

SENATE JOINT RESOLUTION NO. 102

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 6/22/04

Referred: Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to and limiting**
2 **appropriations from the Alaska permanent fund based on an averaged percent of the**
3 **fund market value and relating to permanent fund dividend payments.**

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

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

6 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five per cent of all
7 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
8 payments and bonuses received by the State shall be placed in a permanent fund.
9 **Except as otherwise provided in this section, money in the permanent fund** [,
10 THE PRINCIPAL OF WHICH] shall be used only for those income-producing
11 investments specifically designated by law as eligible for permanent fund investments.
12 [ALL INCOME FROM THE PERMANENT FUND SHALL BE DEPOSITED IN
13 THE GENERAL FUND UNLESS OTHERWISE 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:

1 (b) Appropriations from the permanent fund for a fiscal year may not exceed
2 five percent of the average of the market values of the fund on June 30 for the earliest
3 five of the six fiscal years immediately preceding that fiscal year.

4 (c) Appropriations from the permanent fund may be made each fiscal year for
5 the costs of administering the permanent fund. The remaining amount annually
6 available for appropriation from the permanent fund shall be appropriated for the
7 following purposes in the amount set out after each:

8 (1) a program of dividend payments for residents of the State
9 established by law - fifty percent;

10 (2) aid to public education - forty-five percent; and

11 (3) aid to municipalities and other communities - five percent.

12 (d) Notwithstanding (c) of this section, the amount of a dividend payment for
13 residents of the State shall be not less than \$1,000 each year. If the appropriation
14 made under (c)(1) of this section would be insufficient to pay that amount, the
15 percentages specified in (c)(2) and (3) of this section are decreased, and the percentage
16 specified in (c)(1) of this section is increased, by the amount necessary to fund the
17 shortfall.

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; repeal.** (a) On the effective date of the 2004
21 amendment relating to the Alaska permanent fund (art. IX, sec. 15), the
22 unencumbered, unappropriated balance of the earnings reserve account established
23 under AS 37.13.145(a) is added to the balance in the Alaska permanent fund.

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

27 (c) Sections 15(c) and (d) of Article IX, added by the 2004 amendment, are
28 repealed July 1, 2014.

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