

**SENATE BILL NO. 21**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR STEDMAN

Introduced: 1/18/17

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to appropriations from the income of the Alaska permanent fund;  
2 relating to the calculation of permanent fund dividends; and providing for an effective  
3 date."

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

5 \* **Section 1.** AS 37.13.140 is amended to read:

6 **Sec. 37.13.140. Net income [INCOME].** Net income of the fund includes  
7 income of the earnings reserve account established under AS 37.13.145. Net income  
8 of the fund shall be computed annually as of the last day of the fiscal year in  
9 accordance with generally accepted accounting principles, excluding any unrealized  
10 gains or losses. [INCOME AVAILABLE FOR DISTRIBUTION EQUALS 21  
11 PERCENT OF THE NET INCOME OF THE FUND FOR THE LAST FIVE FISCAL  
12 YEARS, INCLUDING THE FISCAL YEAR JUST ENDED, BUT MAY NOT  
13 EXCEED NET INCOME OF THE FUND FOR THE FISCAL YEAR JUST ENDED  
14 PLUS THE BALANCE IN THE EARNINGS RESERVE ACCOUNT DESCRIBED

1 IN AS 37.13.145.]

2 \* **Sec. 2.** AS 37.13.145(d) is amended to read:

3 (d) **Income** [NOTWITHSTANDING (b) OF THIS SECTION, INCOME]  
 4 earned on money awarded in or received as a result of State v. Amerada Hess, et al.,  
 5 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement,  
 6 summary judgment, or adjustment to a royalty-in-kind contract that is tied to the  
 7 outcome of this case, or interest earned on the money, or on the earnings of the money  
 8 shall be treated in the same manner as other income of the Alaska permanent fund,  
 9 except that it is not available for distribution to the dividend fund [OR FOR  
 10 TRANSFERS TO THE PRINCIPAL UNDER (c) OF THIS SECTION], and shall be  
 11 annually deposited into the Alaska capital income fund (AS 37.05.565).

12 \* **Sec. 3.** AS 37.13.145 is amended by adding a new subsection to read:

13 (e) The legislature may appropriate from the earnings reserve account the  
 14 following percentages of the average fiscal-year-end market value of the balance of  
 15 the fund for the last five fiscal years, including the fiscal year just ended and including  
 16 any unrealized gains and losses:

17 (1) to the dividend fund established under AS 43.23.045, between 2.25  
 18 and 4.5 percent; and

19 (2) to the general fund, following the appropriation in (1) of this  
 20 subsection, an additional amount, not to exceed 2.25 percent, except that the total  
 21 amount appropriated in a fiscal year from the earnings reserve account may not exceed  
 22 4.5 percent.

23 \* **Sec. 4.** AS 43.23.025(a) is amended to read:

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

26 (1) determining the total amount available for dividend payments,  
 27 which equals

28 (A) the amount of income of the Alaska permanent fund  
 29 **appropriated** [TRANSFERRED] to the dividend fund under  
 30 **AS 37.13.145(e)(1)** [AS 37.13.145(b)] during the current year;

31 (B) plus the unexpended and unobligated balances of prior

1 fiscal year appropriations that lapse into the dividend fund under  
2 AS 43.23.045(d);

3 (C) less the amount necessary to pay prior year dividends from  
4 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and  
5 43.23.055(3) and (7);

6 (D) less the amount necessary to pay dividends from the  
7 dividend fund due to eligible applicants who, as determined by the department,  
8 filed for a previous year's dividend by the filing deadline but who were not  
9 included in a previous year's dividend computation;

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

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

16 (3) dividing the amount determined under (1) of this subsection by the  
17 amount determined under (2) of this subsection.

18 \* **Sec. 5.** AS 37.13.145(b) and 37.13.145(c) are repealed.

19 \* **Sec. 6.** This Act takes effect July 1, 2017.