

HOUSE BILL NO. 231

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST

Introduced: 5/8/99

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to income of the Alaska permanent fund, to the Alaska Income
2 Account, and to permanent fund dividends; and providing for an effective date."

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

4 * **Section 1.** AS 37.13.140 is repealed and reenacted to read:

5 **Sec. 37.13.140. Income.** All income of the fund shall be deposited in the
6 Alaska Income Account established under AS 37.13.145. The balance of the Alaska
7 Income Account shall be determined according to generally accepted accounting
8 principles. Income of the fund includes income of the Alaska Income Account.

9 * **Sec. 2.** AS 37.13.145 is repealed and reenacted to read:

10 **Sec. 37.13.145. Disposition of income.** (a) The Alaska Income Account is
11 established as a separate account in the fund. Following the end of each fiscal year,
12 an amount shall be transferred from the account to the general fund that is equal to
13 5.25 percent of the average of the quarter-end market value of the last 20 fiscal year
14 quarters before the fiscal year just ended of

1 (1) the fund, including the Alaska Income Account; and
 2 (2) the budget reserve fund (art. IX, sec. 17, Constitution of the State
 3 of Alaska).

4 (b) After the transfer under (a) of this section, the commissioner of revenue
 5 shall transfer from the general fund to the dividend fund, (AS 43.23.045) 42 percent
 6 of the amount transferred to the general fund under (a) of this section.

7 * **Sec. 3.** AS 37.13.300(c) is amended to read:

8 (c) Net income from the mental health trust fund may not be included in the
 9 [COMPUTATION OF NET] income **of the Alaska permanent fund** [AVAILABLE
 10 FOR DISTRIBUTION] under AS 37.13.140.

11 * **Sec. 4.** AS 37.17.020(b) is amended to read:

12 (b) The endowment shall be held and invested by the Alaska Permanent Fund
 13 Corporation subject to AS 37.13.120; however, net income from the endowment shall
 14 be distributed under AS 37.17.010 - 37.17.110 and 37.17.225. Net income from the
 15 endowment may not be included in the [COMPUTATION OF NET] income **of the**
 16 **Alaska permanent fund** [AVAILABLE FOR DISTRIBUTION] under AS 37.13.140.

17 * **Sec. 5.** AS 37.17.440(b) is amended to read:

18 (b) The principal and income of the endowment shall be held and invested by
 19 the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net income
 20 from the endowment and subsequent income earned on net income from the
 21 endowment shall be held in a separate account until appropriated by the legislature.
 22 Net income from the endowment may not be included in the [COMPUTATION OF
 23 NET] income **of the Alaska permanent fund** [AVAILABLE FOR DISTRIBUTION]
 24 under AS 37.13.140.

25 * **Sec. 6.** 1999 PERMANENT FUND DIVIDENDS. Notwithstanding AS 37.13.145(b) and
 26 AS 43.23.025, the amount of each permanent fund dividend for 1999 is \$1,000.

27 * **Sec. 7.** TRANSITION. (a) The Alaska Income Account established in AS 37.13.145(a),
 28 as repealed and reenacted in sec. 2 of this Act, is the successor to the earnings reserve
 29 account, and the balance in the earnings reserve account on the effective date of this section
 30 shall be retained in the Alaska Income Account until distributed in accordance with
 31 AS 37.13.145, as repealed and reenacted in sec. 2 of this Act.

1 (b) Notwithstanding AS 37.13.145(b), as repealed and reenacted in sec. 2 of this Act,
 2 and AS 43.23.025, the amount of each permanent fund dividend for 2000 and each permanent
 3 fund dividend for 2001 is \$1,000.

4 (c) Notwithstanding AS 37.13.145(a), as repealed and reenacted in sec. 2 of this Act,
 5 the amount transferred from the Alaska Income Account to the general fund following the end
 6 of

7 (1) fiscal year 2000 is equal to 5.25 percent of the average of the quarter-end
 8 market value for the last eight fiscal year quarters before the fiscal year just ended of

9 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the
 10 State of Alaska), including the Alaska Income Account; and

11 (B) the budget reserve fund (art. IX, sec. 17, Constitution of the State
 12 of Alaska);

13 (2) fiscal year 2001 is equal to 5.25 percent of the average of the quarter-end
 14 market value for the last 12 fiscal year quarters before the fiscal year just ended of

15 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the
 16 State of Alaska), including the Alaska Income Account; and

17 (B) the budget reserve fund (art IX, sec. 17, Constitution of the State
 18 of Alaska);

19 (3) fiscal year 2002 is equal to 5.25 percent of the average of the quarter-end
 20 market value for the last 16 quarters before the fiscal year just ended of

21 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the
 22 State of Alaska), including the Alaska Income Account; and

23 (B) the budget reserve fund (art. IX, sec. 17, Constitution of the State
 24 of Alaska).

25 * **Sec. 8.** Sections 1 - 5 and 7 of this Act take effect July 2, 1999.

26 * **Sec. 9.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).