

AMENDMENT # 4

OFFERED IN THE SENATE
TO: CSSB 26(FIN)

BY SENATOR WIELECHOWSKI

1 Page 2, following line 4:

2 Insert new bill sections to read:

3 *** Sec. 3.** AS 37.05.540(a), as amended by sec. 2 of this Act, is amended to read:

4 (a) There is established as a separate fund in the state treasury the budget
5 reserve fund. The budget reserve fund consists of appropriations to the fund. **Money**
6 **received by the state that is subject to the appropriation limit under (b) of this**
7 **section and that exceeds that limit may be appropriated to the budget reserve**
8 **fund.**

9 *** Sec. 4.** AS 37.05.540 is amended by adding new subsections to read:

10 (f) Except for appropriations to the permanent fund or for Alaska permanent
11 fund dividends, appropriations to the budget reserve fund, appropriations of revenue
12 bond proceeds, appropriations required to pay the principal and interest on general
13 obligation bonds, and appropriations of money received from a nonstate source in trust
14 for a specific purpose, including revenue of a public enterprise or public corporation
15 of the state that issues revenue bonds, appropriations from the mental health trust
16 settlement income account (AS 37.14.036), and appropriations made to the mental
17 health trust fund (AS 37.14.031), appropriations from the treasury made in a fiscal
18 year may not exceed appropriations made in the preceding fiscal year by more than
19 five percent plus the change in population and inflation since the beginning of the
20 preceding fiscal year. For purposes of applying this limit, an appropriation is
21 considered to be made in the fiscal year in which it is enacted and a reappropriation
22 remains attributed to the fiscal year in which the original appropriation is enacted. The
23 determination of the change in population for purposes of this subsection shall be

1 based on an annual estimate of population by the Department of Labor and Workforce
 2 Development. The determination of the change in inflation for purposes of this
 3 subsection shall be based on the Consumer Price Index for all urban consumers for
 4 Anchorage prepared by the United States Bureau of Labor Statistics. The amount of
 5 money received by the state that is subject to the appropriation limit includes the
 6 balance in the general fund carried forward from the preceding fiscal year.

7 (g) If the legislature determines that the money subject to the appropriation
 8 limit received by the state in a fiscal year is less than the maximum permitted to be
 9 appropriated under (f) of this section, up to 25 percent of the balance of the budget
 10 reserve fund may be appropriated to the general fund.

11 (h) Notwithstanding other provisions of this section, appropriations may be
 12 made from the budget reserve fund needed by the governor to meet a disaster. In this
 13 subsection, "disaster" has the meaning given in AS 26.23.900."
 14

15 Renumber the following bill sections accordingly.

16
 17 Page 3, following line 13:

18 Insert a new bill section to read:

19 **** Sec. 8.** AS 37.13.010(a), as amended by sec. 7 of this Act, is amended to read:

20 (a) Under art. IX, sec. 15, of the state constitution, there is established as a
 21 separate fund the Alaska permanent fund. The Alaska permanent fund consists of

22 (1) 25 percent of all mineral lease rentals, royalties, royalty sale
 23 proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue
 24 sharing payments received by the state from mineral leases issued on or before
 25 December 1, 1979, and 25 percent of all bonuses received by the state from mineral
 26 leases issued on or before February 15, 1980;

27 (2) 50 percent of all mineral lease rentals, royalties, royalty sale
 28 proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral
 29 revenue sharing payments received by the state from mineral leases issued after
 30 December 1, 1979, and 50 percent of all bonuses received by the state from
 31 mineral leases issued after February 15, 1980; and

1 **(3)** [(2)] any other money appropriated to or otherwise allocated by
2 law or former law to the Alaska permanent fund."

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4 Renumber the following bill sections accordingly.

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6 Page 3, following line 25:

7 Insert a new bill section to read:

8 "* **Sec. 10.** AS 37.13.140, as amended by sec. 9 of this Act, is amended to read:

9 **Sec. 37.13.140. Income.** Net income of the fund includes income of the
10 earnings reserve account established under AS 37.13.145. **Net** [THE CORPORATION
11 SHALL DETERMINE THE NET] income of the fund **shall be computed annually**
12 **as of the last day of the fiscal year** in accordance with generally accepted accounting
13 principles, excluding any unrealized gains or losses. **Income available for**
14 **distribution equals 21 percent of the net income of the fund for the last five fiscal**
15 **years, including the fiscal year just ended, but may not exceed net income of the**
16 **fund for the fiscal year just ended plus the balance in the earnings reserve**
17 **account described in AS 37.13.145.**"

18
19 Renumber the following bill sections accordingly.

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21 Page 4, lines 17 - 26:

22 Delete all material.

23
24 Renumber the following bill sections accordingly.

25
26 Page 5, following line 6:

27 Insert a new bill section to read:

28 "* **Sec. 13.** AS 37.13.145(d), as amended by sec. 12 of this Act, is amended to read:

29 (d) **Notwithstanding (g) of this section, income** [INCOME] earned on money
30 awarded in or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ.
31 (Superior Court, First Judicial District), including settlement, summary judgment, or

1 adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or
2 interest earned on the money, or on the earnings of the money shall be treated in the
3 same manner as other income of the Alaska permanent fund, except that it is not
4 available for distribution **to the dividend fund or for transfers to the principal**
5 **under (h) of this section** [AS 37.13.140(b) AND (c)], and shall be annually deposited
6 into the Alaska capital income fund (AS 37.05.565)."
7

8 Renumber the following bill sections accordingly.
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10 Page 5, following line 14:

11 Insert a new bill section to read:

12 **"* Sec. 15.** AS 37.13.145 is amended by adding new subsections to read:

13 (g) At the end of each fiscal year, the corporation shall transfer from the
14 earnings reserve account to the dividend fund established under AS 43.23.045 50
15 percent of the income available for distribution under AS 37.13.140.

16 (h) After the transfer under (g) of this section, the corporation shall transfer
17 from the earnings reserve account to the principal of the fund an amount sufficient to
18 offset the effect of inflation on the principal of the fund during that fiscal year.
19 However, none of the amount transferred shall be applied to increase the value of that
20 portion of the principal attributed to the settlement of State v. Amerada Hess, et al.,
21 1JU-77-847 Civ. (Superior Court, First Judicial District) on July 1, 2004. The
22 corporation shall calculate the amount to transfer to the principal under this subsection
23 by

24 (1) computing the average of the monthly United States Consumer
25 Price Index for all urban consumers for each of the two previous calendar years;

26 (2) computing the percentage change between the first and second
27 calendar year average; and

28 (3) applying that rate to the value of the principal of the fund on the
29 last day of the fiscal year just ended, including that portion of the principal attributed
30 to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,
31 First Judicial District)."

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2 Renumber the following bill sections accordingly.

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4 Page 5, following line 24:

5 Insert a new bill section to read:

6 **** Sec. 18.** AS 37.13.300(c), as amended by sec. 17 of this Act, is amended to read:

7 (c) Net income from the mental health trust fund may not be included in the
 8 computation of **net** income available for distribution under **AS 37.13.140**
 9 **[AS 37.13.140(b)]."**

10

11 Renumber the following bill sections accordingly.

12

13 Page 6, following line 19:

14 Insert a new bill section to read:

15 **** Sec. 20.** AS 43.23.025(a), as amended by sec. 19 of this Act, is amended to read:

16 (a) By October 1 of each year, the commissioner shall determine the value of
 17 each permanent fund dividend for that year by

18 (1) determining the total amount available for dividend payments,
 19 which equals

20 (A) the amount **of income of the Alaska permanent fund**
 21 **transferred** [APPROPRIATED] to the dividend fund under **AS 37.13.145(g)**
 22 **[AS 37.13.146]** during the current year;

23 (B) plus the unexpended and unobligated balances of prior
 24 fiscal year appropriations that lapse into the dividend fund under
 25 AS 43.23.045(d);

26 (C) less the amount necessary to pay prior year dividends from
 27 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
 28 43.23.055(3) and (7);

29 (D) less the amount necessary to pay dividends from the
 30 dividend fund due to eligible applicants who, as determined by the department,
 31 filed for a previous year's dividend by the filing deadline but who were not

1 included in a previous year's dividend computation;

2 (E) less appropriations from the dividend fund during the
3 current year, including amounts to pay costs of administering the dividend
4 program and the hold harmless provisions of AS 43.23.075;

5 (2) determining the number of individuals eligible to receive a dividend
6 payment for the current year and the number of estates and successors eligible to
7 receive a dividend payment for the current year under AS 43.23.005(h); and

8 (3) dividing the amount determined under (1) of this subsection by the
9 amount determined under (2) of this subsection."
10

11 Renumber the following bill sections accordingly.

12
13 Page 6, following line 27:

14 Insert a new bill section to read:

15 **"* Sec. 23.** AS 43.23.045(a), as amended by sec. 22 of this Act, is amended to read:

16 (a) The dividend fund is established as a separate fund in the state treasury.
17 [THE FUND CONSISTS OF MONEY APPROPRIATED TO IT UNDER
18 AS 37.13.146.] The dividend fund shall be administered by the commissioner and
19 shall be invested by the commissioner in the same manner as provided in
20 AS 37.10.070."
21

22 Renumber the following bill sections accordingly.

23
24 Page 8, following line 12:

25 Insert a new bill section to read:

26 **"* Sec. 25.** AS 43.23.055, as amended by sec. 24 of this Act, is amended to read:

27 **Sec. 43.23.055. Duties of the department.** The department shall

28 (1) annually pay permanent fund dividends from the dividend fund [,
29 WITHOUT FURTHER APPROPRIATION];

30 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
31 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures

1 and time limits for claiming a permanent fund dividend; the department shall
2 determine the number of eligible applicants by October 1 of the year for which the
3 dividend is declared and pay the dividends by December 31 of that year;

4 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
5 that establish procedures and time limits for an individual upon emancipation or upon
6 reaching majority to apply for permanent fund dividends not received during minority
7 because the parent, guardian, or other authorized representative did not apply on
8 behalf of the individual;

9 (4) assist residents of the state, particularly in rural areas, who because
10 of language, disability, or inaccessibility to public transportation need assistance to
11 establish eligibility and to apply for permanent fund dividends;

12 (5) use a list of individuals ineligible for a dividend under
13 AS 43.23.005(d) provided annually by the Department of Corrections and the
14 Department of Public Safety to determine the number and identity of those
15 individuals;

16 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

17 (7) adopt regulations that establish procedures for the parent, guardian,
18 or other authorized representative of a disabled individual to apply for prior year
19 permanent fund dividends not received by the disabled individual because no
20 application was submitted on behalf of the individual;

21 (8) adopt regulations that establish procedures for an individual to
22 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
23 collected within two years after the date of its issuance; however, the department may
24 not establish a time limit within which an application to have a disbursement reissued
25 must be filed;

26 (9) provide any information, upon request, contained in permanent fund
27 dividend records to the child support services agency created in AS 25.27.010, or the
28 child support enforcement agency of another state, for child support purposes
29 authorized under law; if the information is contained in an electronic data base, the
30 department shall provide the requesting agency with either

31 (A) access to the data base; or

1 (B) a copy of the information in the data base and a statement
2 certifying its contents;

3 (10) establish a fraud investigation unit for the purpose of assisting the

4 (A) Department of Law in the prosecution of individuals who
5 apply for or obtain a permanent fund dividend in violation of a provision in
6 AS 11, by detecting and investigating those crimes; and

7 (B) commissioner to detect and investigate the claiming or
8 paying of permanent fund dividends that should not have been claimed by or
9 paid to an individual and to impose the penalties and enforcement provisions
10 under AS 43.23.035."

11
12 Renumber the following bill sections accordingly.

13
14 Page 8, following line 14:

15 Insert a new bill section to read:

16 "* **Sec. 27.** AS 37.05.545; AS 37.07.020(f); AS 37.13.140(b), 37.13.140(c), 37.13.145(e),
17 37.13.145(f), 37.13.146; and AS 43.23.025(c) are repealed July 1, 2020."

18
19 Renumber the following bill sections accordingly.

20
21 Page 8, line 22:

22 Delete "Section 19"

23 Insert "Section 29"

24
25 Page 8, line 23:

26 Delete all material and insert:

27 "* **Sec. 31.** Sections 3, 4, 8, 10, 13, 15, 18, 20, 23, and 25 of this Act take effect July 1,
28 2020."

29
30 Page 8, line 24:

31 Delete "secs. 20 and 21"

1 Insert "secs. 30 and 31"