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Offered: 3/28/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 324 am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska mineral lease bonus
7 permanent fund; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 37.11 is amended by adding new sections to read:

10 CHAPTER 11. PERMANENT [RENEWABLE RESOURCES] FUNDS.

11 ARTICLE 2. ALASKA MINERAL LEASE BONUS PERMANENT FUND.

12 Sec. 37.11.100. PURPOSE. The legislature finds and declares that
13 it is essential to preserve a portion of the revenue derived from
14 mineral lease bonus sales, a non-renewable resource, for future genera-
15 tions of Alaskans, and further, that this purpose best can be served by
16 preserving this income in a permanent fund to be used for investment
17 capital by Alaska residents.

18 Sec. 37.11.110. ALASKA MINERAL LEASE BONUS PERMANENT FUND. There
19 is established as a separate fund the Alaska mineral lease bonus perman-
20 ent fund. Receipts designated under sec. 120 of this chapter for deposit
21 in the permanent fund are to be held perpetually in trust for the bene-
22 fit of both present and future generations of Alaskans.

23 Sec. 37.11.120. FUND PRINCIPAL. Fifty per cent of the receipts
24 paid the state from mineral lease bonuses shall be deposited in the
25 permanent fund. These deposits shall be considered fund principal and
26 shall be invested in perpetuity in accordance with AS 37.10.070 (invest-
27 ment of surplus state funds) or in state loan programs that are
28 designated by law as eligible for permanent fund investment; however, no
29 funds may be invested in common or preferred stocks.

1 Sec. 37.11.130. USE OF FUND INCOME. (a) Income received from
2 investment fund principal may be:

3 (1) reinvested in investments authorized under sec. 120 of
4 this chapter;

5 (2) appropriated for the administration of the fund; or

6 (3) appropriated to provide funding for operating or capital
7 expenditures for programs that are expressly established by law.

8 (b) Plans for expenditures of fund income under (a) of this section
9 shall be prepared in detail by the appropriate state department or agency
10 and shall be submitted by the governor in accordance with the Executive
11 Budget Act (AS 37.07) as part of his annual budget presentation to the
12 legislature.

13 Sec. 37.11.140. PROTECTION OF PRINCIPAL. An investment transaction
14 involving fund principal which results in an actual dollar loss of prin-
15 cipal shall be reimbursed in full from fund income before additional
16 income is expended.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

18 070(c).