

HB

232

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: May 8, 1999

FURTHER REFERRALS:

Date of Committee Action: 5/14/99 pm

The FINANCE Committee considered:

HB 232

HOUSE BILL NO. 232

APPROP: BUDGET RESERVE TO AK INCOME ACCT

"An Act making a special appropriation from the budget reserve fund under art. IX, sec. 17(c), Constitution of the State of Alaska, to the Alaska Income Account; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 232 (FIN) [] the same title [X] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

[X] fiscal note(s) Revenue [] fiscal note(s) _____

[] zero fiscal note(s) _____ [] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Carrie Therriault</i>	Therriault	X			
<i>Alan Mulder</i>	Mulder	X			
<i>Carrie Bunde</i>	Bunde				
<i>Alan Austerman</i>	Austerman	✓			
<i>Ben Gussindorf</i>	Gussindorf			X	
<i>J. Davis</i>	J. Davis			X	
<i>Alfred Moses</i>	Moses			X	
<i>Alan G. Davis</i>	G. Davis	✓			
<i>William Williams</i>	Williams	X			
<i>John Foster</i>	Foster			X	
<i>John Kohring</i>	Kohring			X	

CHAIR'S SIGNATURE *Alan Mulder* *Carrie Therriault*

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 232

Revision Date/Time (Note if correction) _____ Dept. Affecte Revenue _____
 Title: An Act making a special appropriation from the _____ BRU Revenue Operations _____
 budget reserve fund to the Alaska income account _____ Component Alaska Permanent Fund Corporatcn _____
 Sponsor House Rules Committee _____
 Requester House Finance Committee _____ Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual	1,404.8	3,073.6	3,362.5	3,678.6	4,024.4	4,402.7
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,404.8	3,073.6	3,362.5	3,678.6	4,024.4	4,402.7

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	101,693.7	109,820.2	114,095.2	119,001.0	124,347.6	129,888.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Corporate Receipts	1,404.8	3,073.6	3,362.5	3,678.6	4,024.4	4,402.7
TOTAL	1,404.8	3,073.6	3,362.5	3,678.6	4,024.4	4,402.7

Estimate of current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *This fiscal note assumes an increase in costs and revenues associated with a \$1.873 billion increase in public equity investments.*

Prepared by Peter A. Bushre *Peter A. Bushre* Phone 465-2301
 Division Alaska Permanent Fund Corporation Date/Time _____
 Approved by _____
 Commissioner Wilson L. Condon Date _____
 Agency Department of Revenue

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CS FOR HOUSE BILL NO. 232(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act making a special appropriation from the budget reserve fund under art.
2 IX, sec. 17(c), Constitution of the State of Alaska, to the Alaska Income Account;
3 making a special appropriation from the dividend fund to the Alaska Income
4 Account; and providing for an effective date."

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

6 * Section 1. The unappropriated balance in the budget reserve fund (art. IX, sec. 17,
7 Constitution of the State of Alaska) on July 2, 1999, is appropriated to the Alaska Income
8 Account (AS 37.13.145). This appropriation is made under art. IX, sec. 17(c), Constitution
9 of the State of Alaska.

10 * Sec. 2. The unappropriated amount in the dividend fund (AS 43.23.045) that exceeds the
11 amount needed to pay 1999 dividends and prior year dividends in the current year for the
12 purposes described under AS 43.23.025(a)(1)(C) and (D) is appropriated to the Alaska Income
13 Account (AS 37.13.145).

14 * Sec. 3. This Act takes effect only if a version of a bill establishing the Alaska Income

1 Account in the Alaska permanent fund is passed by the Twenty-First Alaska State Legislature
2 and becomes law.

3 * **Sec. 4.** If this Act takes effect, it takes effect on the effective date of the provisions of
4 the bill described in sec. 3 of this Act that establish the Alaska Income Account in the Alaska
5 permanent fund.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

May 14, 1999

SUBJECT: Sectional Summary (CSHB 232(FIN))

TO: Representative Eldon Mulder, Co-chair
House Finance Committee
Attn: Denny DeWitt

FROM: Tamara Brandt Cook
Director *TBC*

Sec. 1. Appropriates the balance in the budget reserve fund on July 2, 1999 to the Alaska Income Account.

Sec. 2. Appropriates the amount in the dividend fund that exceeds the amount needed to pay 1999 dividends and some prior year dividends to the Alaska Income Account.

Sec. 3. This Act takes effect only if a bill establishing the Alaska Income Account becomes law.

Sec. 4. If this Act takes effect, it takes effect on the date the Alaska Income Account is established by law.

TBC:jdr
99-272.jdr

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Co-chair, House Finance Committee
Attn: Denny DeWitt

FROM: Tamara Brandt Cook *ABC*
Director

- Sec. 1.** Technical change to correct citation to accommodate the change made in Sec. 2.
- Sec. 2.** Changes the percentage of payments from certain mineral sources that is deposited into the Alaska permanent fund from 50% to 25%.
- Sec. 3.** Requires income of the permanent fund to be deposited in the Alaska Income Account.
- Sec. 4.** Establishes the Alaska Income Account in the permanent fund, eliminating the earnings reserve account. Requires an amount to be transferred from the account to the general fund, based on averaged market value of the permanent fund and the budget reserve fund. Transfers to the general fund may be made in installments. Directs the commissioner of revenue to transfer 42% of the transfers to the dividend fund each year.
- Secs. 5-7.** Technical changes to accommodate sec. 3.
- Sec. 8.** Sets amount of 1999 permanent fund dividend at \$1,000.
- Sec. 9.** The Alaska Income Account is the successor to the earnings reserve account. The amount of each permanent fund dividend for 2000 and for 2001 is \$1,000. Adjusts method of determining transfers to the general fund from the Alaska Income Account following the end of fiscal years 2000, 2001, 2002.
- Sec. 10.** Places an advisory question before the voters at a special election on whether the state should implement the Healthy Alaska Plan.
- Secs. 11 and 12.** Effective dates.

TBC:lmb
99-083.lmb

1-LS0961\D
Cook
5/14/99

adopted *NO/OBJ*

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