

30TH ALASKA STATE LEGISLATURE  
SECOND SESSION  
CONFERENCE COMMITTEE ON SB26  
May 2, 2018  
1:36 p.m.

1:36:27 PM

CALL TO ORDER

Co-Chair Foster called the Conference Committee meeting on SB26 to order at 1:36 p.m.

MEMBERS PRESENT:

Senate: Peter Micciche  
Senator Lyman Hoffman, Acting Co-Chair  
Senator Dennis Egan

House:  
Representative Neal Foster, Co-Chair  
Representative Paul Seaton  
Representative Charisse Millett

MEMBERS ABSENT

Senator Anna MacKinnon, Co-Chair

ALSO PRESENT

Laura Cramer, Staff, Senator Anna MacKinnon

SUMMARY

SB 26      APPROP LIMIT & PER FUND:DIVIDEND;EARNINGS

SB 26 was HEARD and HELD in committee for further consideration.

#SB26

CS FOR SENATE BILL NO. 26(FIN)

"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; relating to the Alaska permanent fund, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; relating

to the calculation and payment of permanent fund dividends; and providing for an effective date."

and

HOUSE CS FOR CS FOR SENATE BILL NO. 26(FIN)(efd fld H)

"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; relating to the Alaska permanent fund, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; and relating to the calculation and payment of permanent fund dividends."

1:37:09 PM

Co-Chair Hoffman announced that the purpose of the meeting was to release a working draft conference committee substitute. There would be no action on the CS, but it would be released to the public for further consideration and discussion.

1:37:33 PM

LAURA CRAMER, STAFF, SENATOR ANNA MACKINNON discussed a Sectional Analysis (copy on file):

Section 1: Legislative Findings and Intent language - this language makes it clear that several sections in the CS are technical and conforming in nature to reflect a Supreme Court ruling

Section 2: Repeals language relating to the statutory appropriation limit

Section 3: Conforming change relating to section 5

Section 4: Requires the Governor to submit a report to the legislature on how the budget complies with the constitutional appropriation limit

Section 5: Maintains language that was in both bodies versions - relating to the deposits of rentals and royalties at the 25percent constitutional level

Section 6: Conforming change relating to section 7 and a grammatical change

Section 7: Sets the percent of market value at 5.25percent

Section 8: Sets the percent of market value at 5percent starting July 1, 2021, in Section 18

Section 9: Clarifies that the amount available for distribution from the ERA to the dividend fund is appropriated - brings statutory language in line with current practice and the Supreme Court decision

Section 10: Technical and conforming changes relating to the Supreme Court decision and relating to Section 12 - an appropriation for inflation proofing is considered a separate appropriation from the POMV

Section 11: Clarifying and conformation language - Amerada Hess funds are not available for appropriation

Section 12: Specifies that the appropriation from the earnings reserve account may not exceed the amount available for appropriation under the POMV listed in Section 7

Section 13: Clarifying language that the Permanent Fund Corporation's budget doesn't lapse and shall be treated as income and part of the market value of the fund

Section 14: Clarifying and conforming language

Section 15: Technical and conforming language relating to the Supreme Court decision

Section 16: Authorizes the Department of Revenue to pay dividends without further appropriation

Section 17: Repeals the statutory appropriation limit

Section 18: Section 8 - the 5percent POMV takes effect July 1, 2021

Section 19: Except for Section 18, this Act takes effect July 1, 2018

1:40:42 PM

Co-Chair Hoffman announced that the CS was a draft, and would be under further discussions in the caucuses and offices. He announced that Co-Chair MacKinnon's office would schedule the next meeting.

SB 26 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

1:41:46 PM

The meeting was adjourned at 1:41 p.m.