

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SB 235
Fiscal Note Number:	1
(S) Publish Date:	3/16/2022

Identifier: 0113-DOR-TRS-3-11-22
Title: NO STATE INVESTMENT IN RUSSIAN
FEDERATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Rules by Request of the Governor

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Revenue

Phone: (907)465-3751
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Date: 03/11/22

FISCAL NOTE ANALYSIS

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Analysis

The proposed legislation requires divestment of Russian assets (Russian Government bonds, Equities, etc.) from funds under the Commissioner of Revenue's fiduciary duty managed by the Treasury Division. Decisions to divest for the Alaska Permanent Fund Corporation (APFC) and the Alaska Retirement Management Board (ARMB) retirement assets are not included and left for those entities' boards.

While the Russian market is currently closed and the opportunities for divestment remain slim, the proposed legislation provides for a 180-day exit from these assets. For comingled funds, divestiture is not required but the fiduciary would be required to request that the fund manager consider similar divestment.

The proposed legislation also requires that the Commissioner of Revenue may not do business with banks who are "profiteering" from the Russian invasion of Ukraine.

The remainder of the bill exempts those taking divestment actions or inactions taken in good faith from liability for doing so and provides reporting mechanisms to the Legislature as to the divestment activity undertaken.

The fiscal impact of the bill is indeterminate as a result of the timing and proceeds from sale of Russian assets being not known at this stage.