

CS FOR HOUSE BILL NO. 48(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/7/07

Referred: Rules

Sponsor(s): REPRESENTATIVES SEATON AND KELLY, Gardner

A BILL

FOR AN ACT ENTITLED

1 **"An Act amending the powers of the board of trustees of the Alaska Retirement**
2 **Management Board to authorize purchase and sale of transferable tax credit certificates**
3 **issued in conjunction with the production tax on oil and gas; relating to transferable tax**
4 **credit certificates issued under the oil and gas production tax; and providing for an**
5 **effective date."**

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

7 *** Section 1.** AS 37.10.220(b) is amended to read:

8 (b) The board may

9 (1) employ outside investment advisors to review investment policies;

10 (2) enter into an agreement with the fiduciary of another state fund in
11 order to assume the management and investment of those assets;

12 (3) contract for other services necessary to execute the board's powers
13 and duties;

1 (4) enter into confidentiality agreements that would exempt records
 2 from AS 40.25.110 and 40.25.120 if the records contain information that could affect
 3 the value of investment by the board or that could impair the ability of the board to
 4 acquire, maintain, or dispose of investments;

5 (5) purchase transferable tax credit certificates issued under
 6 AS 43.55.023 and 43.55.025 for 92 percent of the face value of a certificate, and
 7 sell transferable tax credit certificates to the Department of Revenue under
 8 AS 43.55.023(l) and 43.55.025(l) for a cash refund of the full face value of the
 9 certificate; under this paragraph, the board

10 (A) may

11 (i) engage in the purchase and sale of transferable
 12 tax credits notwithstanding AS 43.55.023(f) requiring written
 13 application for a cash refund by the person to whom a transferable
 14 tax credit certificate has been issued under AS 43.55.023(d) before
 15 the department issues the cash refund for a certificate; and

16 (ii) sell a transferable tax credit certificate only if the
 17 commissioner of revenue determines that economic conditions are
 18 acceptable for the state to purchase and pay for the credit; and

19 (B) shall apply the proceeds from a sale made under this
 20 paragraph to defray the unfunded pension liabilities of the systems for
 21 which the board has responsibility.

22 * **Sec. 2.** AS 43.55.023 is amended by adding a new subsection to read:

23 (l) Notwithstanding the limitation on the use of a transferable tax credit by a
 24 transferee in (e) of this section and subject to appropriations made by law, the
 25 department shall issue a cash refund to the Alaska Retirement Management Board for
 26 a transferable tax credit originally issued to a person under (d) of this section and
 27 purchased by the Alaska Retirement Management Board under AS 37.10.220(b).

28 * **Sec. 3.** AS 43.55.025 is amended by adding a new subsection to read:

29 (l) Subject to appropriations made by law, the department shall issue a cash
 30 refund to the Alaska Retirement Management Board for a transferable tax credit
 31 originally issued to an explorer under (f) of this section and purchased by the Alaska

- 1 Retirement Management Board under AS 37.10.220(b).
- 2 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).