

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version: HB 396
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB396-DOR-TRS-3-11-22
Title: DIVEST INVESTMENTS IN RUSSIAN ENTITIES
Sponsor: STATE AFFAIRS
Requester: (H) STATE AFFAIRS

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2023	Included in	Out-Year Cost Estimates						
	Appropriation Requested	Governor's FY2023 Request	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES									
Personal Services									
Travel									
Services									
Commodities									
Capital Outlay									
Grants & Benefits									
Miscellaneous									
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None									
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time									
Part-time									
Temporary									

Change in Revenues

None	***		***	***	***	***	***	***
Total	***	0.0	***	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

Prepared By: Pam Leary, Director	Phone: (907)465-3751
Division: Treasury Division	Date: 03/11/2022
Approved By: Eric DeMoulin, Administrative Services Director	Date: 03/11/22
Agency: Department of Revenue	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. HB 396

Analysis

This bill would require divestment, by all fiduciaries of funds subject to AS 37, of publicly traded securities of Russian entities identified by the Commissioner of Revenue to include all Russian sovereign debt or securities of an entity identified by the Office of Foreign Assets Control of the US Treasury.

While the Russian market is currently closed and the opportunities for divestment remain slim, the bill directs a 90-day exit from assets after they are identified. For comingled funds or other investment structures where the fund is not the sole owner, divestiture is not required but the fiduciary would be required to request that the fund manager consider similar divestment within 90 days.

This bill exempts those taking divestment actions or inactions from liability for doing so and provides reporting mechanisms to the Legislature as to the divestment activity undertaken.

The fiscal impact of the bill is indeterminate as a result of the timing and proceeds from sale of Russian assets being not known at this stage.