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Referred: Judiciary and  
Finance

5-0218A

1 IN THE SENATE

BY DUNCAN AND KERTTULA

2

SENATE BILL NO. 43

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 distribution of income from the  
7 Alaska permanent fund; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.05.156(a) is amended to read:

11 (a) There is established as a separate fund in the state trea-  
12 sury the budget reserve fund. The budget reserve fund consists of  
13 money transferred to the fund under AS 37.13.145(b) and appropriations  
14 to the fund. Money received by the state that is subject to the  
15 appropriation limit under (b) of this section and that exceeds that  
16 limit, may be appropriated to the budget reserve fund.

17 \* Sec. 2. AS 37.13.145 is amended to read:

18 Sec. 37.13.145. DISPOSITION OF INCOME. (a) Except as provided  
19 in AS 43.23.045, at [AT] the end of each fiscal year [,] income of the  
20 corporation, excluding income of the earnings reserve account, shall  
21 be distributed as follows:

22 (1) an amount sufficient to offset the effect of inflation  
23 on principal of the Alaska permanent fund during that year, as meas-  
24 ured by the change in the calendar year average United States consumer  
25 price index for all urban consumers, shall be transferred from net  
26 income as defined in AS 37.13.140 [, EXCLUDING INCOME ON THE EARNINGS  
27 RESERVE ACCOUNT IN THE ALASKA PERMANENT FUND,] to the principal of the  
28 [ALASKA] permanent fund for reinvestment; and

29 (2) the [. THE] balance of the income available for

1 distribution under AS 37.13.140 shall be transferred to the earnings  
2 reserve account in the Alaska permanent fund.

3 (b) Money in the earnings reserve account shall be invested in  
4 investments authorized under AS 37.13.120. Income from the investment  
5 of the earnings reserve account shall be treated as an addition to  
6 that account. At the end of each fiscal year all the money in the  
7 earnings reserve account shall be transferred to the budget reserve  
8 fund established under AS 37.05.156.

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