

HOUSE BILL NO. 251

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE JOSEPHSON

Introduced: 1/18/22

Referred: State Affairs, Finance

A BILL**FOR AN ACT ENTITLED**

1 **"An Act relating to the Board of Trustees of the Alaska Permanent Fund Corporation;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 37.13.050(a) is repealed and reenacted to read:

5 (a) The Board of Trustees of the Alaska Permanent Fund Corporation consists
6 of seven members. One member shall be the commissioner of revenue. The six public
7 members shall be appointed by the Alaska Permanent Fund Corporation appointment
8 committee. Members appointed by the committee may not hold any other state or
9 federal office, position, or employment, either elective or appointive, except as a
10 member of the armed forces of either the United States or of this state.

11 * **Sec. 2.** AS 37.13.050(b) is amended to read:

12 (b) The six [FOUR] public members of the board must have recognized
13 competence and wide experience in finance, investments, or other business
14 management-related fields. One of the members must have wide experience in

1 **socially responsible investing.**

2 * **Sec. 3.** AS 37.13.060 is amended to read:

3 **Sec. 37.13.060. Term of office.** The public members of the board shall be
4 appointed for terms of **six** [FOUR] years, and they may be reappointed. The terms of
5 the public members shall be staggered so that **not** [NO] more than one term of a public
6 member expires each year.

7 * **Sec. 4.** AS 37.13 is amended by adding a new section to read:

8 **Sec. 37.13.065. Appointment committee.** (a) The Alaska Permanent Fund
9 Corporation appointment committee consists of the following nine members:

10 (1) two members appointed by the governor;

11 (2) two members appointed by the speaker of the house of
12 representatives;

13 (3) two members appointed by the president of the senate;

14 (4) one member appointed by the leader of the minority organizational
15 caucus of the house of representatives with the greatest number of members;

16 (5) one member appointed by the leader of the minority organizational
17 caucus of the senate with the greatest number of members; and

18 (6) one member appointed by the commissioner of revenue.

19 (b) The purpose of the committee is to appoint the six public members of the
20 board.

21 (c) Appointment committee members are appointed for indefinite terms and
22 may be removed at any time by the governor, the speaker of the house of
23 representatives, the president of the senate, the leader of the minority organizational
24 caucus of the house of representatives with the greatest number of members, the leader
25 of the minority organizational caucus of the senate with the greatest number of
26 members, or the commissioner of revenue, respectively.

27 (d) A vacancy on the appointment committee shall be promptly filled by the
28 governor, the speaker of the house of representatives, the president of the senate, the
29 leader of the minority organizational caucus of the house of representatives with the
30 greatest number of members, the leader of the minority organizational caucus of the
31 senate with the greatest number of members, or the commissioner of revenue, as

1 applicable.

2 (e) Five members of the appointment committee constitute a quorum for the
3 transaction of business and the exercise of the powers and duties of the committee.
4 Action may be taken only upon affirmative vote of a majority of the full membership
5 of the committee.

6 (f) A vacancy on the appointment committee does not impair the authority of a
7 quorum of the committee to exercise all the powers and perform all the duties of the
8 committee.

9 * **Sec. 5.** AS 37.13.070(a) is amended to read:

10 (a) The **Alaska Permanent Fund Corporation appointment committee**
11 [GOVERNOR] may remove a public member of the board from office only for cause.
12 A removal by the **appointment committee** [GOVERNOR] must be in writing and
13 must state the reason for the removal. A member who is removed by the **appointment**
14 **committee** [GOVERNOR] may not participate in board business and may not be
15 counted for purposes of establishing a quorum after the member receives written
16 notice of removal from the **appointment committee** [GOVERNOR].

17 * **Sec. 6.** AS 37.13.070(b) is amended to read:

18 (b) A vacancy on the board shall be promptly filled by appointment by the
19 **appointment committee** [GOVERNOR]. An appointee to a vacancy shall hold office
20 for the balance of the term for which the appointee's predecessor on the board was
21 appointed.

22 * **Sec. 7.** AS 37.13.080 is amended to read:

23 **Sec. 37.13.080. Quorum and voting.** Four members of the board constitute a
24 quorum for the transaction of business and the exercise of the powers and duties of the
25 board. **Except as provided in AS 37.13.100, action** [ACTION] may be taken only
26 upon affirmative vote of a majority of the full membership of the board.

27 * **Sec. 8.** AS 37.13.100 is amended to read:

28 **Sec. 37.13.100. Corporation staff.** The board may employ and determine the
29 salary of an executive director. **The board may remove the executive director for**
30 **cause. The board may remove the executive director without cause upon**
31 **affirmative vote of five members.** The executive director may, with the approval of

1 the board, select and employ additional staff as necessary. An employee of the
2 corporation, including the executive director, may not be a member of the board. The
3 executive director and the other employees of the board are in the exempt service
4 under AS 39.25.

5 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND
8 CORPORATION; TRANSITION. (a) The terms of the members of the Board of Trustees of
9 the Alaska Permanent Fund Corporation, other than the commissioner of revenue, expire on
10 the effective date of this Act.

11 (b) Notwithstanding AS 37.13.060, as amended by sec. 3 of this Act, members of the
12 Board of Trustees of the Alaska Permanent Fund Corporation appointed by the Alaska
13 Permanent Fund Corporation appointment committee under AS 37.13.050(a), as repealed and
14 reenacted by sec. 1 of this Act, are appointed by the appointment committee to initial terms as
15 follows:

- 16 (1) one member for one year;
17 (2) one member for two years;
18 (3) one member for three years;
19 (4) one member for four years;
20 (5) one member for five years;
21 (6) the member with widespread experience in socially responsible investing
22 under AS 37.13.050(b), as amended by sec. 2 of this Act, for six years.

23 (c) Nothing in this section prevents the appointment of a person whose term expires
24 under (a) of this section to the Board of Trustees of the Alaska Permanent Fund Corporation if
25 the person meets the qualifications of AS 37.13.050(b), as amended by sec. 2 of this Act.

26 * **Sec. 10.** This Act takes effect January 1, 2023.