

Offered: 5/5/86
Referred: Rules

Original sponsors: Halford, Kerttula,
Faiks, et al

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 346 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the income of the Alaska perma-
7 nent fund; and providing for an effective date."

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

9 * Section 1. AS 37.13.140 is amended to read:

10 Sec. 37.13.140. INCOME. Net income of the corporation shall
11 [MUST] be computed annually as of the last day of the fiscal year in
12 accordance with generally accepted accounting principles, excluding
13 any unrealized gains or losses. Income available for distribution
14 equals 21 percent of the [AVERAGE] net income of the corporation for
15 the last five fiscal years, including the fiscal year just ended, but
16 may not exceed net income of the corporation for the fiscal year just
17 ended plus the balance in the earnings reserve [UNDISTRIBUTED INCOME]
18 account described in AS 37.13.145.

19 * Sec. 2. AS 37.13.145 is amended to read:

20 Sec. 37.13.145. DISPOSITION OF INCOME. At the end of each
21 fiscal year, an amount sufficient to offset the effect of inflation on
22 principal of the Alaska permanent fund during that year, as measured
23 by the change in the calendar year average United States consumer
24 price index for all urban consumers [A NATIONALLY RECOGNIZED INDEX,]
25 shall be transferred from net income as defined in AS 37.13.140,
26 excluding income on the earnings reserve [UNDISTRIBUTED INCOME] ac-
27 count in the Alaska Permanent Fund, to the principal of the Alaska
28 permanent fund for reinvestment. The balance of the [NET] income
29 available for distribution under [AS DEFINED IN] AS 37.13.140 shall be

1 transferred to the earnings reserve [UNDISTRIBUTED INCOME] account in
2 the Alaska permanent fund. Money in the earnings reserve [UNDISTRI-
3 BUTED INCOME] account shall be invested in investments authorized
4 under AS 37.13.120. Income from the investment of the earnings re-
5 serve [UNDISTRIBUTED INCOME] account shall be treated as an addition
6 to that account.

7 * Sec. 3. This Act takes effect July 1, 1986.