

HOUSE JOINT RESOLUTION NO. 38

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KOHRING

Introduced: 2/16/04

Referred: State Affairs, Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska to guarantee the**
2 **permanent fund dividend, establishing the earnings reserve account, and relating to the**
3 **Alaska permanent fund.**

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

5 * **Section 1.** This resolution shall be known as an amendment to guarantee the permanent
6 fund dividend.

7 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

8 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
9 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
10 payments and bonuses received by the State shall be placed in a permanent fund, the
11 principal of which shall be used only for those income-producing investments
12 specifically designated by law as eligible for permanent fund investments. **The**
13 **earnings reserve account is established as a separate account in the fund. Income**
14 **from the fund shall be deposited into the earnings reserve account as soon as it is**
15 **received. Except as provided in (b) of this section, money in the earnings reserve**
16 **account may be appropriated for any public purpose** [ALL INCOME FROM THE

1 PERMANENT FUND SHALL BE DEPOSITED IN THE GENERAL FUND
2 UNLESS OTHERWISE PROVIDED BY LAW].

3 * **Sec. 3.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding a
4 new subsection to read:

5 (b) Net income of the permanent fund shall be computed annually as of the
6 last day of the fiscal year in accordance with generally accepted accounting principles,
7 excluding any unrealized gains or losses. Income available for distribution under this
8 subsection equals twenty-one percent of the net income of the fund for the last five
9 fiscal years, including the fiscal year just ended, but may not exceed net income of the
10 fund for the fiscal year just ended plus the balance in the earning reserve account. At
11 the end of each fiscal year, fifty percent of the income available for distribution,
12 calculated under this subsection, shall be transferred from the earnings reserve account
13 and used for a program established by law of dividend payments to State residents.

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