

Introduced: 2/27/85
Referred: Finance

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1 IN THE SENATE

2 SENATE BILL NO. 196

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the methods and procedures used
7 to return Alaska permanent fund income to principal
8 to offset the effect of inflation; and providing for
9 an effective date."

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

11 * Section 1. AS 37.13.145 is repealed and reenacted to read:

12 Sec. 37.13.145. DISPOSITION OF INCOME. (a) At the end of each
13 fiscal year, an amount sufficient to offset the effect of inflation on
14 principal of the Alaska permanent fund during that year, as measured
15 by a nationally recognized index, shall be transferred from net income
16 as defined in AS 37.13.140 to the principal of the Alaska permanent
17 fund for reinvestment.

18 (b) From the net income remaining after the transfer under (a)
19 of this section, the commissioner of revenue shall transfer the amount
20 required to be transferred to the dividend fund under AS 43.23.045(b).

21 (c) The balance of the net income remaining after the transfer
22 under (b) of this section shall be transferred to the undistributed
23 income account in the Alaska permanent fund.

24 (d) At the end of each fiscal year, funds in the undistributed
25 income account exceeding an amount equal to five percent of the prin-
26 cipal of the Alaska permanent fund shall be transferred to the princi-
27 pal of the Alaska permanent fund for reinvestment. Funds remaining in
28 the undistributed income account shall be invested in investments
29 authorized under AS 37.13.120.

1 * Sec. 2. AS 43.23.045(b) is amended to read:

2 (b) Each [NOTWITHSTANDING ANY CONTRARY PROVISION OF LAW, EACH]
3 year, after the transfer to the principal of the Alaska permanent fund
4 required by AS 37.13.145 has been made, the commissioner shall, if
5 possible, transfer to the dividend fund 50 percent of the income of
6 the Alaska permanent fund that has been earned during the fiscal year
7 ending on June 30 of the current year and that is available for dis-
8 tribution under AS 37.13.140.

9 * Sec. 3. This Act takes effect June 30, 1985.