

SENATE JOINT RESOLUTION NO. 12

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 1/20/12

Referred: Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to and limiting**
2 **appropriations from the Alaska permanent fund based on a percentage of an average of**
3 **market values of the fund to protect the fund from inflation and ensure that the real**
4 **value of the fund will be preserved over the long term.**

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

6 * **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

7 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five percent of all
8 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
9 payments and bonuses received by the State shall be placed in a permanent fund.
10 **Except as appropriated under (b) of this section, money in the permanent fund** [,
11 THE PRINCIPAL OF WHICH] shall be used only for those income-producing
12 investments specifically designated by law as eligible for permanent fund investments.
13 [ALL INCOME FROM THE PERMANENT FUND SHALL BE DEPOSITED IN
14 THE GENERAL FUND UNLESS OTHERWISE PROVIDED BY LAW.]

15 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding a

1 new subsection to read:

2 (b) To protect the permanent fund from the effects of inflation and thereby
3 ensure that the real value of the permanent fund will be preserved over the long term,
4 appropriations from the permanent fund for a fiscal year may not exceed four and one-
5 half percent of the average of the market values of the fund on June 30 for the three
6 fiscal years immediately preceding that fiscal year.

7 * **Sec. 3.** Article XV, Constitution of the State of Alaska, is amended by adding a new
8 section to read:

9 **Section 30. Name and Transition.** (a) The 2012 amendments relating to the
10 permanent fund (art. IX, sec. 15) may be known as the Alaska Operating Endowment
11 Amendment.

12 (b) On the effective date of the 2012 amendment relating to the Alaska
13 permanent fund (art. IX, sec. 15), the unencumbered and unappropriated balance of
14 the earnings reserve account established under AS 37.13.145(a) shall be added to the
15 Alaska permanent fund.

16 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
17 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
18 State of Alaska, and the election laws of the state.