

Introduced: 2/24/83
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 142

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act amending the method used to determine the
7 amount of Alaska permanent fund income that is re-
8 turned to principal to offset the effect of infla-
9 tion; and providing for an effective date."

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

11 * Section 1. AS 37.13.145 is amended to read:

12 Sec. 37.13.145. DISPOSITION OF INCOME. (a) At the end of each
13 fiscal year, an amount equal to the principal balance of the Alaska
14 permanent fund multiplied by the average annual percentage increase
15 for the preceding five years in the United States consumer price
16 index, published by the United States Department of Labor, Bureau of
17 Labor Statistics [SUFFICIENT TO OFFSET THE EFFECT OF INFLATION ON
18 PRINCIPAL OF THE ALASKA PERMANENT FUND DURING THAT YEAR, AS MEASURED
19 BY A NATIONALLY RECOGNIZED INDEX] shall be transferred from net income
20 as defined in AS 37.13.140, excluding income on the undistributed
21 income account in the Alaska permanent fund, to the principal of the
22 Alaska permanent fund for reinvestment. If net income is not
23 sufficient to make the entire transfer required by this section, the
24 balance of the transfer, plus an amount equal to the interest that the
25 balance would have earned if it had been paid into principal at the
26 time of the original transfer, shall be transferred from the net
27 income of the following year to the principal of the Alaska permanent
28 fund for reinvestment. The balance of the net income as defined in
29 AS 37.13.140 shall be transferred to the undistributed income account

1 in the Alaska permanent fund. Money in the undistributed income
2 account shall be invested in investments authorized under AS 37.13.-
3 120. Income from the investment of the undistributed income account
4 shall be treated as an addition to that account.

5 * Sec. 2. AS 37.13.145 is amended by adding a new subsection to read:

6 (b) Net income, as defined in AS 37.13.140, received during a
7 year may not be reinvested by the corporation in a way that makes that
8 income unavailable for the transfer to principal required by this
9 section.

10 * Sec. 3. This Act takes effect July 1, 1983.