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1 IN THE HOUSE

BY DAVIS, ULMER, BROWN,
MARTIN, GOLL AND TAYLOR

2

HOUSE BILL NO. 207

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to capital gains on sales of invest-
7 ments from the Alaska permanent fund; and providing
8 for an effective date."

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

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

11 Sec. 37.13.145. DISPOSITION OF INCOME. (a) At the end of each
12 fiscal year, the following amounts shall be transferred from net
13 income as defined in AS 37.13.140, excluding income on the earnings
14 reserve account in the Alaska permanent fund, to the principal of the
15 permanent fund for reinvestment:

16 (1) an amount sufficient to offset the effect of inflation
17 on principal of the Alaska permanent fund during that year, as meas-
18 ured by the change in the calendar year average United States consumer
19 price index for all urban consumers; and

20 (2) an amount equal to the capital gains that exceed capi-
21 tal losses from the sale of investments during that fiscal year [SHALL
22 BE TRANSFERRED FROM NET INCOME AS DEFINED IN AS 37.13.140, EXCLUDING
23 INCOME ON THE EARNINGS RESERVE ACCOUNT IN THE ALASKA PERMANENT FUND,
24 TO THE PRINCIPAL OF THE ALASKA PERMANENT FUND FOR REINVESTMENT].

25 (b) After application of (a) of this section, the [THE] balance
26 of the income available for distribution under AS 37.13.140 shall be
27 transferred to the earnings reserve account in the Alaska permanent
28 fund. Money in the earnings reserve account shall be invested in
29 investments authorized under AS 37.13.120. Income from the investment

1 of the earnings reserve account shall be treated as an addition to
2 that account.

3 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).