

Offered: 4/15/87  
Referred: Judiciary and  
Finance

5-0836X

Original sponsors: Davis, Ulmer,  
Brown, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 207 (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 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 July 1, 1987.