

HOUSE JOINT RESOLUTION NO. 47

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; and**
5 **permitting appropriations from the permanent fund only for costs of administering the**
6 **fund, a program of dividend payments for state residents, and public education.**

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. **Only**
14 **amounts equal to that part of the market value of the fund that exceeds the**

1 **principal may be appropriated under (b) of this section. The principal of the**
 2 **fund equals \$22,988,019,019.78 plus the sum of the following deposits made**
 3 **between June 30, 2003, and the date the principal is being determined:**

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

5 **(2) all appropriations made to the principal** [ALL INCOME FROM
 6 THE PERMANENT FUND SHALL BE DEPOSITED IN THE GENERAL FUND
 7 UNLESS OTHERWISE PROVIDED BY LAW].

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

10 (b) Appropriations from the permanent fund for a fiscal year may not exceed
 11 five percent of the average of the market values of the fund on June 30 for the first
 12 five of the six fiscal years immediately preceding that fiscal year. Appropriations
 13 from the fund may be made only for the following purposes:

14 (1) costs of administering the permanent fund;

15 (2) a program of dividend payments for State residents established by
 16 law together with costs of administering that program; and

17 (3) public education.

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

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

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

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