

BY THE STATE AFFAIRS COMMITTEE

1 IN THE HOUSE

2

HOUSE BILL NO. 564

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Permanent Fund Corporation,  
7 to earnings of the permanent fund, to distributions  
8 from the permanent fund, and to the dividend program;  
9 and providing for an effective date."

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

11 \* Section 1. AS 37.13.150 is amended to read:

12 Sec. 37.13.150. CORPORATION BUDGET. The revenue generated by  
13 the corporation's investments must be identified as the source of the  
14 operating budget of the corporation in the state's operating budget  
15 under AS 37.07 (Executive Budget Act). The unexpended balance of the  
16 corporation's annual operating budget lapses into the permanent fund  
17 [DOES NOT LAPSE] at the end of the fiscal year [BUT SHALL BE TREATED  
18 AS INCOME UNDER AS 37.13.140].

19 \* Sec. 2. AS 37.17.020(b) is amended to read:

20 (b) The endowment shall be held and invested by the Alaska  
21 Permanent Fund Corporation subject to AS 37.13.120; however, net  
22 income from the endowment shall be distributed under this chapter.  
23 [NET INCOME FROM THE ENDOWMENT MAY NOT BE INCLUDED IN THE COMPUTATION  
24 OF NET INCOME AVAILABLE FOR DISTRIBUTION UNDER AS 37.13.140.]

25 \* Sec. 3. AS 43.23.025(a) is amended to read:

26 (a) By October 1 of each year the commissioner shall give public  
27 notice of the value of each permanent fund dividend for that year.  
28 The public notice shall contain a statement disclosing the amount by  
29 which each individual dividend has been reduced in order to pay

1 appropriations from the income of the permanent fund or from the  
2 dividend fund, the costs of operating the Alaska Permanent Fund Corpo-  
3 ration, and the costs of administering the dividend program and the  
4 hold harmless provisions of AS 43.23.075. The commissioner shall also  
5 include the statement on the stub attached to each individual dividend  
6 check. The commissioner shall determine the value of a permanent fund  
7 dividend by

8 (1) determining the total amount available for dividend  
9 payments, which equals

10 (A) the total amount in [OF INCOME OF THE ALASKA  
11 PERMANENT FUND TRANSFERRED TO] the dividend fund [UNDER AS 43.-  
12 23.045(b) DURING THE CURRENT YEAR];

13 (B) [PLUS THE UNEXPENDED AND UNOBLIGATED BALANCES OF  
14 PRIOR FISCAL YEAR APPROPRIATIONS THAT LAPSE INTO THE DIVIDEND  
15 FUND UNDER AS 43.23.045(d);

16 (C)] less the amount necessary to pay dividends from  
17 the dividend fund in the current year under AS 43.23.055(3);

18 (C) [(D)] less the amount necessary to pay dividends  
19 from the dividend fund due to eligible applicants who, as deter-  
20 mined by the department, filed for a previous year's dividend by  
21 the filing deadline but who were not included in a previous  
22 year's dividend computation;

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

25 (3) dividing the amount determined under (1) of this sec-  
26 tion by the amount determined under (2) of this section.

27 \* Sec. 4. AS 43.23.045(b) is amended to read:

28 (b) After July 1, the Alaska Permanent Fund Corporation [NOT-  
29 WITHSTANDING ANY CONTRARY PROVISION OF LAW, EACH YEAR THE

1 COMMISSIONER] shall transfer from the permanent fund to the dividend  
2 fund an amount equal to five [50] percent of the average market value  
3 [INCOME] of the Alaska permanent fund over the five previous fiscal  
4 years [EARNED DURING THE FISCAL YEAR ENDING ON JUNE 30 OF THE CURRENT  
5 YEAR AND AVAILABLE FOR DISTRIBUTION]. However, the amount transferred  
6 to the dividend fund may not exceed the amount of income earned by the  
7 permanent fund during the previous fiscal year. Income [INCOME]  
8 earned on money awarded after trial in State v. Amerada Hess, et al.,  
9 1JU-77-847 Civ. (Superior Court, First Judicial District) shall be  
10 treated in the same manner as other income of the Alaska permanent  
11 fund, except that it is not available for distribution to the dividend  
12 fund, and shall be annually deposited into the principal of the Alaska  
13 permanent fund.

14 \* Sec. 5. AS 43.23.045(d) is amended to read:

15 (d) Unless specified otherwise in an appropriation act, the  
16 unexpended and unobligated balance of an appropriation to implement  
17 this chapter lapses into the dividend fund on June 30 of the fiscal  
18 year for which the appropriation was made and shall be used in deter-  
19 mining the amount of and paying the subsequent year's dividend [AS  
20 PROVIDED IN AS 43.23.025(a)(1)(B)].

21 \* Sec. 6. AS 37.13.140 and 37.13.145 are repealed.

22 \* Sec. 7. This Act takes effect January 1, 1991.