

HOUSE BILL NO. 231

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE EASTMAN

Introduced: 1/7/22

Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the earnings of the Alaska permanent fund and the earnings reserve**
2 **account; relating to the mental health trust fund; and providing for an effective date."**

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

4 *** Section 1.** AS 37.13.145(c) is amended to read:

5 (c) After the transfer under (b) [AND AN APPROPRIATION UNDER (e)] of
6 this section, the corporation shall transfer from the earnings reserve account to the
7 principal of the fund an amount sufficient to offset the effect of inflation on the
8 principal of the fund during that fiscal year. However, none of the amount transferred
9 shall be applied to increase the value of that portion of the principal attributed to the
10 settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First
11 Judicial District) on July 1, 2004. The corporation shall calculate the amount to
12 transfer to the principal under this subsection by

13 (1) computing the average of the monthly United States Consumer
14 Price Index for all urban consumers for each of the two previous calendar years;

1 (2) computing the percentage change between the first and second
2 calendar year average; and

3 (3) applying that rate to the value of the principal of the fund on the
4 last day of the fiscal year just ended, including that portion of the principal attributed
5 to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,
6 First Judicial District).

7 * **Sec. 2.** AS 37.13.145(d) is amended to read:

8 (d) Notwithstanding (b) of this section, income earned on money awarded in
9 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior
10 Court, First Judicial District), including settlement, summary judgment, or adjustment
11 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned
12 on the money, or on the earnings of the money shall be treated in the same manner as
13 other income of the Alaska permanent fund, except that it is not available for
14 distribution to the dividend fund or [,] for transfers to the principal under (c) of this
15 section, [OR FOR AN APPROPRIATION UNDER (e) OF THIS SECTION,] and
16 shall be annually deposited into the Alaska capital income fund (AS 37.05.565).

17 * **Sec. 3.** AS 37.13.150 is amended to read:

18 **Sec. 37.13.150. Corporation budget.** The revenue generated by the fund's
19 investments must be identified as the source of the operating budget of the corporation
20 in the state's operating budget under AS 37.07 (Executive Budget Act). The
21 unexpended balance of the corporation's annual operating budget does not lapse at the
22 end of the fiscal year but shall be treated as income [AND PART OF THE MARKET
23 VALUE OF THE FUND] under AS 37.13.140.

24 * **Sec. 4.** AS 37.13.300(c) is amended to read:

25 (c) Net income from the mental health trust fund may not be included in the
26 computation of net income [OR MARKET VALUE] available for distribution [OR
27 APPROPRIATION] under AS 37.13.140.

28 * **Sec. 5.** AS 37.13.140(b), 37.13.145(e), and 37.13.145(f) are repealed.

29 * **Sec. 6.** This Act takes effect July 1, 2022.