

Original sponsors: Boucher and Davidson

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 160 (State Affairs)
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 investment policy for the principal and the use
9 that should be made of the income of the permanent
10 fund; and providing for an 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, approved by the people of Alaska through an amendment to
14 the state constitution, has evolved from a mechanism for reserving money
15 from current spending to a trust fund, to benefit the people of the state.

16 (b) The fund has enjoyed public support for the following reasons:

17 (1) the income of the fund has proven reliable due to strict
18 investment guidelines, adherence to the prudent-man rule, and good manage-
19 ment; and

20 (2) legislative appropriations to the fund have exceeded the
21 amounts required to be deposited in the fund.

22 (c) The Alaska permanent fund has become a major factor in the
23 state's financial planning for the following reasons:

24 (1) the income of the fund is now second to oil revenue and will
25 soon exceed that revenue; and

26 (2) there are now legislative proposals designed to divert fund
27 income from dividend distribution and inflation proofing to other govern-
28 mental purposes.

29 (d) Therefore, the legislature finds that it is in the best interest

1 of the state for a commission to be established to gather public testimony
2 concerning the investment policy for the principal and the use that should
3 be made of the income from the permanent fund. The commission shall also
4 report its findings and make recommendations to the governor and the
5 legislature on the investment policy for the principal and the use that
6 should be made of the income of the permanent fund.

7 * Sec. 2. COMMISSION ESTABLISHED. (a) There is established in the
8 Department of Revenue the Commission on the Future of the Permanent Fund
9 consisting of the chairman of the board of directors of the Alaska Perma-
10 nent Fund Corporation, the commissioner of revenue, two members of the
11 Senate appointed by the president of the Senate, two members of the House
12 of Representatives appointed by the speaker of the House, and five ap-
13 pointees of the governor as follows:

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

16 (2) one executive from an oil company doing business in the
17 state;

18 (3) one person representing Native interests;

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

21 (5) one person representing public interest causes.

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

23 (c) Members of the commission serve without compensation but members
24 appointed by the governor are entitled to per diem and travel expenses as
25 authorized by law for boards and commissions under AS 39.20.180 and legis-
26 lator members are entitled to per diem and travel expenses under AS 24.-
27 10.105.

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 investment
2 policy for the principal and the use that should be made of the income of
3 the permanent fund. The commission shall use the telecommunication network
4 to provide the opportunity 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 investment policy for the principal and
8 the use that should be made of the income of the permanent fund. The
9 commission may also comment on changes in the management of the fund that
10 may be needed as 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).