

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GROH

TO: HCS CSSB 107(W&M), Draft Version "O"

Page 2, following line 3:

Insert a new bill section to read:

"* **Sec. 2.** AS 24.20.221 is amended by adding a new subsection to read:

(c) Each year, the fiscal analyst and the commissioner of revenue shall jointly certify and publish the amount of new revenue as required under AS 37.13.145(g)."

Renumber the following bill sections accordingly.

Page 2, line 14, through page 3, line 26:

Delete all material and insert:

"(b) The corporation shall determine the amount available for appropriation each year. The amount available for appropriation is five percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended, computed annually for each fiscal year in accordance with generally accepted accounting principles. **The amount available for appropriation may not exceed the balance in the earnings reserve account described in AS 37.13.145.** In this subsection, "average market value of the fund" includes the balance of the earnings reserve account established under AS 37.13.145, but does not include that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

* **Sec. 4.** AS 37.13.145(b) is amended to read:

(b) **Each** [AT THE END OF EACH] fiscal year, the **legislature may appropriate** [CORPORATION SHALL TRANSFER] from the

(1) earnings reserve account to the general fund the amount available for appropriation calculated under AS 37.13.140(b);

(2) general fund to the dividend fund established under AS 43.23.045

(A) 25 [, 50] percent of the income available for appropriation [DISTRIBUTION] under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is less than \$250,000,000;

(B) 30 percent of the income available for appropriation under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is greater than or equal to \$250,000,000, but less than \$500,000,000;

(C) 35 percent of the income available for appropriation under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is greater than or equal to \$500,000,000, but less than \$750,000,000;

(D) 40 percent of the income available for appropriation under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is greater than or equal to \$750,000,000, but less than \$1,000,000,000;

(E) 45 percent of the income available for appropriation under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is greater than or equal to \$1,000,000,000, but less than \$1,250,000,000;

(F) 50 percent of the income available for appropriation under AS 37.13.140(b) if the annual amount of new revenue, as determined under (g) of this section, is greater than or equal to \$1,250,000,000 [AS 37.13.140].

* Sec. 5. AS 37.13.145(c) is amended to read:

(c) After the appropriations [TRANSFER] under (b) [AND AN APPROPRIATION UNDER (e)] of this section, the legislature may appropriate [CORPORATION SHALL TRANSFER] from the earnings reserve account to the principal of the fund an amount sufficient to offset the effect of inflation on the

principal of the fund during that fiscal year. However, none of the amount **appropriated** [TRANSFERRED] shall be applied to increase the value of that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District) on July 1, 2004. The corporation shall calculate the amount to **appropriate** [TRANSFER] to the principal under this subsection by

(1) computing the average of the monthly United States Consumer Price Index for all urban consumers for each of the two previous calendar years;

(2) computing the percentage change between the first and second calendar year average; and

(3) applying that rate to the value of the principal of the fund on the last day of the fiscal year just ended, including that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

* **Sec. 6.** AS 37.13.145(d) is amended to read:

(d) Notwithstanding (b) of this section, income earned on money awarded in or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement, summary judgment, or adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned on the money, or on the earnings of the money shall be treated in the same manner as other income of the Alaska permanent fund, except that it is not available for **appropriation** [DISTRIBUTION] to the **general fund or the** dividend fund **under (b) of this section or** [,] for **an appropriation** [TRANSFERS] to the principal under (c) of this section [, OR FOR AN APPROPRIATION UNDER (e) OF THIS SECTION,] and shall be annually deposited into the Alaska capital income fund (AS 37.05.565).

* **Sec. 7.** AS 37.13.145 is amended by adding a new subsection to read:

(g) Each year, the commissioner of revenue and the fiscal analyst of the legislative finance division shall jointly certify and publish the amount of new annually recurring general fund revenue, when compared to annual revenue generated from the Alaska Statutes as they read on January 1, 2023. In this subsection, "general

fund revenue" does not include revenue from the permanent fund.

* **Sec. 8.** AS 37.13.300(c) is amended to read:

(c) Net income from the mental health trust fund may not be included in the computation of **the amount** [NET INCOME OR MARKET VALUE] available for [DISTRIBUTION OR] appropriation under **AS 37.13.140(b)** [AS 37.13.140].

* **Sec. 9.** AS 43.05.010 is amended to read:

Sec. 43.05.010. Duties of commissioner. The commissioner of revenue shall

(1) exercise general supervision and direct the activities of the Department of Revenue;

(2) supervise the fiscal affairs and responsibilities of the department;

(3) prescribe uniform rules for investigations and hearings;

(4) keep a record of all departmental proceedings, record and file all bonds, and assume custody of returns, reports, papers, and documents of the department;

(5) adopt a seal and affix it to each order, process, or certificate issued by the commissioner;

(6) keep a record of each order, process, and certificate issued by the commissioner, and keep the record open to public inspection at all reasonable times;

(7) hold hearings and investigations necessary for the administration of state tax and revenue laws;

(8) except as provided in AS 43.05.405 - 43.05.499 and in AS 44.64.030, hear and determine appeals of a matter within the jurisdiction of the Department of Revenue and enter orders on the appeals that are final unless reversed or modified by the courts;

(9) issue subpoenas to require the attendance of witnesses and the production of necessary books, papers, documents, correspondence, and other things;

(10) order the taking of depositions before a person competent to administer oaths;

(11) administer oaths and take acknowledgments;

(12) request the attorney general for rulings on the interpretation of the tax and revenue laws administered by the department;

1 (13) call on [UPON] the attorney general to institute actions for
2 recovery of unpaid taxes, fees, excises, additions to tax, penalties, and interest;

3 (14) issue warrants for the collection of unpaid tax penalties and
4 interest and take all steps necessary and proper to enforce full and complete
5 compliance with the tax, license, excise, and other revenue laws of the state;

6 (15) report to the legislature before February 15 of each year the total
7 amount of contributions reported and the total amount of credit claimed during the
8 previous calendar year under AS 43.20.014, AS 43.55.019, AS 43.56.018,
9 AS 43.65.018, AS 43.75.018, and AS 43.77.045;

10 (16) consult with the commissioner of natural resources on negotiation
11 of contracts and development of terms for inclusion in proposed contracts associated
12 with a North Slope natural gas project;

13 (17) direct the disposition of revenue received from gas delivered to
14 the state under AS 43.55.014(b) by entering into agreements with the commissioner of
15 natural resources related to the management of the custody and disposition of gas
16 delivered to the state under AS 43.55.014(b);

17 **(18) each year, jointly certify and publish with the fiscal analyst of**
18 **the legislative finance division the amount of new revenue as required under**
19 **AS 37.13.145(g).**

20 * **Sec. 10.** AS 43.23.025(a) is amended to read:

21 (a) By October 1 of each year, the commissioner shall determine the value of
22 each permanent fund dividend for that year by

23 (1) determining the total amount available for dividend payments,
24 which equals

25 (A) the amount **appropriated** [OF INCOME OF THE
26 ALASKA PERMANENT FUND TRANSFERRED] to the dividend fund
27 under AS 37.13.145(b) during the current year;

28 (B) plus the unexpended and unobligated balances of prior
29 fiscal year appropriations that lapse into the dividend fund under
30 AS 43.23.045(d);

31 (C) less the amount necessary to pay prior year dividends from

1 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
2 43.23.055(3) and (7);

3 (D) less the amount necessary to pay dividends from the
4 dividend fund due to eligible applicants who, as determined by the department,
5 filed for a previous year's dividend by the filing deadline but who were not
6 included in a previous year's dividend computation;

7 (E) less appropriations from the dividend fund during the
8 current year, including amounts to pay costs of administering the dividend
9 program and the hold harmless provisions of AS 43.23.240;

10 (2) determining the number of individuals eligible to receive a
11 dividend payment for the current year and the number of estates and successors
12 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

13 (3) dividing the amount determined under (1) of this subsection by the
14 amount determined under (2) of this subsection.

15 * **Sec. 11.** AS 37.13.145(e) and 37.13.145(f) are repealed."
16

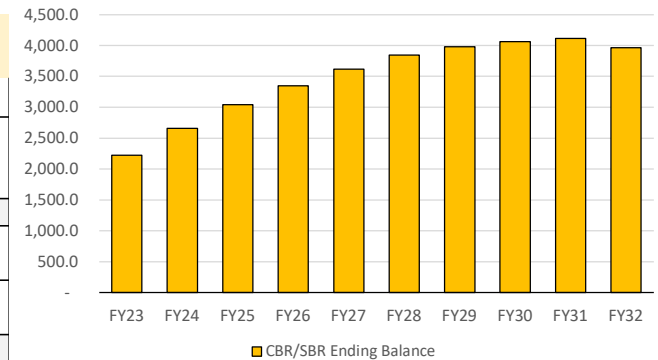
17 Renumber the following bill section accordingly.

Fiscal Plan Working Group Spreadsheet - 2023 Update

Scenario Summary

This graph shows a stairstep approach as in the suggested amendment. In this scenario the first 250mil come online in FY 25, the 2nd in FY27, the 3rd in FY 30 and the 4th in FY 32. (PFD amounts: \$1664, \$2110, \$2552, \$3018)

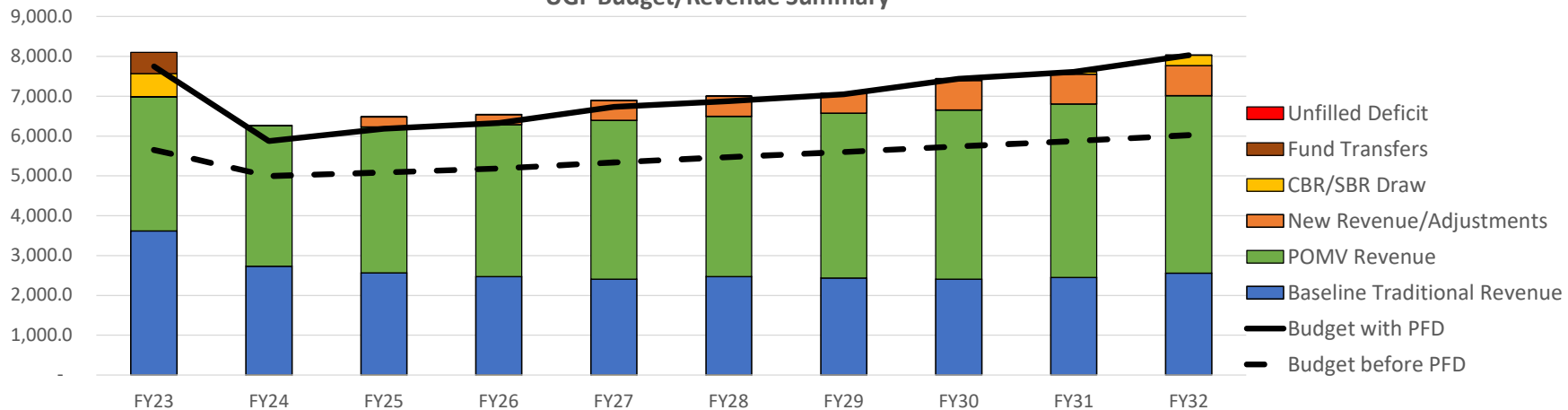
Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Baseline Traditional Revenue	3,618.9	2,731.2	2,564.3	2,474.4	2,406.2	2,475.9	2,439.0	2,408.9	2,452.6	2,555.6
POMV Revenue	3,360.6	3,526.1	3,664.6	3,810.8	3,988.5	4,021.6	4,131.3	4,239.9	4,349.9	4,462.1
New Revenue/Adjustments	13.7	-	250.0	250.0	500.0	500.0	500.0	750.0	750.0	750.0
Total Revenue	6,993.2	6,257.3	6,478.9	6,535.2	6,894.7	6,997.5	7,070.3	7,398.8	7,552.5	7,767.7
Budget Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Budget Baseline	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Scenario Changes	-	-	-	-	-	-	-	-	-	-
Total Budget before PFD	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Surplus/(Deficit) before PFD	805.3	1,251.9	1,393.7	1,350.1	1,558.7	1,526.8	1,469.3	1,658.3	1,678.2	1,745.8
PFD Appropriation	2,100.4	881.5	1,099.4	1,143.2	1,396.0	1,407.5	1,446.0	1,695.9	1,740.0	2,007.9
Per Person	\$ 3,284	\$ 1,304	\$ 1,664	\$ 1,722	\$ 2,110	\$ 2,117	\$ 2,171	\$ 2,552	\$ 2,610	\$ 3,018
Pre-Transfer Surplus/(Deficit)	(757.9)	381.3	294.6	207.1	163.1	119.5	23.7	(37.4)	(61.5)	(262.1)
\$ Change from Prior Year		1,139.2	(86.7)	(87.5)	(44.0)	(43.5)	(95.9)	(61.0)	(24.2)	(200.6)
% Change from Prior Year		-150%	-23%	-30%	-21%	-27%	-80%	-258%	65%	326%
Fund Transfers	537.2	10.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Savings Deposit/(Draw)	(571.0)	392.2	294.9	207.4	163.4	119.8	24.0	(37.1)	(61.2)	(261.8)
CBR/SBR Ending Balance	2,222.2	2,659.3	3,044.8	3,349.9	3,617.3	3,846.4	3,982.9	4,060.2	4,114.5	3,964.8
Remaining Gap after CBR/SBR	-	-	-	-	-	-	-	-	-	-



Average Surplus/(Deficit)
92.0

Cumulative Gap
-

UGF Budget/Revenue Summary

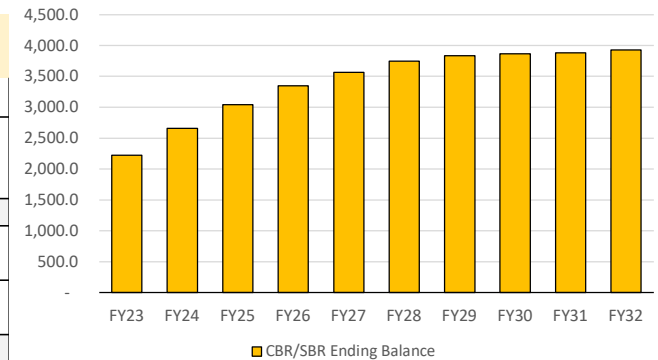


Fiscal Plan Working Group Spreadsheet - 2023 Update

Scenario Summary

Scenario #2: In this scenario the first 250mil come online in FY 25, and we stay there until FY 30, when the next 250 mil come online

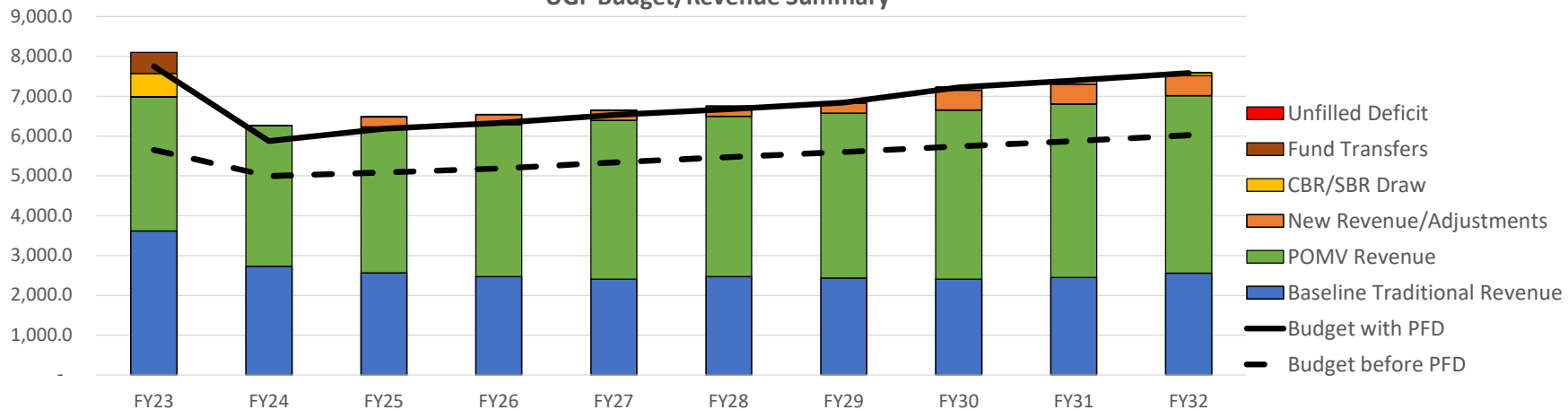
Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Baseline Traditional Revenue	3,618.9	2,731.2	2,564.3	2,474.4	2,406.2	2,475.9	2,439.0	2,408.9	2,452.6	2,555.6
POMV Revenue	3,360.6	3,526.1	3,664.6	3,810.8	3,988.5	4,021.6	4,131.3	4,239.9	4,349.9	4,462.1
New Revenue/Adjustments	13.7	-	250.0	250.0	250.0	250.0	250.0	500.0	500.0	500.0
Total Revenue	6,993.2	6,257.3	6,478.9	6,535.2	6,644.7	6,747.5	6,820.3	7,148.8	7,302.5	7,517.7
Budget Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Budget Baseline	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Scenario Changes	-	-	-	-	-	-	-	-	-	-
Total Budget before PFD	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Surplus/(Deficit) before PFD	805.3	1,251.9	1,393.7	1,350.1	1,308.7	1,276.8	1,219.3	1,408.3	1,428.2	1,495.8
PFD Appropriation	2,100.4	881.5	1,099.4	1,143.2	1,196.5	1,206.5	1,239.4	1,484.0	1,522.5	1,561.7
Per Person	\$ 3,284	\$ 1,304	\$ 1,664	\$ 1,722	\$ 1,799	\$ 1,809	\$ 1,855	\$ 2,228	\$ 2,278	\$ 2,333
Pre-Transfer Surplus/(Deficit)	(757.9)	381.3	294.6	207.1	112.5	70.6	(19.8)	(75.4)	(94.0)	(65.9)
\$ Change from Prior Year		1,139.2	(86.7)	(87.5)	(94.6)	(41.9)	(90.4)	(55.6)	(18.7)	28.1
% Change from Prior Year		-150%	-23%	-30%	-46%	-37%	-128%	281%	25%	-30%
Fund Transfers	537.2	10.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Savings Deposit/(Draw)	(571.0)	392.2	294.9	207.4	112.8	70.9	(19.5)	(75.1)	(93.7)	(65.6)
CBR/SBR Ending Balance	2,222.2	2,659.3	3,044.8	3,349.9	3,565.5	3,743.3	3,832.9	3,867.6	3,884.1	3,929.7
Remaining Gap after CBR/SBR	-	-	-	-	-	-	-	-	-	-



Average Surplus/(Deficit)
90.1

Cumulative Gap
-

UGF Budget/Revenue Summary

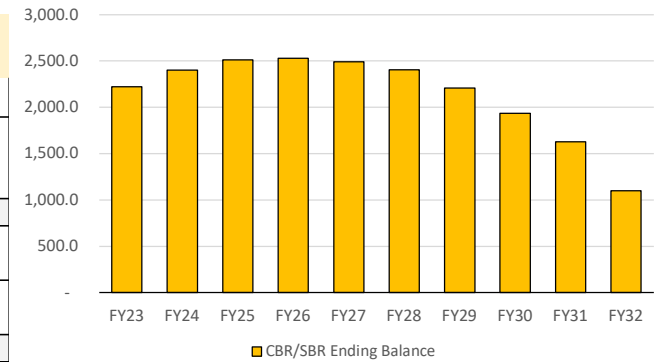


Fiscal Plan Working Group Spreadsheet - 2023 Update

Scenario Summary

Scenario #3: Same as scenario 1, except with education funding from SB 52

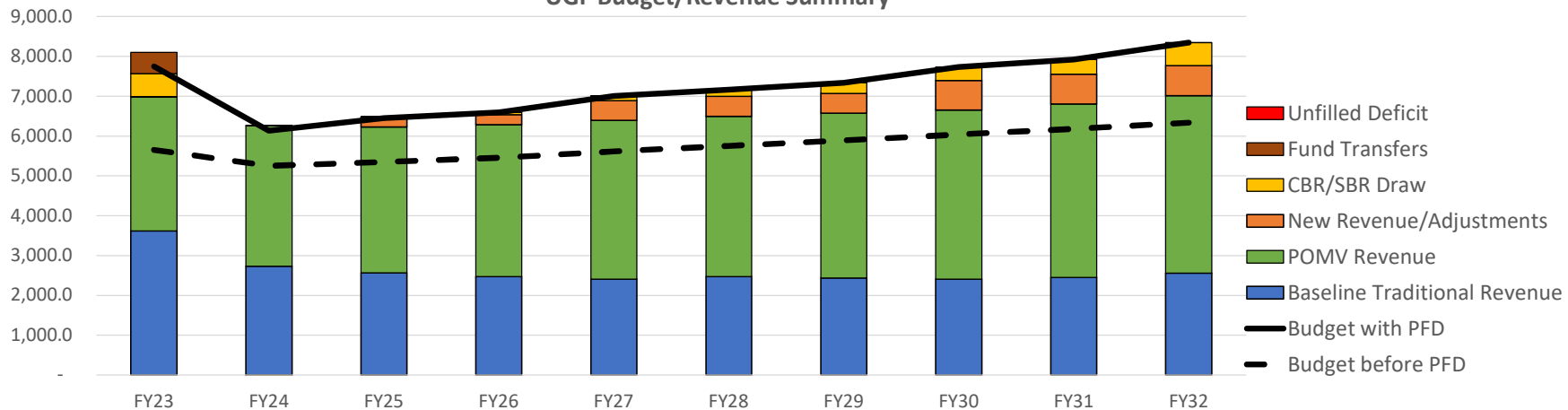
Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Baseline Traditional Revenue	3,618.9	2,731.2	2,564.3	2,474.4	2,406.2	2,475.9	2,439.0	2,408.9	2,452.6	2,555.6
POMV Revenue	3,360.6	3,526.1	3,664.6	3,810.8	3,988.5	4,021.6	4,131.3	4,239.9	4,349.9	4,462.1
New Revenue/Adjustments	13.7	-	250.0	250.0	500.0	500.0	500.0	750.0	750.0	750.0
Total Revenue	6,993.2	6,257.3	6,478.9	6,535.2	6,894.7	6,997.5	7,070.3	7,398.8	7,552.5	7,767.7
Budget Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Budget Baseline	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Scenario Changes	-	257.2	263.6	270.2	277.0	283.9	291.0	298.3	305.7	313.4
Total Budget before PFD	5,650.7	5,251.7	5,348.6	5,455.1	5,612.6	5,754.3	5,891.6	6,038.4	6,179.8	6,335.2
Surplus/(Deficit) before PFD	805.3	994.7	1,130.1	1,079.9	1,281.8	1,242.9	1,178.3	1,360.0	1,372.4	1,432.4
PFD Appropriation	2,100.4	881.5	1,099.4	1,143.2	1,396.0	1,407.5	1,446.0	1,695.9	1,740.0	2,007.9
Per Person	\$ 3,284	\$ 1,304	\$ 1,664	\$ 1,722	\$ 2,110	\$ 2,117	\$ 2,171	\$ 2,552	\$ 2,610	\$ 3,018
Pre-Transfer Surplus/(Deficit)	(757.9)	124.1	31.0	(63.1)	(113.9)	(164.3)	(267.3)	(335.6)	(367.2)	(575.5)
\$ Change from Prior Year		882.0	(93.1)	(94.1)	(50.8)	(50.5)	(103.0)	(68.3)	(31.6)	(208.3)
% Change from Prior Year		-116%	-75%	-304%	81%	44%	63%	26%	9%	57%
Fund Transfers	537.2	10.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Savings Deposit/(Draw)	(571.0)	135.0	31.3	(62.8)	(113.6)	(164.0)	(267.0)	(335.3)	(366.9)	(575.2)
CBR/SBR Ending Balance	2,222.2	2,402.1	2,511.6	2,527.3	2,491.4	2,403.0	2,207.0	1,936.4	1,627.0	1,096.9
Remaining Gap after CBR/SBR	-	-	-	-	-	-	-	-	-	-



Average Surplus/(Deficit)
(192.4)

Cumulative Gap
-

UGF Budget/Revenue Summary

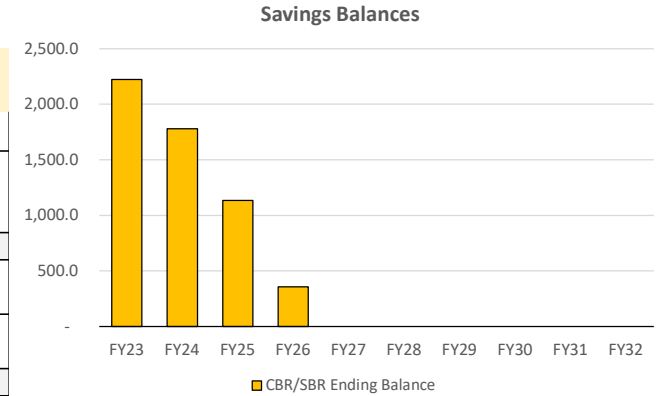


Fiscal Plan Working Group Spreadsheet - 2023 Update

Scenario Summary

Scenario #4: No revenue, 50:50 PFD from get-go as currently suggested by HW&M CS

Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Baseline Traditional Revenue	3,618.9	2,731.2	2,564.3	2,474.4	2,406.2	2,475.9	2,439.0	2,408.9	2,452.6	2,555.6
POMV Revenue	3,360.6	3,526.1	3,664.6	3,810.8	3,988.5	4,021.6	4,131.3	4,239.9	4,349.9	4,462.1
New Revenue/Adjustments	13.7	-	-	-	-	-	-	-	-	-
Total Revenue	6,993.2	6,257.3	6,228.9	6,285.2	6,394.7	6,497.5	6,570.3	6,648.8	6,802.5	7,017.7
Budget Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Budget Baseline	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Scenario Changes	-	-	-	-	-	-	-	-	-	-
Total Budget before PFD	5,650.7	4,994.5	5,084.9	5,184.8	5,335.6	5,470.4	5,600.7	5,740.2	5,874.1	6,021.9
Surplus/(Deficit) before PFD	805.3	1,251.9	1,143.7	1,100.1	1,058.7	1,026.8	969.3	908.3	928.2	995.8
PFD Appropriation	2,100.4	1,763.1	1,832.3	1,905.4	1,994.2	2,010.8	2,065.6	2,119.9	2,175.0	2,231.0
Per Person	\$ 3,284	\$ 2,689	\$ 2,795	\$ 2,899	\$ 3,028	\$ 3,044	\$ 3,121	\$ 3,197	\$ 3,275	\$ 3,354
Pre-Transfer Surplus/(Deficit)	(757.9)	(500.3)	(688.3)	(805.0)	(935.2)	(983.7)	(1,096.0)	(1,211.4)	(1,246.5)	(1,235.2)
\$ Change from Prior Year		257.6	(188.1)	(116.7)	(130.2)	(48.5)	(112.3)	(115.3)	(35.2)	11.3
% Change from Prior Year		-34%	38%	17%	16%	5%	11%	11%	3%	-1%
Fund Transfers	537.2	10.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Savings Deposit/(Draw)	(571.0)	(489.4)	(688.0)	(804.7)	(934.9)	(983.4)	(1,095.7)	(1,211.1)	(1,246.2)	(1,234.9)
CBR/SBR Ending Balance	2,222.2	1,777.8	1,135.8	358.9	-	-	-	-	-	-
Remaining Gap after CBR/SBR	-	-	-	(445.8)	(934.9)	(983.4)	(1,095.7)	(1,211.1)	(1,246.2)	(1,234.9)



Average Surplus/(Deficit)
(966.8)

Cumulative Gap
(7,152.0)

UGF Budget/Revenue Summary

