

HOUSE BILL NO. 90

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE FIELDS

Introduced: 3/1/23

Referred: House Special Committee on Ways and Means, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to income of the Alaska permanent fund and the amount available for**
2 **appropriation; relating to appropriations from the earnings reserve account; relating to**
3 **the amount of the permanent fund dividend; and providing for an effective date."**

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

5 * **Section 1.** AS 37.13.140 is amended to read:

6 **Sec. 37.13.140. Income.** (a) Net income of the fund includes income of the
7 earnings reserve account established under AS 37.13.145. Net income of the fund shall
8 be computed annually as of the last day of the fiscal year in accordance with generally
9 accepted accounting principles, excluding any unrealized gains or losses. [INCOME
10 AVAILABLE FOR DISTRIBUTION EQUALS 21 PERCENT OF THE NET
11 INCOME OF THE FUND FOR THE LAST FIVE FISCAL YEARS, INCLUDING
12 THE FISCAL YEAR JUST ENDED, BUT MAY NOT EXCEED NET INCOME OF
13 THE FUND FOR THE FISCAL YEAR JUST ENDED PLUS THE BALANCE IN
14 THE EARNINGS RESERVE ACCOUNT DESCRIBED IN AS 37.13.145.]

1 (b) The corporation shall determine the amount available for appropriation
 2 each year. The amount available for appropriation is five percent of the average
 3 market value of the fund for the first five of the preceding six fiscal years, including
 4 the fiscal year just ended, computed annually for each fiscal year in accordance with
 5 generally accepted accounting principles. **The amount available for appropriation**
 6 **may not exceed the balance in the earnings reserve account described in**
 7 **AS 37.13.145.** In this subsection, "average market value of the fund" includes the
 8 balance of the earnings reserve account established under AS 37.13.145, but does not
 9 include that portion of the principal attributed to the settlement of State v. Amerada
 10 Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

11 * **Sec. 2.** AS 37.13.145(b) is amended to read:

12 (b) **Each** [AT THE END OF EACH] fiscal year, the **legislature may**
 13 **appropriate** [CORPORATION SHALL TRANSFER] from the earnings reserve
 14 account to the dividend fund established under AS 43.23.045, **the amount necessary**
 15 **to distribute a dividend of up to \$1,000 to each eligible individual** [50 PERCENT
 16 OF THE INCOME AVAILABLE FOR DISTRIBUTION UNDER AS 37.13.140].

17 * **Sec. 3.** AS 37.13.145(c) is amended to read:

18 (c) After the **appropriations** [TRANSFER] under (b) and **(f)** [AN
 19 APPROPRIATION UNDER (e)] of this section, the **legislature may appropriate**
 20 [CORPORATION SHALL TRANSFER] from the earnings reserve account to the
 21 principal of the fund an amount sufficient to offset the effect of inflation on the
 22 principal of the fund during that fiscal year. However, none of the amount transferred
 23 shall be applied to increase the value of that portion of the principal attributed to the
 24 settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First
 25 Judicial District) on July 1, 2004. The corporation shall calculate the amount to
 26 transfer to the principal under this subsection by

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

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

31 (3) applying that rate to the value of the principal of the fund on the

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

4 * **Sec. 4.** AS 37.13.145(d) is amended to read:

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

15 * **Sec. 5.** AS 37.13.145(f) is amended to read:

16 (f) **Each year, the legislature may appropriate an amount from the**
 17 **earnings reserve account established under this section to the general fund.** The
 18 combined total of the **appropriations under this subsection and** [TRANSFER
 19 UNDER] (b) of this section [AND AN APPROPRIATION UNDER (e) OF THIS
 20 SECTION] may not exceed the amount available for appropriation under
 21 AS 37.13.140(b).

22 * **Sec. 6.** AS 37.13.300(c) is amended to read:

23 (c) Net income from the mental health trust fund may not be included in the
 24 computation of **the amount** [NET INCOME OR MARKET VALUE] available for
 25 [DISTRIBUTION OR] appropriation under **AS 37.13.140(b)** [AS 37.13.140].

26 * **Sec. 7.** AS 43.23.025(a) is amended to read:

27 (a) By October 1 of each year, the commissioner shall determine the value of
 28 each permanent fund dividend for that year by

29 (1) determining the total amount available for dividend payments,
 30 which equals

31 (A) the amount **appropriated** [OF INCOME OF THE

1 ALASKA PERMANENT FUND TRANSFERRED] to the dividend fund
2 under AS 37.13.145(b) during the current year;

3 (B) plus the unexpended and unobligated balances of prior
4 fiscal year appropriations that lapse into the dividend fund under
5 AS 43.23.045(d);

6 (C) less the amount necessary to pay prior year dividends from
7 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
8 43.23.055(3) and (7);

9 (D) less the amount necessary to pay dividends from the
10 dividend fund due to eligible applicants who, as determined by the department,
11 filed for a previous year's dividend by the filing deadline but who were not
12 included in a previous year's dividend computation;

13 (E) less appropriations from the dividend fund during the
14 current year, including amounts to pay costs of administering the dividend
15 program and the hold harmless provisions of AS 43.23.240;

16 (2) determining the number of individuals eligible to receive a
17 dividend payment for the current year and the number of estates and successors
18 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

19 (3) dividing the amount determined under (1) of this subsection by the
20 amount determined under (2) of this subsection.

21 * **Sec. 8.** AS 37.13.145(e) is repealed.

22 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).