

AMENDMENT #2

BY
SENATOR
Holland

OFFERED IN THE SENATE
TO: CSSB 199(FIN)

1 Page 2, following line 17:

2 Insert a new bill section to read:

3 **** Sec. 3.** AS 37.13.140, as amended by sec. 2 of this Act, is amended to read:

4 **Sec. 37.13.140. Income.** (a) Net income of the fund includes income of the
5 earnings reserve account established under AS 37.13.145. Net income of the fund shall
6 be computed annually as of the last day of the fiscal year in accordance with generally
7 accepted accounting principles, excluding any unrealized gains or losses. **Income**
8 **available for distribution equals 21 percent of the net income of the fund for the**
9 **last five fiscal years, including the fiscal year just ended, but may not exceed net**
10 **income of the fund for the fiscal year just ended plus the balance in the earnings**
11 **reserve account described in AS 37.13.145.**

12 (b) The corporation shall determine the amount available for appropriation
13 each year. The amount available for appropriation is five percent of the average
14 market value of the fund for the first five of the preceding six fiscal years, including
15 the fiscal year just ended, computed annually for each fiscal year in accordance with
16 generally accepted accounting principles. [THE AMOUNT AVAILABLE FOR
17 APPROPRIATION MAY NOT EXCEED THE BALANCE IN THE EARNINGS
18 RESERVE ACCOUNT DESCRIBED IN AS 37.13.145.] In this subsection, "average
19 market value of the fund" includes the balance of the earnings reserve account
20 established under AS 37.13.145, but does not include that portion of the principal
21 attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ.
22 (Superior Court, First Judicial District)."
23

1 Renumber the following bill sections accordingly.

2
3 Page 2, line 27, through page 3, line 9:

4 Delete all material and insert:

5 **** Sec. 5.** AS 37.13.145(b), as amended by sec. 4 of this Act, is amended to read:

6 (b) **At the end of each** [EACH] fiscal year, the **corporation shall transfer**
7 [LEGISLATURE MAY APPROPRIATE] from the earnings reserve account to the
8 [(1)] dividend fund established under AS 43.23.045, 50 percent of the
9 **income** [AMOUNT] available for **distribution** [APPROPRIATION] under
10 **AS 37.13.140** [AS 37.13.140(b); AND

11 (2) GENERAL FUND, 50 PERCENT OF THE AMOUNT
12 AVAILABLE FOR APPROPRIATION UNDER AS 37.13.140(b)]."

13
14 Renumber the following bill sections accordingly.

15
16 Page 3, following line 27:

17 Insert a new bill section to read:

18 **** Sec. 7.** AS 37.13.145(c), as amended by sec. 6 of this Act, is amended to read:

19 (c) After the **transfer** [APPROPRIATION] under (b) **and an appropriation**
20 **under (g)** of this section, the **corporation shall transfer** [LEGISLATURE MAY
21 APPROPRIATE] from the earnings reserve account to the principal of the fund an
22 amount sufficient to offset the effect of inflation on the principal of the fund during
23 that fiscal year. However, none of the amount transferred shall be applied to increase
24 the value of that portion of the principal attributed to the settlement of State v.
25 Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District) on
26 July 1, 2004. The corporation shall calculate the amount to transfer to the principal
27 under this subsection by

28 (1) computing the average of the monthly United States Consumer
29 Price Index for all urban consumers for each of the two previous calendar years;

30 (2) computing the percentage change between the first and second
31 calendar year average; and

1 (3) applying that rate to the value of the principal of the fund on the
2 last day of the fiscal year just ended, including that portion of the principal attributed
3 to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,
4 First Judicial District)."

5
6 Renumber the following bill sections accordingly.

7
8 Page 4, following line 8:

9 Insert new bill sections to read:

10 **"* Sec. 9.** AS 37.13.145(d), as amended by sec. 8 of this Act, is amended to read:

11 (d) Notwithstanding (b) of this section, income earned on money awarded in
12 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior
13 Court, First Judicial District), including settlement, summary judgment, or adjustment
14 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned
15 on the money, or on the earnings of the money shall be treated in the same manner as
16 other income of the Alaska permanent fund, except that it is [MAY] not [BE
17 INCLUDED IN THE CALCULATION OF THE AMOUNT] available for
18 distribution to the dividend fund, for transfers [APPROPRIATION UNDER
19 AS 37.13.140(b) OR] to the principal under (c) of this section, or for an
20 appropriation under (g) of this section, and shall be annually deposited into the
21 Alaska capital income fund (AS 37.05.565).

22 *** Sec. 10.** AS 37.13.145 is amended by adding new subsections to read:

23 (g) The legislature may not appropriate from the earnings reserve account to
24 the general fund a total amount that exceeds the amount available for appropriation
25 under AS 37.13.140(b) in a fiscal year.

26 (h) The combined total of the transfer under (b) of this section and an
27 appropriation under (g) of this section may not exceed the amount available for
28 appropriation under AS 37.13.140(b)."

29
30 Renumber the following bill sections accordingly.

31

1 Page 4, following line 13:

2 Insert a new bill section to read:

3 **** Sec. 12.** AS 37.13.300(c), as amended by sec 11 of this Act, is amended to read:

4 (c) Net income from the mental health trust fund may not be included in the
5 computation of net income or [OF THE FUND, THE] market value [OF THE FUND,
6 OR THE AMOUNT] available for distribution or appropriation under AS 37.13.140
7 [AS 37.13.140(b)]."

8

9 Renumber the following bill sections accordingly.

10

11 Page 5, following line 8:

12 Insert a new bill section to read:

13 **** Sec. 14.** AS 43.23.025(a), as amended by sec. 13 of this Act, is amended to read:

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

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

18 (A) the amount of income of the Alaska permanent fund
19 transferred [APPROPRIATED] to the dividend fund under AS 37.13.145(b)
20 during the current year;

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

24 (C) less the amount necessary to pay prior year dividends from
25 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
26 43.23.055(3) and (7);

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

31 (E) less appropriations from the dividend fund during the

1 current year, including amounts to pay costs of administering the dividend
2 program and the hold harmless provisions of AS 43.23.240;

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

6 (3) dividing the amount determined under (1) of this subsection by the
7 amount determined under (2) of this subsection."
8

9 Renumber the following bill sections accordingly.
10

11 Page 5, lines 10 - 25:

12 Delete all material and insert:

13 **** Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 **CONDITIONAL EFFECT.** Sections 3, 5, 7, 9, 10, 12, and 14 of this Act take effect
16 only if, by November 30, 2022, the voters have not approved a resolution appearing on a
17 statewide election ballot that amends the Constitution of the State of Alaska to require

18 (1) that an annual permanent fund dividend be paid to eligible
19 residents of the state;

20 (2) the legislature to appropriate the amount for payment of an annual
21 permanent fund dividend in accordance with statute;

22 (3) state voter approval of a change to the statutes calculating the
23 amount appropriated for the annual permanent fund dividend."
24

25 Renumber the following bill sections accordingly.
26

27 Page 5, lines 26 - 27:

28 Delete "sec. 11 of this Act, sec. 5 of this Act takes effect, it takes effect July 1, 2027"

29 Insert "sec. 16 of this Act, secs. 3, 5, 7, 9, 10, 12, and 14 take effect, they take effect
30 July 1, 2023"
31

- 1 Page 5, line 28:
- 2 Delete "secs. 12 and 13"
- 3 Insert "sec. 17"