

**SENATE JOINT RESOLUTION NO. 19**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS LINCOLN, Ellis

Introduced: 5/2/03

Referred: State Affairs, Judiciary, Finance

**A RESOLUTION**

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**  
2 **permanent fund.**

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

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

5 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all  
6 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing  
7 payments and bonuses received by the State shall be placed in a permanent fund, the  
8 principal of which shall be used only for those income-producing investments  
9 specifically designated by law as eligible for permanent fund investments. All income  
10 from the permanent fund shall be deposited in the **earnings reserve account and**  
11 **distributed as provided for under AS 37.13.140, 37.13.145, and AS 43.23.025, as**  
12 **those statutes read on July 1, 2002** [GENERAL FUND UNLESS OTHERWISE  
13 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:

16 (b) Notwithstanding other provisions of this constitution,

1 (1) AS 37.13.140, 37.13.145, AS 43.23.025, and any provisions of law  
 2 referred to in those sections, remain in effect as they read on July 1, 2002, unless they  
 3 are amended or repealed and the amendment or repeal is ratified by affirmative vote of  
 4 a majority of the voters of the State voting on the question; and

5 (2) money may be appropriated from the earnings reserve account only  
 6 as authorized under AS 37.13.145(b) and (c) as those subsections read on July 1, 2002,  
 7 unless the appropriation is ratified by affirmative vote of a majority of the voters of the  
 8 State voting on the question.

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

11 **Section 30. Suspension and Repeal of amendments.** (a) Notwithstanding  
 12 Section 1 of Article XIII, the 2004 amendments to Section 15 of Article IX are  
 13 suspended on the date of an initial determination by the Internal Revenue Service that  
 14 all or a portion of the permanent fund is subject to federal taxation. The suspension is  
 15 terminated on the date the amendments are repealed under (b) of this section or one  
 16 hundred eighty days after the date of a final, nonappealable judgment or order by a  
 17 federal court deciding that no portion of the permanent fund would be subject to  
 18 federal taxation as a result of the amendments. During the period of suspension under  
 19 this subsection, Section 15 of Article IX shall apply as it read on January 1, 2003.

20 (b) Notwithstanding Section 1 of Article XIII, the 2004 amendments to  
 21 Section 15 of Article IX are repealed one hundred eighty days after the date of a final,  
 22 nonappealable judgment or order by a federal court deciding that all or a portion of the  
 23 permanent fund is subject to federal taxation. Upon repeal of the 2004 amendments  
 24 under this subsection, Section 15 of Article IX is amended to read as it read on  
 25 January 1, 2003.

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