

HOUSE BILL NO. 374

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Introduced: 1/17/06

Referred: House Special Committee on Ways and Means, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to establishment of a retirement benefit liability account in the
2 Department of Revenue and redirecting deposit of annual dividends of the Alaska
3 Housing Finance Corporation to that account; and providing for an effective date."

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

5 * **Section 1.** AS 18.56.089(c) is amended to read:

6 (c) The corporation shall make a dividend available to the state each fiscal
7 year. The corporation shall pay the dividend for a current fiscal year into the
8 retirement benefit liability account established in AS 37.10.200 [TO THE STATE]
9 before the end of that fiscal year. [THE LEGISLATURE MAY APPROPRIATE THE
10 DIVIDEND FOR CAPITAL PROJECTS.] The corporation shall notify the
11 commissioner of revenue of the amount of each dividend under this subsection for
12 inclusion in the state operating budget and shall also notify the commissioner when
13 each dividend is available for payment [TO THE STATE]. The amount of the
14 dividend for a current fiscal year is calculated as follows:

1 (1) the lesser of \$103,000,000 or 75 percent of the net income of the
2 corporation for the base fiscal year;

3 (2) minus the amount of money from the corporation used during that
4 current fiscal year for bond repayment and other costs related to the bonds issued
5 under

6 (A) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

7 (B) sec. 10(b), ch. 130, SLA 2000;

8 (C) sec. 1, ch. 1, SSSLA 2002;

9 (D) sec. 4, ch. 120, SLA 2004; and

10 (3) minus any appropriation of unrestricted unencumbered money of
11 the corporation during the current fiscal year, other than an appropriation for the
12 corporation's operating budget.

13 * **Sec. 2.** AS 37.10 is amended by adding a new section to read:

14 **Article 4A. Retirement Benefit Liability Account.**

15 **Sec. 37.10.200. Retirement benefit liability account.** (a) The retirement
16 benefit liability account is created in the Department of Revenue.

17 (b) Money in the retirement benefit liability account may be appropriated to
18 the state and political subdivisions of the state, including regional educational
19 attendance areas, for employer contributions to pay past service liabilities of the public
20 employees' retirement system and the teachers' retirement system and for other
21 purposes. Income earned on money in the account may be appropriated to the account
22 annually.

23 (c) Nothing in this section dedicates funds for a specific purpose.

24 (d) In this section, "employer contribution" means a contribution described in
25 AS 14.25.070(a) and AS 39.35.270(a).

26 * **Sec. 3.** AS 37.10.220 is amended by adding a new paragraph to read:

27 (16) recommend to the legislature an amount to be appropriated for the
28 next fiscal year from the account established under AS 37.10.200 to each political
29 subdivision, including regional educational attendance areas, participating in the
30 teachers' retirement system under AS 14.25 or the public employees' retirement system
31 under AS 39.35, which amount shall be determined by

1 (A) calculating the amount needed by the political subdivision
2 for that fiscal year to liquidate past service liability using the rate determined
3 under (8)(B) of this section;

4 (B) deducting from the amount determined under (A) of this
5 paragraph the amount of the total appropriation from the account under
6 AS 37.10.200 that was received by that political subdivision for the previous
7 fiscal year and spent for a purpose other than the purpose for which the
8 appropriation was made.

9 * **Sec. 4.** This Act takes effect June 30, 2006.