

# Fiscal Note

State of Alaska  
2022 Legislative Session

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

Identifier: HB396CS(STA)-DOR-TRS-4-22-22  
Title: DIVEST INVESTMENTS IN RUSSIAN ENTITIES  
Sponsor: STATE AFFAIRS  
Requester: House 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 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>OPERATING EXPENDITURES</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Personal Services	***	***	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	***	***	***	***	***	***	***

**Fund Source (Operating Only)**

None							
<b>Total</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 (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If yes, by what date are the regulations to be adopted, amended or repealed?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:**

The fiscal note remains indeterminate based on the new committee substitute, Version I.

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Division:	Treasury Division	Date:	04/22/2022 04:30 PM
Approved By:	Eric DeMoulin, Administrative Services Director	Date:	04/22/22
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

BILL NO. HB396

**Analysis**

The 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.

The Russian market is currently closed and the opportunities for divestment remain slim. The bill directs a 180-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 180 days.

The bill also states that, "the commissioner or a fiduciary of a fund is not required to divest from an investment under this section if the commissioner or fiduciary determines that divestment is not consistent with the fiduciary responsibilities of the commissioner or the fiduciary."

The 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.