	\$760	\$1,000	\$1,055
Royalty % to PFD	35%	40%	45%	50%	50%
Royalty \$ to PFD	\$403	\$511	\$628	\$724	\$758
Total Appropriation to PFD	\$739	\$1,051	\$1,388	\$1,724	\$1,813
Estimated PFD/person ( <i>dollars</i> )	\$1,092.00	\$1,567.00	\$2,069.00	\$2,563.00	\$2,679.00