

33-LS0493\D
Marx
4/11/23

CS FOR SENATE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring the Alaska Permanent Fund Corporation to manage the power cost**
2 **equalization endowment fund; requiring the Alaska Permanent Fund Corporation to**
3 **publish certain reports relating to the power cost equalization endowment fund; relating**
4 **to the Alaska Permanent Fund Corporation's management and investment of the power**
5 **cost equalization endowment fund; and providing for an effective date."**

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

7 *** Section 1.** AS 37.13 is amended by adding a new section to article 2 to read:

8 **Sec. 37.13.310. Corporation to manage the power cost equalization**
9 **endowment fund.** (a) The corporation shall manage the power cost equalization
10 endowment fund using the same investment objective and asset allocation as the
11 corporation uses in managing the Alaska permanent fund subject to AS 37.13.120.

12 (b) The corporation shall

13 (1) at least quarterly, prepare a financial report showing investment

revenue and expenditures, including the allocation of the cash assets of the power cost equalization endowment fund among investments; and

(2) annually prepare financial statements in accordance with generally accepted accounting principles consistently applied, and an audit report prepared by a certified public accountant.

(c) After preparing a financial statement or report, the corporation shall publish and deliver the financial statement or report to the Alaska Energy Authority, the Department of Commerce, Community, and Economic Development, the senate secretary, and the chief clerk of the house of representatives, and notify the legislature that the financial statement or report is available.

(d) Net income from the power cost equalization endowment fund may not be included in the computation of net income or market value available for distribution or appropriation under AS 37.13.140.

* **Sec. 2.** AS 42.45.080(a) is repealed and reenacted to read:

(a) The power cost equalization endowment fund shall be managed by the corporation under AS 37.13.310.

* **Sec. 3.** AS 42.45.080(c) is amended to read:

(c) On **June 30** [JULY 1] of each year, the **corporation** [COMMISSIONER] shall determine

(1) the [MONTHLY] average **ending** market value of the fund for the previous three closed fiscal years; and

(2) the earnings of the fund for the previous closed fiscal year.

* **Sec. 4.** AS 42.45.085(a) is amended to read:

(a) Five percent of the amount determined by the **corporation** [COMMISSIONER OF REVENUE ON JULY 1 OF] each year under AS 42.45.080(c)(1) may be appropriated for the following purposes:

(1) funding the power cost equalization and rural electric capitalization fund (AS 42.45.100);

(2) reimbursement to the **corporation** [DEPARTMENT OF REVENUE] for the costs of [ESTABLISHING AND] managing the fund; and

(3) reimbursement of other costs of administration of the fund.

1 * **Sec. 5.** AS 42.45.099 is amended to read:

2 **Sec. 42.45.099. Definitions [DEFINITION].** In AS 42.45.070 - 42.45.099,

3 **(1) "corporation" means the Alaska Permanent Fund Corporation**
4 **established in AS 37.13.040;**

5 **(2)** "fund" means the power cost equalization endowment fund
6 established in AS 42.45.070.

7 * **Sec. 6.** AS 42.45.080(b) is repealed.

8 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 **TRANSITION.** On July 1, 2023,

11 (1) the commissioner of revenue shall transfer the balance of the power cost
12 equalization endowment fund established in AS 42.45.070 to the Alaska Permanent Fund
13 Corporation established in AS 37.13.040; and

14 (2) the corporation shall begin managing the fund.

15 * **Sec. 8.** This Act takes effect July 1, 2023.