

HOUSE JOINT RESOLUTION NO. 48
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/11/94

Referred: Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to**
2 **revenues from natural resources, the Alaska permanent fund, the appropriation**
3 **limit and the budget reserve fund; and providing for an effective date for the**
4 **amendments.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1. Article IX, sec. 15, Constitution of the State of Alaska, is repealed and**
7 **readopted to read:**

8 **SECTION 15. ALASKA PERMANENT FUND. (a) Revenues are not**
9 **appropriable if they are received by the State from**

10 **(1) the sale or lease, by the State or the United States, of land,**
11 **nonrenewable natural resources or timber; or**

12 **(2) taxes on**

13 **(A) nonrenewable natural resources produced, processed or in**
14 **reserve;**

15 **(B) property used in exploration, production, processing or**

1 transportation of nonrenewable natural resources;

2 (C) income from production, processing or transportation of
3 nonrenewable natural resources;

4 (D) biological marine resources produced or processed; and

5 (E) timber produced or processed.

6 (b) Revenues from sources listed in (a) of this section constitute the Alaska
7 permanent fund, which is invested and reinvested for long-term capital appreciation.
8 Investment income, including realized capital gains, is retained in the fund and
9 reinvested. Investments are made in accordance with standards prescribed by law.

10 (c) In each fiscal year, money is withdrawn from the fund in an amount equal
11 to six percent of the average of the market value of the fund at the end of each of the
12 quarters of the three calendar years immediately preceding that fiscal year. The money
13 withdrawn is separate from the fund and may be appropriated at any time.

14 (d) A public corporation manages the fund. Its powers are provided by law
15 and may include the power to delegate investment authority to independent managers.
16 Its actions and records are subject to audit and public disclosure, as provided by law.
17 Notwithstanding (a) and (b) of this section, its expenses are paid from the fund in
18 accordance with an appropriation. It is governed by a board of seven directors
19 appointed by the governor, subject to confirmation by a majority of the members of
20 the legislature in joint session. Four of them serve for six years and three for four
21 years. As and to the extent provided by law, directors are compensated, reimbursed
22 their expenses, immune from civil liability and dischargeable for cause.

23 (e) Revenues from sources listed in (a) of this section and dedicated by this
24 section do not include revenues that are the subject of other dedications permitted by
25 Section 7 of this article.

26 * **Sec. 2.** Article XV, Constitution of the State of Alaska, is amended by adding new
27 sections to read:

28 **SECTION 29. ALASKA PERMANENT FUND TRANSITION.** (a) The
29 percentage prescribed in Section 15 of Article IX, as amended in 1994, for determining
30 the amount of money withdrawn annually from the Alaska permanent fund, is
31 inapplicable in fiscal years 1996 through 2005. In fiscal year 1996, the applicable
32 percentage is twenty. It decreases each fiscal year thereafter, geometrically, until fiscal

1 year 2006, when it attains its permanent value.

2 (b) The assets of the following are added to the Alaska permanent fund: the
3 budget reserve fund (Section 17 of Article IX), the earnings reserve account
4 (AS 37.13.145), the Railbelt energy fund (AS 37.05.520) and the budget reserve fund
5 (AS 37.05.540).

6 (c) The assets of the Alaska permanent fund on July 1, 1995, are retained in
7 the fund and, with the assets added under (b) of this section, constitute the fund on that
8 date.

9 (d) Section 15 of Article IX, as repealed and readopted in 1994, and this
10 section are effective July 1, 1995.

11 SECTION 30. REPEAL. Sections 16 and 17 of Article IX and Sections 27
12 and 28 of Article XV are repealed. This section is effective July 1, 1995.

13 * Sec. 3. The amendments proposed by this resolution shall be placed before the voters of
14 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
15 State of Alaska, and the election laws of the state.