

HOUSE BILL NO. 322

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/17/08

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska transportation fund and relating to the fund; and**
2 **providing for an effective date."**

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

4 * **Section 1.** AS 37.14 is amended by adding new sections to read:

5 **Article 10. Alaska Transportation Fund.**

6 **Sec. 37.14.900. Alaska transportation fund.** (a) The Alaska transportation
7 fund is established as a separate endowment trust fund of the state. The fund consists
8 of

- 9 (1) appropriations to the fund;
10 (2) donations or gifts to the fund;
11 (3) income earned on investments of fund assets; and
12 (4) realized and unrealized capital gains.

13 (b) The commissioner of revenue shall manage the fund as an endowment,
14 with the goal that the purchasing power of the fund will not diminish over time

1 without regard to additional contributions that may be made to the fund. The
2 commissioner shall invest the assets of the fund in a manner likely to yield at least a
3 five percent real rate of return over time.

4 (c) Money from an appropriation made to the fund remaining in that fund at
5 the end of a fiscal year does not lapse and remains available for investment and
6 appropriation in successive fiscal years.

7 (d) Nothing in this section creates a dedicated fund.

8 **Sec. 37.14.910. Use of the fund.** (a) On or before October 1 of each year, the
9 commissioner of revenue shall prepare a report for the legislature that identifies that
10 amount defined as five percent of the average of the market values of the assets of
11 the fund on June 30 for the five fiscal years immediately preceding the fiscal year in
12 which the report is prepared.

13 (b) The amount identified in (a) of this section is available for appropriation
14 to the capital projects fund identified in AS 44.42.080(2).

15 **Sec. 37.14.920. Market value of the fund.** The Department of Revenue shall
16 determine the market value of the fund annually as of the close of business on
17 June 30 of each year in accordance with generally accepted accounting principles for
18 the determination of fair value.

19 **Sec. 37.14.930. Powers and duties of the commissioner of revenue.** In
20 carrying out the investment duties under AS 37.14.900 - 37.14.990, the
21 commissioner of revenue has the powers and duties set out in AS 37.10.071. Not
22 later than the 10th day following the convening of each first regular session of the
23 legislature, the commissioner shall make available a report to the legislature on the
24 condition and investment performance of the fund.

25 **Sec. 37.14.990. Definition.** In AS 37.14.900 - 37.14.990, "fund" means the
26 Alaska transportation fund established in AS 37.14.900.

27 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **TRANSITION.** (a) Notwithstanding AS 37.14.900 - 37.14.990, as enacted by sec. 1
30 of this Act, the commissioner of revenue shall calculate average fund values in the years
31 2008 through 2012 as follows:

1 (1) for fund value calculation for year 2008, the commissioner of revenue
2 shall prepare a report to the legislature on or before October 1, 2008, identifying that amount
3 defined as five percent of the market value of the fund on July 1, 2008; the amount is
4 available for appropriation during the first regular session of the Twenty-Sixth Alaska State
5 Legislature under AS 37.14.910(b), enacted by sec. 1 of this Act;

6 (2) for average fund value calculations for years 2009 through 2012, on or
7 before October 1, 2009, and on or before October 1 in subsequent years through the year
8 2012, the commissioner of revenue shall prepare a report to the legislature that identifies that
9 amount defined as five percent of the average of the market values of the assets of the fund
10 on July 1, 2008, and on June 30 of each subsequent year, as identified in the reports required
11 by this paragraph; the amounts are available for appropriation during the respective regular
12 sessions of the Alaska State Legislature under AS 37.14.910(b), enacted by sec. 1 of this
13 Act.

14 (b) In this section, "fund" means the Alaska transportation fund established in
15 AS 37.14.900, enacted by sec. 1 of this Act.

16 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).