

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: HB 90
 Fiscal Note Number: _____
 () Publish Date: _____

Identifier: HB090-DOR-APFC-03-03-23
 Title: PERMANENT FUND DIVIDEND; \$1000 DIVIDEND
 Sponsor: FIELDS
 Requester: (H) W&M

Department: Department of Revenue
 Appropriation: Alaska Permanent Fund Corporation
 Allocation: APFC Investment Management Fees
 OMB Component Number: 2310

Expenditures/Revenues

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

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2024	FY 2024					
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

Fund Source (Operating Only)

None							
Total	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	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version of this bill.

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Division:	<u>Alaska Permanent Fund Corporation</u>	Date:	<u>03/03/2023</u>
Approved By:	<u>Deven Mitchell, Executive Director and Chief Executive Officer</u>	Date:	<u>03/03/23</u>
Agency:	<u>Alaska Permanent Fund Corporation</u>		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. HB 90

Analysis

This bill repeals the current statutory formula for computing the Permanent Fund Dividend, and replaces it with a fixed dividend amount of \$1,000. The bill clarifies that appropriations from the Earnings Reserve Account of the Permanent Fund may not exceed the balance of the Earnings Reserve Account.

The current statutory PFD formula creates a PFD distribution of (slightly more than) half of the five year average of statutory net income. Statutory net income is variable and depends on market conditions and investment portfolio actions taken by APFC. A fixed amount dividend could result in a distribution from the Earnings Reserve Account that is either greater than or less than the distribution under the current statutory formula.