

SENATE BILL NO. 260

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/11/24

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska Permanent Fund Corporation; establishing the**
2 **Governor's Alaska Permanent Fund Council; and providing for an effective date."**

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

4 * **Section 1.** AS 37.13.050(a) is amended to read:

5 (a) The Board of Trustees of the Alaska Permanent Fund Corporation consists
6 of **eight** [SIX] members [APPOINTED BY THE GOVERNOR]. **One member** [TWO
7 OF THE MEMBERS MUST BE HEADS OF PRINCIPAL DEPARTMENTS OF
8 STATE GOVERNMENT, ONE OF WHOM] shall be the commissioner of revenue.
9 **Seven public** [FOUR] members shall be appointed by the governor from **the list of**
10 **nominees provided by the Governor's Alaska Permanent Fund Council under**
11 **AS 37.13.215. The governor shall select a member within 30 days after receiving**
12 **the list of nominees** [THE PUBLIC AND MAY NOT HOLD ANY OTHER STATE
13 OR FEDERAL OFFICE, POSITION OR EMPLOYMENT, EITHER ELECTIVE OR
14 APPOINTIVE, EXCEPT AS A MEMBER OF THE ARMED FORCES OF EITHER

1 THE UNITED STATES OR OF THIS STATE].

2 * **Sec. 2.** AS 37.13.050 is amended by adding a new subsection to read:

3 (d) A public member of the board may not hold any other state or federal
4 office, position, or employment, either elective or appointive, except as a member of
5 the armed forces of either the United States or this state.

6 * **Sec. 3.** AS 37.13.060 is amended to read:

7 **Sec. 37.13.060. Term of office.** The public members of the board shall be
8 appointed for terms of six [FOUR] years, and they may be reappointed. The terms of
9 the public members shall be staggered so that not [NO] more than one term of a public
10 member expires each year, except that once every six years, the terms of two public
11 members expire.

12 * **Sec. 4.** AS 37.13.080 is amended to read:

13 **Sec. 37.13.080. Quorum and voting.** Five [FOUR] members of the board
14 constitute a quorum for the transaction of business and the exercise of the powers and
15 duties of the board. Action may be taken only upon affirmative vote of a majority of
16 the full membership of the board.

17 * **Sec. 5.** AS 37.13.090 is amended to read:

18 **Sec. 37.13.090. Compensation of board members.** Public members of the
19 board receive annual compensation equal to 50 percent of the annual salary of the
20 governor [AN HONORARIUM OF \$400 FOR EACH DAY SPENT AT A
21 MEETING OF THE BOARD OR AT A MEETING OF A SUBCOMMITTEE OF
22 THE BOARD OR AT A PUBLIC MEETING AS A REPRESENTATIVE OF THE
23 BOARD]. Members of the board are entitled to per diem and travel allowances as
24 provided by law for members of state boards and commissions.

25 * **Sec. 6.** AS 37.13 is amended by adding new sections to read:

26 **Article 1A. Governor's Alaska Permanent Fund Council.**

27 **Sec. 37.13.211. Governor's Alaska Permanent Fund Council.** (a) The
28 Governor's Alaska Permanent Fund Council is established in the Department of
29 Revenue. The council consists of

30 (1) five voting members as follows:

31 (A) the commissioner of commerce, community, and economic

1 development;

2 (B) the dean of the college of the University of Alaska
3 Anchorage responsible for the business and public policy program or, if that
4 dean is unavailable, the dean of the college of the University of Alaska
5 Fairbanks responsible for the business and public policy program;

6 (C) the president or executive director of a statewide bankers
7 association or a statewide chamber of commerce, selected and appointed by the
8 governor;

9 (D) a chief investment officer responsible for or a member of
10 an investment committee responsible for overseeing an endowment or
11 foundation of at least \$100,000,000 in assets and domiciled in the state,
12 selected and appointed by the governor;

13 (E) a resident of the state representing a rural area in the state
14 who has at least five years of experience in finance, investment, or business
15 management, selected and appointed by the governor;

16 (2) two nonvoting members as follows:

17 (A) one ex officio member, appointed by the president of the
18 senate;

19 (B) one ex officio member, appointed by the speaker of the
20 house of representatives.

21 (b) Public members of the council shall be appointed for staggered terms of
22 four years and may be reappointed.

23 (c) The council shall elect a member to serve as chair and a member to serve
24 as vice-chair for two-year terms. A member may be reelected to serve additional terms
25 as chair or vice-chair.

26 (d) Public members of the council receive an honorarium of \$500 for each day
27 spent at a meeting of the council. Members of the council are entitled to per diem and
28 travel allowances as provided by law for members of state boards and commissions.

29 (e) Members of the council are subject to AS 39.52 (Alaska Executive Branch
30 Ethics Act).

31 **Sec. 37.13.215. Duties.** Each year, the council shall provide to the governor at

1 least three but not more than five nominees for each vacancy on the Board of Trustees
 2 of the Alaska Permanent Fund Corporation. A nominee must meet the requirements of
 3 AS 37.13.220.

4 **Sec. 37.13.220. Qualifications of nominees.** A nominee for the board must
 5 have recognized competence and wide experience in finance, investments, or other
 6 business management-related fields. The council shall also consider whether a
 7 potential nominee has experience with fiduciary responsibility over more than
 8 \$1,000,000,000 in assets in multiple classes.

9 **Sec. 37.13.225. Meetings; quorum; voting.** (a) Three voting members of the
 10 council constitute a quorum for the transaction of business and the exercise of the
 11 duties of the council. Action may be taken only upon affirmative vote of a majority of
 12 the full voting membership of the council.

13 (b) Meetings of the council are closed to the public and are not subject to the
 14 provisions of AS 44.62.310 - 44.62.319 (Open Meetings Act).

15 **Sec. 37.13.230. Staff.** The staff of the board shall also be the staff for the
 16 council and shall assist the council with meetings.

17 * **Sec. 7.** AS 37.13.900 is amended by adding a new paragraph to read:

18 (4) "council" means the Governor's Alaska Permanent Fund Council.

19 * **Sec. 8.** AS 37.13.050(b) is repealed.

20 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
 21 read:

22 **TRANSITION.** (a) To comply with AS 37.13.050(a), as amended by sec. 1 of this
 23 Act, the governor shall appoint to the Board of Trustees of the Alaska Permanent Fund
 24 Corporation

25 (1) two additional public members in 2027; and

26 (2) one additional public member in 2028.

27 (b) To comply with AS 37.13.060, as amended by sec. 3 of this Act, upon the
 28 effective date of this Act, the term of each public member of the Board of Trustees of the
 29 Alaska Permanent Fund Corporation who is serving on the effective date of this Act is
 30 increased by two years.

31 * **Sec. 10.** This Act takes effect January 1, 2027.