

CS FOR HOUSE JOINT RESOLUTION NO. 31(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/29/04

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE HOLM

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund and to payments to certain state residents from the fund; and providing**
3 **for an effective date.**

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

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

6 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
7 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
8 payments and bonuses received by the State shall be placed in a permanent fund,
9 **Except as appropriated under (b) of this section, money in the permanent fund** [,
10 THE PRINCIPAL OF WHICH] shall be used only for those income-producing
11 investments specifically designated by law as eligible for permanent fund investments.
12 [ALL INCOME FROM THE PERMANENT FUND SHALL BE DEPOSITED IN
13 THE GENERAL FUND UNLESS OTHERWISE PROVIDED BY LAW.]

14 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding a
15 new subsection to read:

1 (b) Appropriations from the permanent fund for a fiscal year may not exceed
 2 five percent of the average of the market values of the fund on June 30 for the first
 3 five of the six fiscal years immediately preceding that fiscal year. An appropriation
 4 from the fund may be made for any public purpose except that it may not be used for
 5 any program that provides dividends or other payments to all State residents.

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

8 **Section 30. Payments From the Alaska Permanent Fund, Transition,**
 9 **Effective Date.** (a) Notwithstanding Section 15 of Article IX, each individual who is
 10 eligible under State statute to receive a permanent fund dividend for the year 2004
 11 shall receive from the State a payment of twenty thousand dollars in addition to that
 12 dividend, unless a written rejection of the payment is provided to the State. Payments
 13 under this subsection shall be distributed by April 1, 2005. All provisions of statute
 14 and regulation that are both applicable to permanent fund dividends for 2004 and in
 15 effect on January 1, 2004, apply to payments under this subsection except

16 (1) provisions of statute or regulation that relate to the amount of the
 17 dividend and the date the dividend is paid; and

18 (2) AS 43.23.075 and 43.23.085, together with regulations that
 19 implement those statutes.

20 (b) Income in any account of the permanent fund shall be used for payments
 21 under (a) of this section. If income is not sufficient to fully fund all payments, the
 22 additional amount required to fully fund the payments shall be withdrawn from the
 23 principal of the Alaska permanent fund for that purpose.

24 (c) Section 15 of Article IX as it read on June 30, 2004, applies to
 25 appropriations for fiscal year 2005. Notwithstanding Section 15(b) of Article IX,
 26 appropriations from the permanent fund may not exceed the following amounts for the
 27 following fiscal years:

28 (1) fiscal year 2006 - five percent of the market value of the fund on
 29 June 30, 2005;

30 (2) fiscal year 2007 - five percent of the average of the market values
 31 of the fund on June 30, 2005, and June 30, 2006;

1 (3) fiscal year 2008 - five percent of the average of the market values
2 of the fund on June 30, 2005, June 30, 2006, and June 30, 2007;

3 (4) fiscal year 2009 - five percent of the average of the market values
4 of the fund on June 30, 2005, June 30, 2006, June 30, 2007, and June 30, 2008;

5 (5) fiscal year 2010 - five percent of the average of the market values
6 of the fund on June 30, 2005, June 30, 2006, June 30, 2007, June 30, 2008, and
7 June 30, 2009.

8 (d) The 2004 amendments, that amend Section 15 of Article IX and add this
9 section to this article, take effect on the day after certification of the election returns
10 for the 2004 general election.

11 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
12 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
13 State of Alaska, and the election laws of the state.