

Introduced: 1/22/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY HUBER

2 SENATE JOINT RESOLUTION NO. 2

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska establish-
7 ing the Alaska Permanent Investment
8 Fund.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article IX, sec. 7 of the Constitution of the State of
11 Alaska is amended to read:

12 SECTION 7. Except as authorized by Section 15 of this Article,
13 the [THE] proceeds of any state tax or license shall not be dedicated
14 to any special purpose, except when required by the federal government
15 for state participation in federal programs. This provision shall not
16 prohibit the continuance of any dedication for special purposes existing
17 upon the date of ratification of this constitution by the people of
18 Alaska.

19 * Sec. 2. Article IX of the Constitution of the State of Alaska is
20 amended by adding a new section to read:

21 SECTION 15. ALASKA PERMANENT INVESTMENT FUND. There is created
22 the Alaska Permanent Investment Fund which consists of (1) gifts,
23 (2) legislative appropriations, (3) all money in excess of \$500,000,000
24 received by the State each fiscal year from bonuses, royalties, rentals
25 under leases, and sales of nonrenewable resources after January 1, 1976,
26 (4) bonuses received by the State from the leasing of oil and gas lands
27 in 1969 which are in the general fund on January 1, 1976, and (5) the
28 unappropriated and unencumbered balance of the general fund remaining
29 at the expiration of six months after the end of each fiscal year.

1 This fund is not subject to appropriation but nothing prevents the fund
2 from being used as security for the full faith and credit of the State
3 (1) for present and future indebtedness of the State or its political
4 subdivisions, and (2) other purposes authorized by law. The fund shall
5 be invested for maximum long-term return with particular attention to be
6 given investments in the State. Investments shall be made by the com-
7 missioner of revenue in accordance with the standards observed by men of
8 ordinary prudence, discretion, intelligence, and experience, when
9 investing, and not speculating with, their own funds. Except for
10 amounts needed to pay the expenses of administration, all income
11 produced from investments becomes part of the general fund. Amounts
12 may be withdrawn as needed to pay for bonds in default and other
13 purposes authorized by law for which the fund has been given as security
14 No other withdrawals may be made from the fund.

15 * Sec. 3. If the amendments proposed by secs. 1 and 2 of this resolution
16 are approved by the voters as provided in sec. 4 of this resolution, the
17 amendments become effective January 1, 1976.

18 * Sec. 4. The amendments proposed by this resolution shall be placed
19 before the voters of the state at the next general election in conformity
20 with sec. 1, art. XIII of the Constitution of the State of Alaska, and the
21 state election laws.