

SENATE BILL NO. 370

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

BY THE SENATE JUDICIARY COMMITTEE

Introduced: 3/19/04
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the income of and 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7 (1) [REPEALED

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

10 (2) [(3)] review periodic reports from all agencies of the state that
 11 perform lending or investment functions;

12 (3) [(4)] prepare a complete report of investment programs, plans,
 13 performance, and policies of all agencies of the state that perform lending or
 14 investment functions and notify the legislature within 30 days after the convening of
 15 each regular session that the report is available;

16 (4) [(5)] in conjunction with the finance committee of each house,
 17 recommend annually to the legislature the investment policy for the general fund
 18 surplus and for the [INCOME FROM THE] permanent fund;

19 (5) [(6)] provide for an annual post audit and annual operational and
 20 performance evaluation of the Alaska Permanent Fund Corporation investments and
 21 investment programs;

22 (6) [(7)] provide for an annual operational and performance evaluation
 23 of the Alaska Housing Finance Corporation and the Alaska Industrial Development
 24 and Export Authority; the performance evaluation must include, but is not limited to, a
 25 comparison of the effect on various sectors of the economy by public and private
 26 lending, the effect on resident and nonresident employment, the effect on real wages,
 27 and the effect on state and local operating and capital budgets of the programs of the
 28 Alaska Housing Finance Corporation and the Alaska Industrial Development and
 29 Export Authority;

30 (7) [(8)] provide assistance to the trustees of the trust established in
 31 AS 37.14.400 - 37.14.450 in carrying out their duties under AS 37.14.415.

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

2 **Sec. 37.13.143. Appropriations from the fund.** (a) The total amount
3 available for appropriation from the fund for a current fiscal year is first determined
4 under art. IX, sec. 15(b), Constitution of the State of Alaska. However, that amount
5 shall be further reduced as necessary so that after the appropriations are made for that
6 current fiscal year, the minimum balance of the fund shall equal the sum of the
7 following:

8 (1) the total of all amounts deposited into the fund under
9 AS 37.13.010;

10 (2) the total of all amounts appropriated or otherwise transferred to the
11 fund under former AS 37.13.145(c);

12 (3) the total of all amounts appropriated to the fund, other than
13 amounts appropriated under former AS 37.13.145(c);

14 (4) the total of all amounts to offset the effect of inflation on the fund,
15 as calculated under (b) of this section, for each of the fiscal years beginning with fiscal
16 year 2005 through the fiscal year that immediately preceded the current fiscal year.

17 (b) On the last day of each fiscal year, the corporation shall calculate the
18 amount to offset the effect of inflation on the fund for that fiscal year by

19 (1) computing the average of the monthly Consumer Price Index for all
20 urban consumers for the Anchorage metropolitan area compiled by the United States
21 Department of Labor, Bureau of Labor Statistics, for the first five full calendar years
22 immediately preceding the last day of that fiscal year;

23 (2) computing the average percentage change between each of the
24 calendar year averages determined under (1) of this subsection; and

25 (3) applying the rate determined under (2) of this subsection to the
26 minimum balance of the fund calculated under (a) of this section.

27 (c) Appropriations by the legislature under this section for a current fiscal year
28 may include an appropriation to the dividend fund established under AS 43.23.045.

29 * **Sec. 4.** AS 37.13 is amended by adding a new section to read:

30 **Sec. 37.13.148. Market value of the fund.** For the purposes of art. IX, sec.
31 15(b), Constitution of the State of Alaska, the corporation shall determine the market

1 value of the fund annually as of the close of business on June 30 in accordance with
2 generally accepted accounting principles for the determination of fair value.

3 * **Sec. 5.** AS 37.13.150 is amended to read:

4 **Sec. 37.13.150. Corporation budget.** The revenue generated by the fund's
5 investments must be identified as the source of the operating budget of the corporation
6 in the state's operating budget under AS 37.07 (Executive Budget Act). [THE
7 UNEXPENDED BALANCE OF THE CORPORATION'S ANNUAL OPERATING
8 BUDGET DOES NOT LAPSE AT THE END OF THE FISCAL YEAR BUT SHALL
9 BE TREATED AS INCOME UNDER AS 37.13.140.]

10 * **Sec. 6.** AS 37.14.031(c) is amended to read:

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

16 * **Sec. 7.** AS 43.23.025(a) is amended to read:

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

19 (1) determining the total amount available for dividend payments,
20 which equals

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

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

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

30 (D) less the amount necessary to pay dividends from the
31 dividend fund due to eligible applicants who, as determined by the department,

1 filed for a previous year's dividend by the filing deadline but who were not
2 included in a previous year's dividend computation;

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

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

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

11 * **Sec. 8.** AS 43.23.028(a) is amended to read:

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

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

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

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

27 (4) include a statement that an individual is not eligible for a dividend
28 when

29 (A) during the qualifying year, the individual was convicted of
30 a felony;

31 (B) during all or part of the qualifying year, the individual was

1 incarcerated as a result of the conviction of a

2 (i) felony; or

3 (ii) misdemeanor if the individual has been convicted of

4 a prior felony or two or more prior misdemeanors;

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

7 (A) obtain reimbursement for some of the costs imposed on the
8 state criminal justice system related to incarceration or probation of those
9 individuals;

10 (B) provide funds for services for and payments to crime
11 victims and for grants for the operation of domestic violence and sexual assault
12 programs;

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

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

18 * **Sec. 9.** AS 37.13.140, 37.13.145; and AS 37.13.300(c) are repealed.

19 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **CONDITIONAL EFFECT.** This Act takes effect only if an amendment to art. IX, sec.
22 15, Constitution of the State of Alaska, relating to and limiting appropriations from the Alaska
23 permanent fund based on an averaged percent of the fund market value, is approved by the
24 voters during the 2004 general election and takes effect.

25 * **Sec. 11.** If this Act takes effect under sec. 10 of this Act, it takes effect on January 1,
26 2005.