

CS FOR SENATE JOINT RESOLUTION NO. 19(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 3/1/04
Referred: Finance

Sponsor(s): SENATORS LINCOLN, Ellis

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 3 are amended or repealed and the amendment or repeal is ratified by affirmative vote of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. Conditional Effect; Suspension and Repeal of Amendments.**

12 (a) The 2004 amendments to the Alaska permanent fund (art. IX, sec. 15) take effect
 13 only if, in 2004, the voters approve an amendment relating to an appropriation limit
 14 (art. IX, sec. 16).

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 19 repealed under (b) of this section or one hundred eighty days after the date of a final,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

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 25 Section 15 of Article IX are repealed one hundred eighty days after the date of a final,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

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

1 State of Alaska, and the election laws of the state.