

SENATE BILL NO. 84

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR DUNLEAVY

Introduced: 3/8/17

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska permanent fund; relating to the earnings of the**
2 **permanent fund; and providing for an effective date."**

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

4 *** Section 1.** AS 37.05.550(b) is amended to read:

5 (b) The legislature may appropriate to the fund money received by the state as
6 Alaska marine highway system program receipts or from a settlement or final judicial
7 determination of the Dinkum Sands case (United States v. Alaska) and the North
8 Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the Alaska
9 permanent fund under AS 37.13.010(a)(1) [OR (2)] or into the public school trust fund
10 under AS 37.14.150.

11 *** Sec. 2.** AS 37.13.010(a) is amended to read:

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

14 (1) 25 percent of all mineral lease rentals, royalties, royalty sale

1 proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue
 2 sharing payments received by the state from mineral leases [ISSUED ON OR
 3 BEFORE DECEMBER 1, 1979,] and 25 percent of all bonuses received by the state
 4 from mineral leases [ISSUED ON OR BEFORE FEBRUARY 15, 1980;

5 (2) 50 PERCENT OF ALL MINERAL LEASE RENTALS,
 6 ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER
 7 AS 38.05.180(f) AND (g), AND FEDERAL MINERAL REVENUE SHARING
 8 PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES ISSUED
 9 AFTER DECEMBER 1, 1979, AND 50 PERCENT OF ALL BONUSES RECEIVED
 10 BY THE STATE FROM MINERAL LEASES ISSUED AFTER FEBRUARY 15,
 11 1980]; and

12 (2) [(3)] any other money appropriated to or otherwise allocated by
 13 law or former law to the Alaska permanent fund.

14 * **Sec. 3.** AS 37.13.020 is amended by adding a new subsection to read:

15 (b) It is the intent of the legislature that the earnings of the Alaska permanent
 16 fund be appropriated consistent with an equal draw principle. Under the equal draw
 17 principle, the amount appropriated from the earnings of the Alaska permanent fund in
 18 a given year for purposes other than for payment of dividends may not exceed the
 19 amount appropriated from the earnings of the Alaska permanent fund for the payment
 20 of dividends.

21 * **Sec. 4.** AS 37.13.140 is amended by adding a new subsection to read:

22 (b) Following the appropriation to the dividend fund under
 23 AS 37.13.145(b)(1), the remainder of the amount available for distribution under (a) of
 24 this section shall be reduced by the difference between the amount calculated under
 25 (1) of this subsection and the amount under (2) of this subsection if the amount
 26 calculated under (1) of this subsection exceeds the amount under (2) of this
 27 subsection:

28 (1) the total amount of oil and gas production taxes under
 29 AS 43.55.011 - 43.55.180, mineral lease rentals, royalties, royalty sale proceeds, net
 30 profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing
 31 payments and bonuses received by the state from mineral leases that are deposited into

1 the general fund in the current fiscal year;

2 (2) the sum of \$1,000,000,000.

3 * **Sec. 5.** AS 37.13.145(b) is amended to read:

4 (b) At the end of each fiscal year, the corporation shall transfer from the
5 earnings reserve account to the

6 (1) dividend fund established under AS 43.23.045, 50 percent of the
7 income available for distribution under AS 37.13.140;

8 (2) general fund, the remainder of the income available for
9 distribution under AS 37.13.140.

10 * **Sec. 6.** AS 37.13.140(b) and 37.13.145(b)(2) are repealed.

11 * **Sec. 7.** Section 6 of this Act takes effect July 1, 2021.

12 * **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2017.