

SENATE JOINT RESOLUTION NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATOR BEGICH

Introduced: 1/16/19

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.**

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]
9 investments **made according to the prudent investor rule** [SPECIFICALLY
10 DESIGNATED BY LAW AS ELIGIBLE FOR PERMANENT FUND
11 INVESTMENTS. ALL INCOME FROM THE PERMANENT FUND SHALL BE
12 DEPOSITED IN THE GENERAL FUND UNLESS OTHERWISE PROVIDED BY
13 LAW].

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

16 (b) Net income of the permanent fund shall be computed annually as of the

1 last day of the fiscal year in accordance with generally accepted accounting principles.
2 Income available for distribution under this section equals five percent of the market
3 value of the permanent fund, but may not exceed the net income of the fund for the
4 fiscal year just ended. Forty percent of the income available for distribution shall be
5 transferred from the income of the fund for use in a program of dividend payments to
6 State residents as provided by law. An additional forty percent of the income available
7 for distribution shall be deposited in the general fund. Finally, up to twenty percent of
8 the income available for distribution may be transferred to the principal of the fund to
9 offset the effect of inflation. The transfer from the income of the fund for dividend
10 payments and to the general fund shall be made without legislative appropriation.

11 * **Sec. 3.** The amendments proposed by this resolution shall be placed before the voters of
12 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
13 State of Alaska, and the election laws of the state.