

SENATE BILL NO. 170

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS RIEGER, Pearce

Introduced: 3/18/93
 Referred: STA, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to income of the permanent fund."

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

3 * Section 1. AS 37.13.140 is amended to read:

4 Sec. 37.13.140. INCOME. (a) Real [NET] income of the fund includes
 5 income of the earnings reserve account established under AS 37.13.145. Real [NET]
 6 income of the fund shall be computed annually as of the last day of the fiscal year and
 7 shall be equal to net income calculated in accordance with generally accepted
 8 accounting principles, less [EXCLUDING]

9 (1) any unrealized gains or losses; and

10 (2) an amount determined by the corporation to be sufficient to
 11 offset the effect of inflation on principal of the fund.

12 (b) The amount calculated under (a)(2) of this section shall be treated as
 13 a return of capital to the principal of the fund and shall be transferred by the
 14 corporation to the principal of the fund at the end of the fiscal year. The

1 corporation shall calculate the amount to transfer to the principal under (a)(2) of
2 this section by

3 (1) computing the average of the monthly United States Consumer
4 Price Index for each of the two previous calendar years;

5 (2) computing the percentage change between the first and second
6 calendar year average; and

7 (3) applying that rate to the average value of the principal of the
8 fund during the previous calendar year.

9 (c) Income available for distribution equals 21 percent of the real [NET]
10 income of the fund for the last five fiscal years, including the fiscal year just ended,
11 but may not exceed net income of the fund for the fiscal year just ended plus the
12 balance in the earnings reserve account described in AS 37.13.145.

13 * Sec. 2. AS 37.13.145(c) is repealed.

14 * Sec. 3. TRANSITION. Notwithstanding AS 37.13.140, as amended in sec. 1 of this Act,
15 for purposes of determining the income available for distribution for fiscal years 1993, 1994,
16 1995, and 1996, net income shall be used for years in which real income was not calculated.