

**SENATE BILL NO. 312**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/18/00

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the bond redemption subaccount in the earnings reserve  
2 account of the permanent fund; 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 amended to read:

5           **Sec. 37.13.140. Income.** Net income of the fund includes all the income of  
6 the earnings reserve account established under AS 37.13.145 except income of the  
7 bond redemption subaccount. Net income of the fund shall be computed annually  
8 as of the last day of the fiscal year in accordance with generally accepted accounting  
9 principles, excluding any unrealized gains or losses. Income available for distribution  
10 equals 21 percent of the net income of the fund for the last five fiscal years, including  
11 the fiscal year just ended, but may not exceed net income of the fund for the fiscal  
12 year just ended plus the balance in the earnings reserve account described in  
13 AS 37.13.145.

14 \* **Sec. 2.** AS 37.13.145 is amended by adding a new subsection to read:

1           (e) The bond redemption subaccount is established in the earnings reserve  
2 account and consists of money appropriated to it from the budget reserve fund (Art.  
3 IX, sec. 17, Constitution of the State of Alaska). Money may be appropriated from  
4 the subaccount to make all required payments of redemption premiums for, principal  
5 of, and interest on general obligation bonds of the state that are approved by the  
6 voters in 2000. The balance in the subaccount remaining after the bonded  
7 indebtedness has been fully repaid shall be transferred by the corporation to the  
8 principal of the fund. Transfers may not be made from the subaccount under (b) or  
9 (c) of this section.

10   \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section  
11 to read:

12           CONDITIONAL EFFECT. This Act takes effect only if, during 2000, the voters  
13 approve a proposal to issue state general obligation bonds.

14   \* **Sec. 4.** If this Act takes effect, it takes effect on December 1, 2000.