

HOUSE BILL NO. 160

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Introduced: 4/14/23

Referred: House Special Committee on Ways and Means

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to the calculation of the amount available for appropriation from the
2 Alaska permanent fund; and providing for an effective date."

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

4 * **Section 1.** AS 37.13.140(b) is amended to read:

5 (b) The corporation shall determine the amount available for appropriation
6 each year. The amount available for appropriation is **the balance of the fund,**
7 **including the balance of the earnings reserve account established under**
8 **AS 37.13.145 but not including the portion of the principal attributed to the**
9 **settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,**
10 **First Judicial District), multiplied by** [FIVE PERCENT OF] the average **real rate**
11 **of return** [MARKET VALUE] of the fund for the first **20** [FIVE] of the preceding **21**
12 [SIX] fiscal years, including the fiscal year just ended, computed annually for each
13 fiscal year in accordance with generally accepted accounting principles. In this
14 subsection, **"real rate of return" means the difference between**

1 **(1) the rate of return on the fund for the fiscal year; for the**
 2 **purpose of calculating the rate of return under this paragraph, the corporation**
 3 **shall include returns on** ["AVERAGE MARKET VALUE OF THE FUND"
 4 INCLUDES] the balance of the earnings reserve account established under
 5 AS 37.13.145 [,] but **may** [DOES] not include **returns on** that portion of the principal
 6 attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ.
 7 (Superior Court, First Judicial District); **and**

8 **(2) the rate of inflation, as calculated by computing the average of**
 9 **the monthly United States Consumer Price Index for all urban consumers for the**
 10 **fiscal year.**

11 * **Sec. 2.** AS 37.13.150 is amended to read:

12 **Sec. 37.13.150. Corporation budget.** The revenue generated by the fund's
 13 investments must be identified as the source of the operating budget of the corporation
 14 in the state's operating budget under AS 37.07 (Executive Budget Act). The
 15 unexpended balance of the corporation's annual operating budget does not lapse at the
 16 end of the fiscal year but shall be treated as income and part of the **balance**
 17 [MARKET VALUE] of the fund under AS 37.13.140.

18 * **Sec. 3.** AS 37.13.300(c) is amended to read:

19 (c) Net income from the mental health trust fund may not be included in the
 20 computation of net income or **the rate of return, balance of the fund, or amount**
 21 **available for** [MARKET VALUE AVAILABLE FOR DISTRIBUTION OR]
 22 appropriation under AS 37.13.140.

23 * **Sec. 4.** This Act takes effect July 1, 2023.