

HB

1666

(11)

# HOUSE COMMITTEE REPORT

Date referred: 4/28/87

FURTHER REFERRALS:

DATE: 5-10-87

The Finance Committee has considered HB 166

"An Act appropriating from the earnings reserve account of the Alaska permanent fund to the general fund; and providing for an effective date."

**RECOMMENDS:**

- replace with CS HB 166 (FIN)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(s):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

Al Adams  
Pat Sanchez  
Ray Wallace  
Bob Marshall  
Donald J. Jones

**SIGNING OTHER RECOMMENDATIONS:**

Peter Jones  
Mike Davis  
Mark Bowen  
Ray Brown  
Alma No Rec  
Steve Price No Recommendation

Al Adams  
 Chairman's signature

Original sponsor. Rules/Governor

Funding Information

General Fund	\$	-0-
Other Funds		-0-
	\$	-0-

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 166 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation from the earnings  
7 reserve account of the Alaska permanent fund to the  
8 budget reserve fund and an appropriation from the  
9 budget reserve fund to the general fund; and provid-  
10 ing for an effective date."

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

12 \* Section 1. The balance of the earnings reserve account of the Alaska  
13 permanent fund (AS 37.13.145), less the amount appropriated to the dividend  
14 fund for the payment of the 1987 permanent fund dividend and administrative  
15 and associated costs, and less the amount necessary to fund the transfer to  
16 the principal of the permanent fund for fiscal year 1987 inflation proof-  
17 ing, is appropriated to the budget reserve fund in the general fund  
18 (AS 37.05.156).

19 \* Sec. 2. If the unexpended and unobligated balance of the general fund  
20 is insufficient to pay obligations of the general fund under appropriations  
21 at any time during fiscal year 1988, the amount required to pay those  
22 obligations is appropriated from the budget reserve fund in the general  
23 fund (AS 37.05.156) to the general fund.

24 \* Sec. 3. This Act takes effect July 1, 1987.

Original sponsor: Rules/Governor

Funding Information

General Fund	\$	-0-
Other Funds		-0-
	\$	-0-

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 166 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation from the earnings  
7 reserve account of the Alaska permanent fund to the  
8 budget reserve fund and an appropriation from the  
9 budget reserve fund to the general fund; and provid-  
10 ing for an effective date."

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20 is insufficient to pay obligations of the general fund under appropriations  
21 at any time during fiscal year 1988, the amount required to pay those  
22 obligations is appropriated from the budget reserve fund in the general  
23 fund (AS 37.05.156) to the general fund.

24 \* Sec. 3. This Act takes effect July 1, 1987.

25  
26 *old sec. 1 language removed:*

27 [The sum of \$2524 is appropriated from the  
28 earnings reserve account to the budget  
29 reserve fund.]

Why should we do HCS 166 (FIN)

1) The earnings reserve account goes in to the budget reserve account. Based on the March estimate of permanent fund earnings by the Permanent Fund Corporation this puts 516.0 million in the Budget Reserve Fund.

If HB 113 passes there will be a minimum of 18 million that will also go into this budget reserve fund bringing the balance to 532.

This is a conservative estimate. The amount that will actually go into the BRF will be more than that if 1) the agencies lapse any money as of July 1, 1987; 2) if the actual revenues for FY 87 are greater than what was estimated in the March 1987 revenue forecast by the Department of Revenue; and 3) if the earnings of the permanent fund are greater than estimated in the March Monthly Financial Report of the Alaska Permanent Fund Corporation.

2) a) If the March forecast for FY 88 revenues turns out to be conservative, you will not need to use as much money from the budget reserve fund in FY 88 as is currently estimated.

b) If the March estimate is optimistic and the actual revenues for FY 88 are less than expected, you will be able to meet the obligations of the State.

In either case, the only time you will be spending money from the BRF, is when there is an insufficient amount in the general fund to meet the general fund obligations of the state.



## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS (in millions)

as of March 31, 1987

FY	PRINCIPAL						INCOME					Reserves		FY
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Distributions			General Fund	Add (Delete)	FY End Balance	
								Dividends	Per Capita Dividends**	Inflation Proofing				
78			54		54		2				1			78
79	54		84		139		8				7			79
80	139		344		483		32	12			12			80
81	483	900	385		1,769		150	28			28	59	59	81
82	1,769	800	401		2,969		368	71	\$1,000.00		71	185	244	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	110	354	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151		204	557	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235		206	763	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216		501	1,264	86
87	6,281	1,264	150	148	7,843		1,054	390	\$724.73	148		516	516	87
88	7,843		165	320	8,329		796	424	\$790.57	320		51	567	88
89	8,329		187	511	9,026		847	458	\$849.73	511		( 121)	446	89
90	9,026		206	554	9,787		902	484	\$894.66	554		( 135)	311	90
91	9,787		194	599	10,580		961	478	\$880.23	599		( 116)	195	91
92	10,580		211	647	11,438		1,025	476	\$871.19	647		( 98)	97	92
93	11,438		225	687	12,350	13	1,098	508	\$925.74	687		( 97)		93
94	12,350		230	633	13,213	122	1,175	542	\$984.82	633				94
95	13,213		230	677	14,120	130	1,256	579	\$1,048.31	677				95
96	14,120		229	722	15,071	139	1,341	619	\$1,116.58	722				96
97	15,071		231	770	16,072	149	1,431	662	\$1,188.95	770				97
98	16,072		231	819	17,121	159	1,526	707	\$1,264.83	819				98
99	17,121		228	871	18,220	170	1,624	754	\$1,344.20	871				99
0	18,220		223	924	19,367	182	1,728	803	\$1,426.99	924				0
1	19,367		217	980	20,564	195	1,835	855	\$1,513.29	980				1
2	20,564		215	1,039	21,818	208	1,948	909	\$1,603.09	1,039				2
3	21,818		210	1,100	23,128	222	2,066	966	\$1,695.39	1,100				3
4	23,128		208	1,164	24,499	236	2,189	1,026	\$1,793.60	1,164				4
5	24,499		205	1,231	25,936	251	2,319	1,038	\$1,894.48	1,231				5
-----														
Cumulative Totals:	3,964	6,742	15,229	25,936	2,175		30,361	13,639	\$25,490.07	15,229	229	1,264		
-----														

ASSUMPTIONS: 1.92% Inflation Rate FY 87  
 ----- 14.03% Rate of Return FY 87

4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 83

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - March 1987

STATUS QUO

6.00% Inflation Rate FY 89-05  
 9.00% Rate of Return FY 89-05

\*\* SOURCE: Population Projections From  
 DOR Revenue Source Book - Page 44



## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS (in millions)

as of March 31, 1987

FY	PRINCIPAL					INCOME					Reserves			
	FY Begin Balance	Appro- priations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Distributions			General Fund	Add (Delete)	FY End Balance	FY
								Dividends	Per Capita Dividends**	Inflation Proofing				
78			54		54		2				1			78
79	54		84		139		8				7			79
80	139		344		483		32	12			12			80
81	483	900	385		1,769		150	28			28	59	59	81
82	1,769	800	401		2,969		368	71	\$1,000.00		71	185	244	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	110	354	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151		204	557	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235		206	763	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216		501	1,264	86
87	6,281	1,264	150	148	7,843		1,054	390	\$724.73	148	516			87
88	7,843		165	320	8,329		747	419	\$780.87	320		8	8	88
89	8,329		187	355	8,871	156	794	447	\$829.47	355		( 8)		89
90	8,871		206	379	9,456	166	846	467	\$863.35	379				90
91	9,456		194	445	10,095	134	900	455	\$837.04	445				91
92	10,095		211	515	10,821	103	951	446	\$815.64	515				92
93	10,821		225	555	11,601	108	1,030	476	\$866.87	555				93
94	11,601		230	596	12,427	114	1,104	508	\$922.66	596				94
95	12,427		230	638	13,294	121	1,182	544	\$983.07	638				95
96	13,294		229	682	14,205	130	1,264	582	\$1,048.11	682				96
97	14,205		231	727	15,163	139	1,350	623	\$1,117.46	727				97
98	15,163		231	774	16,169	149	1,440	666	\$1,190.16	774				98
99	16,169		228	824	17,220	160	1,535	711	\$1,266.20	824				99
0	17,220		223	875	18,318	172	1,633	758	\$1,345.48	875				0
1	18,318		217	929	19,464	183	1,737	808	\$1,427.98	929				1
2	19,464		215	985	20,664	196	1,844	860	\$1,514.00	985				2
3	20,664		210	1,043	21,916	209	1,957	914	\$1,603.36	1,043				3
4	21,916		208	1,104	23,228	223	2,075	971	\$1,696.32	1,104				4
5	23,228		205	1,168	24,602	238	2,199	1,030	\$1,792.98	1,168				5
-----														
Cumulative Totals:	3,964		6,742	13,895	24,602	2,702	28,892	12,988	\$24,303.47	13,895	745	1,264		
-----														

ASSUMPTIONS: 1.92% Inflation Rate FY 87  
 ----- 14.03% Rate of Return FY 87

4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 88

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - March 1987

STATUS QUO EXCEPT FOR FY 87 ONLY,  
 EARNINGS RESERVE TO GENERAL FUND

6.00% Inflation Rate FY 89-05  
 9.00% Rate of Return FY 89-05

\*\* SOURCE: Population Projections From  
 DOR Revenue Source Book - Page 44

BUDGET RESERVE  
 FUND

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCHY STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

MEMORANDUM

May 7, 1987

SUBJECT: Budget Reserve Fund (CSHB 81 (Fin))  
TO: Representative Al Adams  
FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

You have asked whether the appropriation restrictions contained in the AS 37.05.156 (Budget Reserve Fund) are binding upon the legislature. The power of appropriation is vested in the legislature under the state constitution (Article 11, Sec. 1; Article IX, Sec. 13). That constitutional power of appropriation cannot be diminished, except, as has been done in Article IX, Sections 15 and 16, by the constitution itself. In my opinion, restrictions placed on the power of the legislature over appropriations by statute cannot bind the legislature and an appropriation that exceeds those limits will, nonetheless, be valid legislation.

TBC: csh  
c8/027

Enclosure

BRT

is determined to be available for lapse at the end of the fiscal year (§ 1 ch 17 SLA 1986)

Revisor's notes. — Enacted as AS SLA 1986, makes this section effective 37.05.156. Renumbered in 1986. April 24, 1986, in accordance with AS Effective dates. — Section 2, ch. 17, 01.10.070(c).

Sec. 37.05.153. Railbelt energy fund. There is established in the general fund the Railbelt energy fund. The fund consists of money appropriated to it by the legislature. The Department of Revenue shall manage the fund. Interest received on money in the fund shall be accounted for separately and may be appropriated into the fund annually. The legislature may appropriate money from the fund to assist in meeting Railbelt energy needs. (§ 1 ch 29 SLA 1986)

Revisor's notes. — Enacted as AS 44.25.050. Renumbered in 1986. Effective dates. — Section 2, ch. 29, SLA 1986, makes this section effective May 24, 1986, in accordance with AS 01.10.070(c). Cross references. — For railbelt energy council formed to review railbelt energy problems and needs, see ch. 30, SLA 1986, in the Temporary and Special Acts.

Sec. 37.05.155. [Renumbered as AS 37.05.151.]

Sec. 37.05.156. Budget reserve fund; Appropriation limit. (a) There is established as a separate fund in the state treasury the budget reserve fund. The budget reserve fund consists of appropriations to the fund. Money received by the state that is subject to the appropriation limit under (b) of this section and that exceeds that limit, may be appropriated to the budget reserve fund.

(b) Except for appropriations to the permanent fund or for Alaska permanent fund dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds, appropriations required to pay the principal and interest on general obligation bonds, and appropriations of money received from a nonstate source in trust for a specific purpose, including revenue of a public enterprise or public corporation of the state that issues revenue bonds, appropriations from the treasury made in a fiscal year may not exceed appropriations made in the preceding fiscal year by more than five percent plus the change in population and inflation since the beginning of the preceding fiscal year. For purposes of applying this limit an appropriation is considered to be made in the fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in which the original appropriation is enacted. The determination of the change in population for purposes of this subsection shall be based on an annual estimate of population by the Department of Labor. The determination of the change in inflation for purposes of this subsection shall be based

on the Consumer Price Index for all urban consumers for Anchorage prepared by the United States Bureau of Labor Statistics. The amount of money received by the state that is subject to the appropriation limit includes the balance in the general fund carried forward from the preceding fiscal year.

(c) If the legislature determines that the money subject to the appropriation limit received by the state in a fiscal year is less than the maximum permitted to be appropriated under (b) of this section, up to 25 percent of the balance of the budget reserve fund may be appropriated to the general fund.

(d) The Department of Revenue shall manage and invest assets of the budget reserve fund in the manner set out for the management and investment of the assets of the general fund under AS 37.10.070. Income from investment of the budget reserve fund may be appropriated to the fund each year by law.

(e) Notwithstanding other provisions of this section, appropriations may be made from the budget reserve fund needed by the governor to meet a disaster. In this subsection, "disaster" has the meaning given in AS 26.23.230. (§ 1 ch 58 SLA 1986)

**Effective dates.** — Section 4, ch. 58, SLA 1986, provides: "This Act takes effect July 1, 1986."

**Editor's notes.** — Section 3, ch. 58,

SLA 1986 provides that this section "applies to fiscal year 1988 and fiscal years thereafter."

*Sec. 37.05.159. Reserve for emergency operating expenses account. [Repealed, § 2 ch 58 SLA 1986.]*

**Sec. 37.05.165. Petty cash accounts [Effective July 1, 1987].** The Department of Administration shall determine the amount of the petty cash accounts needed by each state agency and inspect the petty cash accounts at least once each year to determine that the total plus amounts of receipts for unreplenished disbursements is equal to the fixed sum of cash set aside. Shortages in petty cash accounts are a personal liability of the responsible head of the agency to whom the account is set aside. The department shall adopt necessary regulations governing use and replenishment of petty cash funds. (§ 38 ch 106 SLA 1986)

**Revisor's notes.** — Enacted as AS 37.05.232. Renumbered in 1986.

**Effective dates.** — Section 69, ch. 106,

SLA 1986, makes this section effective July 1, 1987.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: HB 166  
Publish Date: HOUSE 3/4/87

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Appropriation of Earnings Reserve  
Account of P.F. to the General Fund  
Sponsor: Governor  
Requestor: \_\_\_\_\_

Agency Affected: Permanent Fund Corp.  
BRU: Permanent Fund Corporation

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0-555M	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	0-555M	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

It is estimated, at this time, that approximately 200 million in earnings will be necessary to meet FY 87 budget requirements. See attachment - Financial projections provided by the Alaska Permanent Fund Corporation.

Prepared By: Royce Weller  
Division: Revenue/Commissioner's Office

Phone: 465-2300  
Date: 3/2/87

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: 3/2/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



**Alaska Permanent Fund Corporation**

**FINANCIAL PROJECTIONS**  
(in millions)

as of January 31, 1987

FY	PRINCIPAL					INCOME				ASSETS		
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Distributions			Reserves		FY End Balance
							Net Income	Per Capita Dividends	Inflation Dividends**	Add (Delete)	FY End Balance	
78			54		54		2					55
79	54		84		139		8					141
80	139		344		483		32	12				503
81	483	900	385		1,769		150	28		59	59	1,875
82	1,769	800	401		2,969		368	71	\$1000.00	185	244	3,302
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	4,593
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	5,531
85	4,838	300	368	235	5,741		558	217	\$404.00	235	206	5,723
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	7,956
87	6,281	1,264	103	147	7,795		1,097	395	\$734.22	147	555	3,745
88	7,795		137	317	8,249		793	429	\$799.70	317	47	9,230
89	8,249		160	505	8,913		342	462	\$857.68	505	( 125)	9,852
90	8,913		167	545	9,624		393	487	\$900.69	545	( 139)	10,450
91	9,624		162	587	10,373		947	480	\$883.43	587	( 121)	11,071
92	10,373		165	632	11,170		1,006	470	\$861.09	632	( 97)	11,762
93	11,170		166	680	12,016		1,072	500	\$911.21	680	( 108)	12,530
94	12,016		158	624	12,798	107	1,141	531	\$964.78	624	( 14)	13,329
95	12,798		153	648	13,599	129	1,213	565	\$1022.06	648		14,163
96	13,599		146	688	14,433	137	1,288	601	\$1082.90	688		15,033
97	14,433		144	728	15,305	146	1,367	639	\$1146.79	728		15,944
98	15,305		140	771	16,216	156	1,449	678	\$1213.16	771		16,894
99	16,216		136	815	17,167	166	1,535	720	\$1282.02	815		17,886
0	17,167		130	861	18,158	177	1,624	763	\$1353.45	861		18,920
1	18,158		123	909	19,190	187	1,717	808	\$1427.62	909		19,998
2	19,190		117	960	20,267	199	1,814	855	\$1504.48	960		21,121
3	20,267		112	1,012	21,391	211	1,915	904	\$1584.40	1,012		22,294
4	21,391		110	1,066	22,566	224	2,021	955	\$1667.28	1,066		23,521
5	22,566		104	1,124	23,794	237	2,132	1,008	\$1753.24	1,124		24,802

ASSUMPTIONS

1.92% Inflation Rate FY 87  
~~11.02%~~ Rate of Return FY 87  
 14.6%  
 4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 88

5% Average Inflation Rate FY 89-05  
 9% Average Rate of Return FY 89-05

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - December 1986

STATUS QUO WITH AN INCREASE IN FY 87 NET INCOME  
 OF \$275 MILLION DUE TO GAINS FROM SALE OF STOCK

\*\* SOURCE: Population Projections From  
 DOR Revenue Source Book - Page 44

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 3, 1987

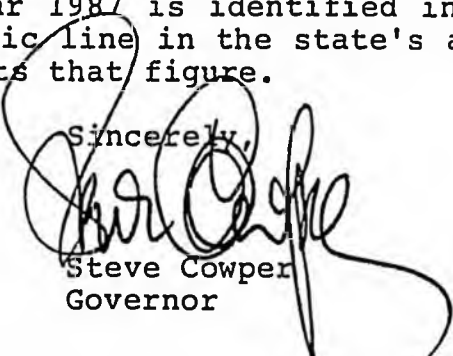
The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating money from the earnings reserve account (formerly called the "undistributed income account," AS 37.13.145) of the Alaska permanent fund to the general fund. This bill appropriates a sufficient amount of money to cover whatever deficit may exist after the end of fiscal year 1987 from the earnings reserve account of the permanent fund to the general fund. If an insufficient amount is available from the earnings reserve account, then the entire amount is appropriated to the general fund.

The deficit for fiscal year 1987 is identified in the bill by reference to the specific line in the state's annual financial report which reports that figure.

Sincerely,



Steve Cowper  
Governor

Offered: 4/28/87  
Referred: Finance

wol387hB

Original sponsor: Rules/Governor

Funding Information

General Fund	\$	-0-
Other Funds		-0-
	\$	-0-

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 166 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the budget  
8 reserve fund; and providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. The sum of \$250,000,000 is appropriated from the earnings  
11 reserve account of the Alaska permanent fund (AS 37.13.145) to the budget  
12 reserve fund (AS 37.05.156).  
13 \* Sec. 2. This Act takes effect July 1, 1987.

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 166

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund; and providing for an effective date."

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

10 \* Section 1. The lesser of the following two amounts is appropriated  
11 from the earnings reserve account of the Alaska permanent fund to the  
12 general fund: (1) an amount sufficient to offset any negative amount in  
13 the "Available Fund Equity/Balance" for the general fund as reported for  
14 June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,  
15 Combined Balance Sheet" in the State of Alaska's "Annual Financial Report"  
16 for fiscal year 1987, published under AS 37.05.210(2); or (2) the amount in  
17 the earnings reserve account of the Alaska permanent fund as of July 1,  
18 1987.

19 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).