

CS FOR SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 14(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/12/02

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVES CRAWFORD, Croft

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund.**

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

4 * **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

5 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
6 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
7 payments and bonuses received by the State shall be placed in a permanent fund, the
8 principal of which shall be used only for those income-producing investments
9 specifically designated by law as eligible for permanent fund investments. All income
10 from the permanent fund shall be deposited in the **permanent** [GENERAL] fund
11 [UNLESS OTHERWISE PROVIDED BY LAW].

12 **(b) For any fiscal year, appropriations from the permanent fund shall be**
13 **limited to five percent of the average of the year-end market values of the**
14 **permanent fund for the last five fiscal years, including the fiscal year just ended.**
15 **No other appropriations from the permanent fund may be made.**

16 **(c) At least fifty percent of the amount appropriated under (b) of this**

1 **section during a fiscal year shall be used during that same fiscal year for a**
 2 **program of dividend payments to state residents established by law.**

3 * **Sec. 2.** Article XV, Constitution of the State of Alaska, is amended by adding a new
 4 section to read:

5 **Section 30. Suspension and Repeal of Subsection.** (a) Notwithstanding
 6 Section 1 of Article XIII, Section 15(c) of Article IX is suspended on the date of an
 7 initial determination by the Internal Revenue Service that all or a portion of the
 8 permanent fund is subject to federal taxation. The suspension is terminated on the
 9 date Section 15(c) of Article IX is repealed under (b) of this section or 180 days after
 10 the date of a final, nonappealable judgment or order by a federal court deciding that no
 11 portion of the permanent fund would be subject to federal taxation as a result of the
 12 application of Section 15(c) of Article IX.

13 (b) Notwithstanding Section 1 of Article XIII, Section 15(c) of Article IX is
 14 repealed 180 days after the date of a final, nonappealable judgment or order by a
 15 federal court deciding that all or a portion of the permanent fund is subject to federal
 16 taxation.

17 (c) In this section, "final, nonappealable judgment or order" means a judgment
 18 or an order that cannot be appealed because all possible appeals, including a petition
 19 for certiorari to the United States Supreme Court, have been taken or the time for
 20 taking an appeal has expired without appeal.

21 * **Sec. 3.** The amendments proposed by this resolution shall be placed before the voters of
 22 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
 23 State of Alaska, and the election laws of the state.