

SENATE BILL NO. 103

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/5/19

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to deposits into the dividend fund and appropriations from the**
2 **earnings reserve account; and providing for an effective date."**

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

4 *** Section 1.** AS 37.13.140(b) is amended to read:

5 (b) The corporation shall determine the amount available for appropriation
6 each year. The amount available for appropriation is 5.25 percent of the average
7 market value of the fund for the first five of the preceding six fiscal years, including
8 the fiscal year just ended, computed annually for each fiscal year in accordance with
9 generally accepted accounting principles. In this subsection, "average market value of
10 the fund" includes the balance of the earnings reserve account established under
11 AS 37.13.145, but does not include that portion of the principal attributed to the
12 settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First
13 Judicial District). **The amount available for appropriation may not exceed the**
14 **balance in the earnings reserve account described in AS 37.13.145.**

1 * **Sec. 2.** AS 37.13.140(b), as amended by sec. 2, ch. 16, SLA 2018, is amended to read:

2 (b) The corporation shall determine the amount available for appropriation
3 each year. The amount available for appropriation is five percent of the average
4 market value of the fund for the first five of the preceding six fiscal years, including
5 the fiscal year just ended, computed annually for each fiscal year in accordance with
6 generally accepted accounting principles. In this subsection, "average market value of
7 the fund" includes the balance of the earnings reserve account established under
8 AS 37.13.145, but does not include that portion of the principal attributed to the
9 settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First
10 Judicial District). **The amount available for appropriation may not exceed the**
11 **balance in the earnings reserve account described in AS 37.13.145.**

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

13 (b) **Each** [AT THE END OF EACH] fiscal year, the **legislature may**
14 **appropriate** [CORPORATION SHALL TRANSFER] from the earnings reserve
15 account to the

16 (1) dividend fund established under AS 43.23.045, 50 percent of the
17 **amount** [INCOME] available for **appropriation** [DISTRIBUTION] under
18 **AS 37.13.140(b); and**

19 (2) **general fund, 50 percent of the amount available for**
20 **appropriation under AS 37.13.140(b)** [AS 37.13.140].

21 * **Sec. 4.** AS 37.13.145(d) is amended to read:

22 (d) Notwithstanding (b) of this section, income earned on money awarded in
23 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior
24 Court, First Judicial District), including settlement, summary judgment, or adjustment
25 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned
26 on the money, or on the earnings of the money shall be treated in the same manner as
27 other income of the Alaska permanent fund, except that it is not available for
28 **appropriation** [DISTRIBUTION] to the dividend fund **under AS 37.13.140(b)** [,
29 FOR TRANSFERS TO THE PRINCIPAL UNDER (c) OF THIS SECTION,] or for
30 an appropriation under (e) of this section, and shall be annually deposited into the
31 Alaska capital income fund (AS 37.05.565).

1 * **Sec. 5.** AS 37.13.300(c) is amended to read:

2 (c) Net income from the mental health trust fund may not be included in the
3 computation of **the** [NET INCOME OR] market value **amount** available for
4 [DISTRIBUTION OR] appropriation under **AS 37.13.140(b)** [AS 37.13.140].

5 * **Sec. 6.** AS 37.14.031(c) is amended to read:

6 (c) The net income of the fund shall be determined by the Alaska Permanent
7 Fund Corporation **and shall be computed annually as of the last day of the fiscal**
8 **year in accordance with generally accepted accounting principles, excluding any**
9 **unrealized gains or losses** [IN THE SAME MANNER THE CORPORATION
10 DETERMINES THE NET INCOME OF THE ALASKA PERMANENT FUND
11 UNDER AS 37.13.140].

12 * **Sec. 7.** AS 43.23.025(a) is amended to read:

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

15 (1) determining the total amount available for dividend payments,
16 which equals

17 (A) the amount **appropriated** [OF INCOME OF THE
18 ALASKA PERMANENT FUND TRANSFERRED] to the dividend fund
19 under AS 37.13.145(b) during the current year;

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

23 (C) less the amount necessary to pay prior year dividends from
24 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
25 43.23.055(3) and (7);

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

30 (E) less appropriations from the dividend fund during the
31 current year, including amounts to pay costs of administering the dividend

1 program and the hold harmless provisions of AS 43.23.240;

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

5 (3) dividing the amount determined under (1) of this subsection by the
6 amount determined under (2) of this subsection.

7 * **Sec. 8.** AS 37.13.140(a), 37.13.145(c), 37.13.145(e), and 37.13.145(f) are repealed.

8 * **Sec. 9.** Section 2 of this Act takes effect on the effective date of sec. 2, ch. 16, SLA 2018.