

1 IN THE SENATE

BY BENNETT AND FAIKS

2

SENATE BILL NO. 258

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 income of the permanent fund; and
7 providing for an effective date."

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

9 * Section 1. BUDGET RESERVE FUND. (a) The operation of AS 37.05.-
10 156(a) is suspended from July 1, 1987, to June 30, 1989, and the provisions
11 of (b) of this section apply in lieu of AS 37.05.156(a) during that period.

12 (b) There is established as a separate fund in the state treasury the
13 budget reserve fund. The budget reserve fund consists of transfers to the
14 fund under sec. 3 of this Act and appropriations to the fund. Money re-
15 ceived by the state that is subject to the appropriation limit under
16 AS 37.05.156(b) and that exceeds that limit may be appropriated to the
17 budget reserve fund.

18 * Sec. 2. COMPUTATION OF INCOME. (a) The operation of AS 37.13.140 is
19 suspended from July 1, 1987, to June 30, 1989, and the provisions of (b) of
20 this section apply in lieu of AS 37.13.140 during that period.

21 (b) Net income of the Alaska Permanent Fund Corporation shall be
22 computed annually as of the last day of the fiscal year in accordance with
23 generally accepted accounting principles, excluding any unrealized gains or
24 losses.

25 * Sec. 3. DISPOSITION OF INCOME. (a) The operation of AS 37.13.145 is
26 suspended from July 1, 1987, to June 30, 1989, and the provisions of (b) of
27 this section apply in lieu of AS 37.13.145 during that period.

28 (b) At the end of each fiscal year net income of the Alaska Permanent
29 Fund Corporation as determined under sec. 2 of this Act shall be

1 distributed by the corporation as follows:

2 (1) 40 percent to the dividend fund (AS 43.23.045);

3 (2) 30 percent to the principal of the permanent fund to help
4 offset the effect of inflation and to increase the principal of the fund;
5 and

6 (3) 30 percent to the budget reserve fund (sec. 1 of this Act
7 and AS 37.05.156).

8 * Sec. 4. AMOUNT OF DIVIDEND. (a) The operation of AS 43.23.025 is
9 suspended from July 1, 1987, to June 30, 1989, and the provisions of (b) of
10 this section apply in lieu of AS 43.23.025 during that period.

11 (b) By October 1 of each year the commissioner of revenue shall give
12 public notice of the value of each permanent fund dividend for that year.

13 The commissioner shall determine the value of a permanent fund dividend by

14 (1) determining the amount of income of the Alaska permanent
15 fund transferred to the dividend fund under sec. 3 of this Act during the
16 current year;

17 (2) determining the number of individuals eligible to receive a
18 dividend payment for the current year; and

19 (3) dividing the amount determined in (1) of this subsection by
20 the amount determined in (2) of this subsection.

21 * Sec. 5. The operation of AS 43.23.045(b) is suspended from July 1,
22 1987, to June 30, 1989.

23 * Sec. 6. This Act is repealed July 1, 1989.

24 * Sec. 7. This Act takes effect July 1, 1987.