

SR

517

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of \_\_\_\_\_ 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

\*\*FISCAL NOTE(S) ATTACHED \_\_\_\_\_ \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

4/26/83 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President:

FINANCE Committee considered SB 517

interest earned on certain state revenue

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup Attached

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 517

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest earned on certain state  
7 revenue."

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

9 \* Section 1. AS 37.13.010 is amended by adding a new subsection to  
10 read:

11 (d) Interest on revenue from sources listed under (a)(1) and (2)  
12 of this section earned while the revenue is held in trust, escrow, or  
13 otherwise before receipt of the revenue by the state shall be de-  
14 posited into the budget reserve fund established under AS 37.05.156.  
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**ALASKA STATE LEGISLATURE**

. .15th. Legislature . . 4nd. Session

SENATE . . . . . BILL . . . . . NO. .517.

By . . . . . THE FINANCE COMMITTEE . .

"An Act relating to interest earned on certain state revenue."

Introduced in the Senate . . . . . 4/26 . . . . , 19 .88 . .

**HISTORY IN THE SENATE**

19 88

Read first time and referred to Committee on

4 26

**FINANCE**

Reported back with recommendation that

Read second time and

Read third time and

<b>PASSED</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

<b>PASSED</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

<b>PASSED</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

<b>PASSED</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Chapter No. ....

Filed with Lt. Governor



# Alaska State Legislature

SENATE

*Committee on Finance*

Official Business

April 21, 1988

H/25/88  
SFC-88  
# 65  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811

MEMORANDUM

TO: Senate Finance Committee Members

FROM: Senator Rick Halford, Co-Chairman  
Senate Finance Committee

SUBJECT: Finance Committee Bill Introduction

A handwritten signature in cursive script that reads "Rick Halford".

As you recall, the committee has discussed the issue of future disposition of settlements from tax and other legal disputes. In an effort to address the issue, attached are two draft bills and a memorandum from Tam Cook.

Bill draft #1 provides that interest on certain revenue designated for deposit into the Permanent Fund earned before the revenue is received be deposited into the budget reserve fund.

In addition to this language, draft #2 addresses the issue raised in Ms. Cook's memo regarding "dedicated fund". As a result, I offer both drafts for the committee's consideration.

It is my intent for the committee to discuss the language at Friday's committee meeting.

Thank you.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

RECEIVED APR 14 1988

POUCH STATE CAPITAL  
JUNEAU ALASKA 998  
907 463 1810

MEMORANDUM

April 14, 1988

SUBJECT: Interest earned on certain state revenue  
(W.O. 5-2158)

TO: Senator Jan Faiks

FROM: Tamara Brandt Cook  
Director  
Division of Legal Services

Here is a draft of a bill you requested that would provide that interest on certain revenue designated for deposit into the permanent fund earned before the revenue is received by the state be deposited into the budget reserve fund. This provision is subject to challenge under Article IX, section 7 of the state constitution which, with some specific exceptions that do not apply in this situation, prohibits the dedication of state revenue "to any special purpose".  
(State, N.S.E. Regional Aquaculture Association v. Alex. 646 P.2d 203 (Alaska 1982))

A possible way to achieve your goal, at least partly, and to avoid the "dedicated fund" problem would be to establish a mechanism providing for appropriation of the interest into the budget reserve fund. The following language added as a new subsection to AS 37.13.010 would accomplish this.

The Department of Revenue shall separately account for interest on revenue from sources listed under (a)(1) and (2) of this section earned while the revenue is held in trust, escrow, or otherwise before receipt of the revenue by the state. Each fiscal year, the department shall notify the legislature of the amount of interest accounted for under this subsection, and the legislature may appropriate that amount to the budget reserve fund (AS 37.05.156).

Enclosure

TBC:gc  
WKG2:115

5-2153A

Cook

4/14/88

4/25/89

Approved for  
Introduction

IN THE SENATE

SENATE BILL NO. 517

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to interest earned on certain state revenue."

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

\* Section 1. AS 37.13.010 is amended by adding a new subsection to read:

(d) Interest on revenue from sources listed under (a)(1) and (2) of this section earned while the revenue is held in trust, escrow, or otherwise before receipt of the revenue by the state shall be deposited into the budget reserve fund established under AS 37.05.156.

Draft #1

1 IN THE SENATE

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SENATE BILL NO.

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to interest earned on certain state  
7 revenue."

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

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\* Section 1. AS 37.13.010 is amended by adding a new subsection to  
10 read:

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(d) The Department of Revenue shall separately account for  
12 interest on revenue from sources listed under (a)(1) and (2) of this  
13 section earned while the revenue is held in trust, escrow, or other-  
14 wise before receipt of the revenue by the state. Each fiscal year the  
15 department shall notify the legislature of the amount of interest  
16 accounted for under this subsection, and the legislature may appropri-  
17 ate that amount to the budget reserve fund (AS 37.05.156).

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Draft #2