

HOUSE JOINT RESOLUTION NO. 46

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

BY THE HOUSE FINANCE COMMITTEE

Introduced: 4/7/04
Referred: Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the**
2 **principal of the Alaska permanent fund; limiting appropriations from the Alaska**
3 **permanent fund to amounts equal to that part of the market value of the fund that**
4 **exceeds the principal based on an averaged percent of the fund market value.**

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

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

7 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
8 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
9 payments and bonuses received by the State shall be placed in a permanent fund, the
10 principal of which shall be used only for those income-producing investments
11 specifically designated by law as eligible for permanent fund investments. **Only**
12 **amounts equal to that part of the market value of the fund that exceeds the**
13 **principal may be appropriated, subject to (b) of this section. The principal of the**
14 **fund equals \$22,988,019,019.78 plus the sum of the following deposits made**
15 **between June 30, 2003, and the date the principal is being determined:**

1 **(1) all deposits to the fund made under this subsection; and**

2 **(2) all appropriations made to the principal** [ALL INCOME FROM

3 THE PERMANENT FUND SHALL BE DEPOSITED IN THE GENERAL FUND
4 UNLESS OTHERWISE PROVIDED BY LAW].

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

7 (b) Appropriations from the permanent fund for a fiscal year may not
8 exceed five percent of the average of the market values of the fund on June 30 for the
9 first five of the six fiscal years immediately preceding that fiscal year.

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

12 **Section 30. Transition.** (a) On the effective date of the 2004 amendment
13 relating to the Alaska permanent fund (art. IX, sec. 15), the unencumbered,
14 unappropriated balance of the earnings reserve account established under
15 AS 37.13.145(a) is added to the Alaska permanent fund, but not as part of the
16 principal.

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

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