

HOUSE JOINT RESOLUTION NO. 3

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE TUCK

Introduced: 2/20/19

Referred: State Affairs, Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund and establishing the earnings reserve account.**

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

4 * **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

5 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five percent of all
6 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
7 payments and bonuses received by the State shall be placed in a permanent fund, the
8 principal of which shall be used only for those income-producing investments
9 specifically designated by law as eligible for permanent fund investments. **The**
10 **earnings reserve account is established as a separate account in the fund. Income**
11 **from the fund shall be deposited into the earnings reserve account as soon as it is**
12 **received and may be invested as authorized for investments of the principal.**
13 **Money in the earnings reserve account may be appropriated only as provided in**
14 **(b) of this section** [ALL INCOME FROM THE PERMANENT FUND SHALL BE
15 DEPOSITED IN THE GENERAL FUND UNLESS OTHERWISE PROVIDED BY
16 LAW].

1 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding a
2 new subsection to read:

3 (b) Net income of the permanent fund shall be computed annually as of the
4 last day of the fiscal year in accordance with generally accepted accounting principles.
5 Income available for distribution under this section equals four percent of the market
6 value of the permanent fund, but may not exceed the net income of the fund for the
7 fiscal year just ended. Fifty percent of the income available for distribution shall be
8 transferred from the income of the fund for use in a program of dividend payments to
9 State residents as provided by law. The remaining fifty percent of the income available
10 for distribution shall be deposited in the general fund. The transfer from the income of
11 the fund for dividend payments and to the general fund shall be made without
12 legislative appropriation.

13 * **Sec. 3.** Article XV, Constitution of the State of Alaska, is amended by adding a new
14 section to read:

15 **Section 30. Permanent Fund Amendments: Transition.** The earnings
16 reserve account established in the 2020 amendments to the Alaska permanent fund
17 (art. IX, sec. 15) replaces the existing earnings reserve account established by law.
18 Money in the existing earnings reserve account on the effective date of the 2020
19 amendments to the Alaska permanent fund (art. IX, sec. 15) shall be deposited into the
20 earnings reserve account established by those amendments.

21 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
22 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
23 State of Alaska, and the election laws of the state.