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Referred: State Affairs and  
Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 676

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to payments to the Alaska permanent  
7 fund required by the Constitution of the State of  
8 Alaska; and providing for an effective date."

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

10 \* Section 1. PURPOSE. It is the purpose of this Act to maximize the  
11 constitutionally required payments of state oil and gas revenue to the  
12 Alaska permanent fund during the years of maximum production of oil and gas  
13 in order to increase the principal of the fund to the point that there will  
14 be enough interest from the fund to pay a significant portion of the ex-  
15 pense of state government when oil and gas revenue declines. After a  
16 period of increased payments, this Act decreases the required payments to  
17 the permanent fund for the years in which oil and gas revenue is expected  
18 to decline, until the present constitutionally required contribution rate  
19 is restored. In this manner state oil and gas revenue can be better allo-  
20 cated to achieve both short-term and long-term benefits for the state,  
21 while still protecting the principal of the permanent fund.

22 \* Sec. 2. AS 37.13.010 is amended by adding a new subsection to read:

23 (d) Notwithstanding (a)(1) of this section the following sched-  
24 ule shall be used to determine the percentage of mineral lease ren-  
25 tals, royalties, royalty sale proceeds, net profit shares under AS 38.  
26 05.180(f) and (g), and federal mineral revenue sharing payments re-  
27 ceived by the state from mineral leases issued on or before Decem-  
28 ber 1, 1979, and bonuses received by the state from mineral leases  
29 issued on or before February 15, 1980, that is paid into the Alaska

1 permanent fund under this section:

2 (1) July 1, 1984 - June 30, 1985.....30 percent;

3 (2) July 1, 1985 - June 30, 1986.....40 percent;

4 (3) July 1, 1986 - June 30, 1992.....50 percent;

5 (4) July 1, 1992 - June 30, 1993.....40 percent;

6 (5) July 1, 1993 - June 30, 1994.....30 percent.

7 \* Sec. 3. AS 37.13.010(d), enacted by sec. 2 of this Act, is repealed  
8 July 1, 1994.

9 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
10 10.070(c).