

**HOUSE BILL NO. 298**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Introduced: 5/5/03

Referred: House Special Committee on Ways and Means, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the distribution of appropriations from the Alaska permanent fund**  
2 **under art. IX, sec. 15(b), Constitution of the State of Alaska, and making conforming**  
3 **amendments; and providing for an effective date."**

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

5 \* **Section 1.** AS 09.20.050(b) is amended to read:

6 (b) The jury list shall be based on a list prepared by the Department of  
7 Revenue of all persons who filed an application for a [DISTRIBUTION OF  
8 ALASKA] permanent fund **dividend** [INCOME] under AS 43.23 during the current  
9 calendar year that shows an **Alaska** [ALASKAN] address, and of all persons who  
10 volunteer for jury duty under (d) of this section. If considered necessary by the  
11 administrative director of the Alaska Court System, the jury list shall incorporate a list  
12 prepared by the Department of Administration of all persons who hold a valid Alaska  
13 driver's license. The departments shall submit their respective lists to the Alaska  
14 Court System not later than September 30 of each year. To the extent that it is

1 available, the departments shall include on the lists they submit the following  
 2 information for each person: first name, middle initial, and last name; mailing address,  
 3 including the zip code; and birth date. The lists shall be recorded on magnetic tape  
 4 compatible with Alaska Court System data processing equipment.

5 \* **Sec. 2.** AS 24.20.206 is amended to read:

6 **Sec. 24.20.206. Duties.** The Legislative Budget and Audit Committee shall

7 (1) report to the legislature its recommendations relating to the  
 8 confirmation of appointees to the Board of Trustees of the Alaska Permanent Fund  
 9 Corporation;

10 (2) annually review the long-range operating plans of all agencies of  
 11 the state that perform lending or investment functions;

12 (3) review periodic reports from all agencies of the state that perform  
 13 lending or investment functions;

14 (4) prepare a complete report of investment programs, plans,  
 15 performance, and policies of all agencies of the state that perform lending or  
 16 investment functions and notify the legislature within 30 days after the convening of  
 17 each regular session that the report is available;

18 (5) in conjunction with the finance committee of each house,  
 19 recommend annually to the legislature the investment policy for the general fund  
 20 surplus and for the **appropriations** [INCOME] from the permanent fund;

21 (6) provide for an annual post audit and annual operational and  
 22 performance evaluation of the Alaska Permanent Fund Corporation investments and  
 23 investment programs;

24 (7) provide for an annual operational and performance evaluation of  
 25 the Alaska Housing Finance Corporation and the Alaska Industrial Development and  
 26 Export Authority; the performance evaluation must include, but is not limited to, a  
 27 comparison of the effect on various sectors of the economy by public and private  
 28 lending, the effect on resident and nonresident employment, the effect on real wages,  
 29 and the effect on state and local operating and capital budgets of the programs of the  
 30 Alaska Housing Finance Corporation and the Alaska Industrial Development and  
 31 Export Authority;

1 (8) provide assistance to the trustees of the trust established in  
2 AS 37.14.400 - 37.14.450 in carrying out their duties under AS 37.14.415.

3 \* **Sec. 3.** AS 37.13 is amended by adding a new section to read:

4 **Sec. 37.13.143. Appropriations from the fund.** During each fiscal year, the  
5 legislature may appropriate 60 percent of the total amount available for appropriation  
6 from the fund under art. IX, sec. 15(b), Constitution of the State of Alaska, to the  
7 general fund. During each fiscal year the legislature may appropriate 40 percent of the  
8 total amount available for appropriation from the fund under art. IX, sec. 15(b),  
9 Constitution of the State of Alaska, to the dividend fund established under  
10 AS 43.23.045.

11 \* **Sec. 4.** AS 37.13.150 is amended to read:

12 **Sec. 37.13.150. Corporation budget.** The [REVENUE GENERATED BY  
13 THE FUND'S INVESTMENTS MUST BE IDENTIFIED AS THE SOURCE OF  
14 THE] operating budget of the corporation **shall be included** in the state's operating  
15 budget under AS 37.07 (Executive Budget Act). [THE UNEXPENDED BALANCE  
16 OF THE CORPORATION'S ANNUAL OPERATING BUDGET DOES NOT LAPSE  
17 AT THE END OF THE FISCAL YEAR BUT SHALL BE TREATED AS INCOME  
18 UNDER AS 37.13.140.]

19 \* **Sec. 5.** AS 37.14.031(c) is amended to read:

20 (c) The net income of the fund shall be determined by the Alaska Permanent  
21 Fund Corporation **annually as of the last day of the fiscal year in accordance with**  
22 **generally accepted accounting principles** [IN THE SAME MANNER THE  
23 CORPORATION DETERMINES THE NET INCOME OF THE ALASKA  
24 PERMANENT FUND UNDER AS 37.13.140].

25 \* **Sec. 6.** AS 37.17.020(b) is amended to read:

26 (b) The endowment shall be held and invested by the Alaska Permanent Fund  
27 Corporation subject to AS 37.13.120; however, net income from the endowment shall  
28 be distributed under AS 37.17.010 - 37.17.110 and 37.17.225. [NET INCOME FROM  
29 THE ENDOWMENT MAY NOT BE INCLUDED IN THE COMPUTATION OF  
30 NET INCOME AVAILABLE FOR DISTRIBUTION UNDER AS 37.13.140.]

31 \* **Sec. 7.** AS 37.17.440(b) is amended to read:

1 (b) The principal and income of the endowment shall be held and invested by  
 2 the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net  
 3 income from the endowment and subsequent income earned on net income from the  
 4 endowment shall be held in a separate account until appropriated by the legislature.  
 5 [NET INCOME FROM THE ENDOWMENT MAY NOT BE INCLUDED IN THE  
 6 COMPUTATION OF NET INCOME AVAILABLE FOR DISTRIBUTION UNDER  
 7 AS 37.13.140.]

8 \* **Sec. 8.** AS 43.23.025(a) is amended to read:

9 (a) By October 1 of each year, the commissioner shall determine the value of  
 10 each permanent fund dividend for that year by

11 (1) determining the total amount available for dividend payments,  
 12 which equals

13 (A) the amount of **money appropriated from** [INCOME OF]  
 14 the Alaska permanent fund [TRANSFERRED] to the dividend fund under  
 15 **AS 37.13.143** [AS 37.13.145(b)] during the current year;

16 (B) plus the unexpended and unobligated balances of prior  
 17 fiscal year appropriations that lapse into the dividend fund under  
 18 AS 43.23.045(d);

19 (C) less the amount necessary to pay prior year dividends from  
 20 the dividend fund in the current year under AS 43.23.005(h) and under  
 21 AS 43.23.055(3) and (7);

22 (D) less the amount necessary to pay dividends from the  
 23 dividend fund due to eligible applicants who, as determined by the department,  
 24 filed for a previous year's dividend by the filing deadline but who were not  
 25 included in a previous year's dividend computation;

26 (E) less appropriations from the dividend fund during the  
 27 current year, including amounts to pay costs of administering the dividend  
 28 program and the hold harmless provisions of AS 43.23.075;

29 (2) determining the number of individuals eligible to receive a  
 30 dividend payment for the current year and the number of estates and successors  
 31 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

1 (3) dividing the amount determined under (1) of this subsection by the  
2 amount determined under (2) of this subsection.

3 \* **Sec. 9.** AS 43.23.028(a) is amended to read:

4 (a) By October 1 of each year, the commissioner shall give public notice of  
5 the value of each permanent fund dividend for that year and notice of the information  
6 required to be disclosed under (3) of this subsection. In addition, the stub attached to  
7 each individual dividend check and direct deposit advice must

8 (1) disclose the amount of each dividend attributable to [INCOME  
9 EARNED BY THE PERMANENT FUND FROM] deposits to that fund required  
10 under art. IX, sec. 15, Constitution of the State of Alaska;

11 (2) disclose the amount of each dividend attributable to [INCOME  
12 EARNED BY THE PERMANENT FUND FROM] appropriations to that fund and  
13 **the amount of each dividend attributable to** [FROM] amounts added to that fund  
14 **before January 1, 2005,** to offset the effects of inflation;

15 (3) disclose the amount by which each dividend has been reduced due  
16 to each appropriation from the dividend fund, including amounts to pay the costs of  
17 administering the dividend program and the hold harmless provisions of  
18 AS 43.23.075;

19 (4) include a statement that an individual is not eligible for a dividend  
20 when

21 (A) during the qualifying year, the individual was convicted of  
22 a felony;

23 (B) during all or part of the qualifying year, the individual was  
24 incarcerated as a result of the conviction of a

25 (i) felony; or

26 (ii) misdemeanor if the individual has been convicted of  
27 a prior felony or two or more prior misdemeanors;

28 (5) include a statement that the legislative purpose for making  
29 individuals listed under (4) of this subsection ineligible is to

30 (A) obtain reimbursement for some of the costs imposed on the  
31 state criminal justice system related to incarceration or probation of those

1 individuals;

2 (B) provide funds for services for and payments to crime  
3 victims and for grants for the operation of domestic violence and sexual assault  
4 programs;

5 (6) disclose the total amount that would have been paid during the  
6 previous fiscal year to individuals who were ineligible to receive dividends under  
7 AS 43.23.005(d) if they had been eligible;

8 (7) disclose the total amount appropriated for the current fiscal year  
9 under (b) of this section for each of the funds and agencies listed in (b) of this section.

10 \* **Sec. 10.** AS 37.13.140, 37.13.145; and AS 37.13.300(c) are repealed.

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

13 **CONDITIONAL EFFECT.** This Act takes effect only if an amendment to art. IX, sec.  
14 15, Constitution of the State of Alaska, relating to and limiting appropriations from the Alaska  
15 permanent fund based on an averaged percent of the fund market value, is approved by the  
16 voters during the 2004 general election and takes effect.

17 \* **Sec. 12.** If this Act takes effect under sec. 11 of this Act, it takes effect on January 1,  
18 2005.