

HB

50

HOUSE COMMITTEE ON STATE AFFAIRS

**RECAP OF
HB 50**

Commission on the Future of the Permanent Fund

Received January 9, 1989
by Reps. Boucher, Ulmer, Gruenberg and Hudson

Heard February 15, 1989

Passed Out of Committee February 15, 1989
4 Do Pass
2 No Recommendation

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HOUSE COMMITTEE REPORT

(5)

Date Referred: January 9, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee recommends that:

HOUSE BILL NO. 50

"An Act establishing the Commission on the Future of the Permanent Fund and providing for public testimony on the use that should be made of the income of the permanent fund."

[] be replaced with _____ [] the same title
[] a new title

[] have attached amendment(s)

- 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 DOR
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: _____
- zero fiscal notes(s) published: _____

SIGNING DO PASS:

Carl H. Spohn

Wm. W. ...

William P. MacLean

D. A. Baker

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Jim Zwacki - Do Not Pass

Debra Kelly - No Rec

D. A. Baker

Chairman's signature

1 IN THE HOUSE

BY BOUCHER, ULMER,
GRUENBERG AND HUDSON

2

HOUSE BILL NO. 50

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the Commission on the Future of
7 the Permanent Fund and providing for public testimony
8 on the use that should be made of the income of the
9 permanent fund." *FORUM FOR DEBATE & LIAISON*

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

11 * Section 1. FINDINGS. The legislature finds that it is in the best
12 interest of the state for a commission to be established to gather public
13 testimony concerning the permanent fund and to report its findings and make
14 recommendations concerning the permanent fund to the governor and the
15 legislature.

16 * Sec. 2. COMMISSION ESTABLISHED. (a) There is established in the
17 Department of Revenue the Commission on the Future of the Permanent Fund
18 consisting of the chairman of the board of directors of the Alaska Perma-
19 nent Fund Corporation, the commissioner of revenue, two members of the
20 Senate appointed by the president of the Senate, two members of the House
21 of Representatives appointed by the speaker of the House, and three members
22 appointed by the governor from the public.

23 (b) The commission shall elect a chairman from among its members.

24 (c) Members of the commission serve without compensation but members
25 appointed by the governor are entitled to per diem and travel expenses as
26 authorized by law for boards and commissions under AS 39.20.180 and legis-
27 lator members are entitled to per diem and travel expenses under AS 24.-
28 10.105.

29 * Sec. 3. DUTIES OF THE COMMISSION. (a) The Commission on the Future

1 of the Permanent Fund shall conduct hearings in each judicial district of
2 the state to gather testimony from the public concerning inflation proofing
3 for the permanent fund, the permanent fund dividend program, and the other
4 uses that could be made of the income of the permanent fund. The commis-
5 sion shall use the telecommunication network to provide the opportunity for
6 maximum statewide public testimony.

7 (b) By February 1, 1990, the commission shall submit a report to the
8 governor and the legislature summarizing the public testimony and contain-
9 ing its recommendations.

10 * Sec. 4. This Act is repealed February 2, 1990.

Item 2

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 50
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Commission on the Future of
the Permanent Fund
Sponsor: Representative Boucher
Requestor: House State Affairs

Agency Affected: Revenue/APFC
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	49.0	-	-	-	-
CONTRACTUAL	-	150.0	-	-	-	-
SUPPLIES	-	2.0	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	192.0	-	-	-	-

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	192.0	-	-	-	-
TOTAL	-	192.0	-	-	-	-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)
(See attachment.)

Prepared by: David A. Rose
Division: Alaska Permanent Fund Corporation

Phone: 465-2047
Date: March 2, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: March 2, 1989

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Continuation of Fiscal Note/Bill Analysis

House Bill No. 50

Commission on the Future of the Permanent Fund

Seven Months: (July 1, 1989 - January 31, 1990)

1. Travel 40.0

All In-State. Hearings in all four
Judicial districts for 9 Members and 2 staff
Plus multiple trips for chair and staff
Includes per diem as required

2. Contractual Services

Consultants/Temporary Staff: 45.0
1 Administrative Aide @ \$4,000/month
1 Secretary @ \$2,000/month

Printing: 20.0
Final report @ 15.0
Informational handouts @ 5.0

Teleconferencing: 50.0

Communications: 20.0
Fax/Telephone/Courier @ 5.0
Transcriptions of hearings
@ 15.0

Advertising 10.0

Equipment Rental 5.0

TOTAL CONTRACTUAL: -----
\$150.0

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 15, 1989

SUBJECT: Sectional Summary of HB 50
TO: Representative H.A. "Red" Boucher
FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services


Sec. 1. The legislature finds it in the best interest for a commission to gather testimony concerning the permanent fund and report its recommendations.

Sec. 2. The Commission on the Future of the Permanent Fund is established and membership is described.

Sec. 3 The Commission is required to conduct hearings in each judicial district to gather testimony from the public on matters regarding the permanent fund. By February 1, 1990 the commission is required to submit a report to the Governor and the Legislature summarizing the public testimony and containing its recommendations.

Sec. 4. The Act is repealed February 2, 1990.

TBC:gc
WKG7/032

Anchorage Daily News 

Winner, 1976 Pulitzer Prize Gold Medal for Public Service
Gerald E. Grilly Publisher
Howard Weaver Managing Editor
Michael Carey Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
 Lawrence Fanning, Editor and Publisher 1937 to 1971
 Founded in 1946 by Norman C. Brown

More debate the better

One late-breaking measure before the legislature this week is a proposal for a roving commission that would take public testimony and generate discussion on the future of the Alaska Permanent Fund. It's a worthwhile endeavor, for keeping Alaskans in the decision-making loop is the best way to preserve the fund into the future.

A few little-known facts will add texture to the debate:

The Alaska Permanent Fund is larger than any union pension trust. If it were a corporate pension fund, it would be the nation's 14th largest. If it were a college endowment, it would be more than twice the size of the largest — Harvard's — and bigger than those of Harvard, Princeton, Yale and Stanford combined. If it were a Fortune 500 company, it would rank 15th in net income — behind only GM, Exxon, Mobil, Ford, IBM, Texaco, Chevron, AT&T, Du Pont, General Electric, Amoco, Chrysler, Shell Oil and Philip Morris.

That is big-league company. The obligations and opportunities that come with such a giant financial pool are profound. Alaskans should take every possible opportunity to study, debate and define the purposes of the permanent fund. It is theirs, after all. Both the principal and the proceeds are theirs to invest — as prudently as possible.

The permanent fund is probably also the most popular and, in many ways, successful institution in Alaska public life. Its financial performance has been sound. Its prospects are as good as those of any public financial instrument, and better than most.

But in the long run the permanent fund depends on an informed, involved constituency — the owners. That's all of us. A public commission charged with gathering testimony and generating debate among Alaska citizens would serve both the immediate and the future needs of the fund.

If the fund is to be truly permanent, that debate will never end. But right now, before North Slope oil reserves are depleted and the revenue stream dries up, is a good time to start.

Sunday, May 8, 1988

HAMMOND

→ note on utilization out of resources

FEARFUL: choice TAX vs eliminate
Deductions -

likely, ↑ bracket DED -

majority / reduces of DED -

AG SCOT FLOOR / DC GBA /
CON could provide that
vehicle -

→ history

competed - sweep it's aside .

public MTA INC. → investment account

[When people saw that TAX was
GOOD > property TAX ?]

investment account - so that it would
GO BACK TO GOV .

People see: spillover .

①

5% Agency

↳ public / development of the FUND

* ② original AIR INC. takes more
of UNAVAILABLE - 50% of DCI
SOURCE RATE - 25% -

↳ - wouldn't be talking about tax
now - original contribution ..

③ opposed CAP - because it takes the contribution
away -

④ Revenue priority - get saved cost -
IF priority system we get back
to a certain level.

⑤ Dis ↑ tax base DCI level .

DISPENSE: pay. program tax
Gov could afford .

⑥ IF priority →

CAP UNDEVELOP

5% AUC abolished

HJR 6

INCOUP (ANALYSIS) → "HARMON AM"

COUS AM - E D IP BCIW,
STRENGTH PROVIDED (AS CASE RAAIF)
by PUBLIC.

→ FERTILITY - GEG CONCRETE

→ EMERGENCY - WARE ADOLPH
2/4 vote, EMERGENCY CENTER -
GOVERNOR.

- How do you connect repayment?

→ HARSH

EMERGENCY DOES NOT EXIST
UNTIL EXPLICIT REC REGULATION,
ALL THOSE THINGS DONE FIRST →
ALL STATE SUBSIDIES ELIMINATED BEFORE.

→ because

→ Permitted STATE BOND → NO
STATE DEBT - question

SHOW WE GO OUT LOCAL

- Borrowing
- utul for DEGT service

→ exposed to const ASSUM "D" level

→ GOO }
AUG FOR - reveal share
GO IN CONST.

→ GOO has indicated people be
choice - FEDERAL choice -
INDIVIDUAL MAINTEN STATUS?
QUO - let it be done /
OR PROPOSITION.

→ Pain back window - more "cash"
→ "check off" satisfied -

→ not satisfied with business
the other way are in place

→ TAX ONLY OIL - we are
TAXIN NOW - received WORKER -

→ TAX ON REVENUE TO CONJUNCT
with revenue etc -

everyone should pay a little