

CS FOR HOUSE JOINT RESOLUTION NO. 25(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/21/97

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE AUSTERMAN

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska to guarantee the
2 permanent fund dividend and to provide for inflation-proofing; and relating to the
3 permanent fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. This resolution shall be known as an amendment to protect the permanent
6 fund dividend and to provide for inflation-proofing.

7 * Sec. 2. Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

8 Section 15. Alaska Permanent Fund. (a) At least twenty-five per cent of all
9 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
10 payments and bonuses received by the State shall be placed in a permanent fund, the
11 principal of which shall be used only for those income-producing investments
12 specifically designated by law as eligible for permanent fund investments. [ALL
13 INCOME FROM THE PERMANENT FUND SHALL BE DEPOSITED IN THE
14 GENERAL FUND UNLESS OTHERWISE PROVIDED BY LAW.]

15 * Sec. 3. Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding
16 new subsections to read:

1 (b) Income from the permanent fund shall be deposited into a separate account
2 in the fund, the earnings reserve account, as soon as it is received. Money in the
3 account shall be invested in investments designated by law under (a) of this section,
4 and income from the investments shall also be deposited into the account.

5 (c) On the first day of each fiscal year, an amount of income shall be
6 transferred from the earnings reserve account for distribution as dividends to State
7 residents as provided by law. An amount of income shall also be transferred as
8 provided by law from the earnings reserve account to the principal of the permanent
9 fund to offset the effect of inflation on the principal of the fund during the fiscal year
10 just ended. Income distributed as dividends or transferred to the principal is not
11 subject to appropriation.

12 (d) Appropriations may be made from the earnings reserve account; however,
13 the amount appropriated during a fiscal year may not exceed the amount in the account
14 on the first day of that fiscal year after transfers have been made under (c) of this
15 section.

16 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
17 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
18 State of Alaska, and the election laws of the state.