

SENATE JOINT RESOLUTION NO. 8

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Introduced: 2/14/05

Referred: State Affairs, Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to and limiting**
2 **appropriations from and inflation-proofing the Alaska permanent fund by establishing a**
3 **percent of market value spending limit.**

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 provided in (b) of this section, money in the permanent fund** [, THE
10 PRINCIPAL OF WHICH] shall be used only for those income-producing investments
11 specifically designated by law as eligible for permanent fund investments. [ALL
12 INCOME FROM THE PERMANENT FUND SHALL BE DEPOSITED IN THE
13 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) Money may not be appropriated from the permanent fund unless the
2 annual amount appropriated is predictable and limited so that the real value of the
3 permanent fund is preserved over time. Appropriations from the permanent fund for a
4 fiscal year may not exceed five percent of the average of the fiscal year-end market
5 values of the fund for the first five of the preceding six fiscal years.

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

8 **Section 30. Transition.** On the effective date of the 2006 amendment relating
9 to the Alaska permanent fund (art. IX, sec. 15), the balance of the earnings reserve
10 account established under AS 37.13.145(a) becomes money in the Alaska permanent
11 fund.

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