

1 IN THE HOUSE BY BOUCHER AND DAVIDSON
2 HOUSE BILL NO. 160
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act establishing the Commission on the Future of
7 the Permanent Fund; providing for public testimony on
8 the use that should be made of the income and princi-
9 pal of the permanent fund; and providing for an
10 effective date."
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
12 * Section 1. FINDINGS. (a) The legislature finds that the Alaska
13 permanent fund, created by the people of Alaska through an amendment to the
14 state constitution, has evolved from a mechanism for reserving money from
15 current spending to a trust fund, with sole beneficiaries that are the
16 people of the state.
17 (b) The fund has enjoyed public support for the following reasons:
18 (1) the income of the fund has proven reliable due to strict
19 investment guidelines, adherence to the prudent-man rule, and good manage-
20 ment;
21 (2) legislative appropriations to the fund have exceeded the
22 amounts required to be deposited in the fund; and
23 (3) since 1983 all attempts to appropriate income from the fund
24 for purposes other than paying dividends have been successfully resisted.
25 (c) The Alaska permanent fund has become a major factor in the
26 state's financial planning for the following reasons:
27 (1) the income of the fund is now second to oil revenue and will
28 soon exceed that revenue; and
29 (2) there are now legislative proposals designed to divert fund

1 income from dividend distribution and inflation proofing to other govern-
2 mental purposes.

3 (d) Therefore, the legislature finds that it is in the best interest
4 of the state for a commission to be established to gather public testimony
5 concerning the use that should be made of the income and principal from the
6 permanent fund. The commission shall also report its findings and make
7 recommendations on the use that should be made of the income and principal
8 of the permanent fund to the governor and the legislature.

9 * Sec. 2. COMMISSION ESTABLISHED. (a) There is established in the
10 Department of Revenue the Commission on the Future of the Permanent Fund
11 consisting of the chairman of the board of directors of the Alaska Perma-
12 nent Fund Corporation, the commissioner of revenue, a member of the senate
13 appointed by the president of the senate, a member of the house of repre-
14 sentatives appointed by the speaker of the house, and five appointees of
15 the governor as follows:

16 (1) one former elected state official who has been involved with
17 the permanent fund;

18 (2) one executive from an oil company doing business in the
19 state;

20 (3) one person representing Native interests;

21 (4) one person from the private sector involved in business or
22 finance; and

23 (5) one person representing public interest causes.

24 (b) The commission shall elect a chairman from among its members.

25 (c) Members of the commission serve without compensation but members
26 appointed by the governor are entitled to per diem and travel expenses as
27 authorized by law for boards and commissions under AS 39.20.180.

28 * Sec. 3. DUTIES OF THE COMMISSION. (a) The Commission on the Future
29 of the Permanent Fund shall conduct hearings in each judicial district of

1 the state to gather testimony from the public concerning the use that
2 should be made of the income and principal of the permanent fund. The
3 commission shall use the telecommunication network to provide the oppor-
4 tunity for maximum statewide public testimony.

5 (b) By February 1, 1989, the commission shall submit a report to the
6 governor and the legislature summarizing the public testimony and contain-
7 ing its recommendations about the use that should be made of the income and
8 principal of the permanent fund. The commission may also comment on
9 changes in the management and investment of the fund that may be needed as
10 a result of its recommendations.

11 * Sec. 4. This Act is repealed February 2, 1989.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).