

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: HB 266
 Fiscal Note Number: _____
 () Publish Date: _____

Identifier: HB266-DOR-APFC-3-1-24
 Title: PERMANENT FUND DIVIDEND; ROYALTIES
 Sponsor: CARRICK
 Requester: House Ways & Means

Department: Department of Revenue
 Appropriation: Alaska Permanent Fund Corporation
 Allocation: APFC Operations
 OMB Component Number: 109

Expenditures/Revenues

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

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
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

Fund Source (Operating Only)

None								
Total	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	***	***	***	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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: <u>Alysha Guthrie, Director of Administrative Operations</u>	Phone: <u>(907)769-1540</u>
Division: <u>Alaska Permanent Fund Corporation</u>	Date: <u>03/01/2024</u>
Approved By: <u>Deven Mitchell, Executive Director and Chief Executive Officer</u>	Date: <u>03/01/2024</u>
Agency: <u>Alaska Permanent Fund Corporation</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. HB266

Analysis

This bill repeals the current statutory formula for computing the Permanent Fund Dividend and replaces it with an amount based on the appropriation of a portion of Alaska's royalty revenues.

The bill affirms that in a fiscal year appropriations from the Earnings Reserve Account of the Permanent Fund may not exceed the amount available for appropriation based on the Percent of Market Value established under AS 37.13.140(b).

This fiscal note reflects an indeterminate change in revenue. The Principal of the Permanent Fund receives royalties based on a 25% Constitutional dedication, and per statute AS 37.13.010 (a) (2) an additional 25% for a total of 50% for leases after 1979. Clarification is needed as to the effect on the statutory royalties to the Principal, given the amount of royalty revenue available for appropriation to the dividend fund under section 7 of this bill.