

AMENDMENT #3

OFFERED IN THE SENATE

BY SENATOR THERRIAULT

TO: CSHJR 26(FIN)

1 Page 1, line 1, through page 2, line 12:

2 Delete all material and insert:

3 "Proposing amendments to the Constitution of the State of Alaska relating to the
4 Alaska permanent fund, establishing the earnings account, and permitting deposits to
5 the principal of the permanent fund; and providing for an effective date for the
6 amendments.

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

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

9 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
10 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
11 payments and bonuses received by the State shall be placed in a permanent fund, the
12 principal of which shall be used only for those income-producing investments
13 specifically designated by law as eligible for permanent fund investments. **The**
14 **earnings account is established as a separate account in the fund.** All income
15 from the permanent fund, **determined in accordance with generally accepted**
16 **accounting principles as provided by law,** shall be **accounted for** [DEPOSITED] in
17 the **earnings account.** **Appropriations may only be made from the earnings**
18 **account as provided in (b) and (c) of this section** [GENERAL FUND UNLESS
19 OTHERWISE PROVIDED BY LAW].

20 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding new
21 subsections to read:

22 (b) Appropriations under this subsection from the earnings account for
23 a fiscal year may not exceed five percent of the average of the market values of the

1 fund on June 30 for the first five of the six fiscal years immediately preceding that
2 fiscal year.

3 (c) Appropriations from the earnings account to the principal of the permanent
4 fund may be made at any time.

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

7 **Section 30. Transition; Effective Date.** (a) On January 1, 2005, the
8 unencumbered, unappropriated balance of the earnings reserve account established
9 under AS 37.13.145(a) becomes part of the Alaska permanent fund, and the fund shall
10 be reconstituted as follows:

11 (1) the fund principal consists of that portion of the total fund value
12 attributable to all deposits made under Section 15 of Article IX before January 1,
13 2005, all appropriations made to the fund principal before January 1, 2005, and all
14 other transfers made to the fund principal before January 1, 2005;

15 (2) the earnings account consists of that portion of the total fund value
16 not attributed to principal under (1) of this subsection.

17 (b) Section 15(b) of Article IX first applies to appropriations for fiscal year
18 2006. Appropriations from the permanent fund for fiscal year 2005 are subject to
19 Section 15 of Article IX as that section read on June 30, 2004.

20 (c) The 2004 amendments relating to the Alaska permanent fund (art. IX, sec.
21 15) and this section take effect January 1, 2005."