

SENATE JOINT RESOLUTION NO. 302

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - THIRD SPECIAL SESSION

BY SENATORS BEGICH, Gray-Jackson

Introduced: 9/1/21

Referred: Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund, creating the sustainable dividend account and power cost equalization**
3 **account in the permanent fund, and relating to a dividend for state residents.**

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

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

6 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five percent of all
7 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
8 payments and bonuses received by the State shall be placed into the principal of [IN]
9 a permanent fund. The sustainable dividend account and the power cost
10 equalization account are created as accounts within the permanent fund. The
11 permanent fund and the accounts within the fund [, THE PRINCIPAL OF
12 WHICH] shall be used [ONLY] for [THOSE] income-producing investments
13 specifically designated by law as eligible for permanent fund investments. The
14 principal and income [ALL INCOME] from the permanent fund and each account
15 within the fund shall be retained [DEPOSITED] in the [GENERAL] fund or

account [UNLESS OTHERWISE PROVIDED BY LAW]. The legislature may appropriate from the fund and accounts only as provided in this section.

* **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding new subsections to read:

(b) Each fiscal year, the legislature may appropriate up to 4.5 percent of the average market value of the fund from the permanent fund to the general fund. Money appropriated under this subsection may not be drawn from the sustainable dividend or power cost equalization accounts in the permanent fund.

(c) Each fiscal year, the legislature shall appropriate five percent of the average market value of the sustainable dividend account from the account for the payment of dividends to eligible residents of the State.

(d) Each fiscal year, the legislature shall appropriate five percent of the average market value of the power cost equalization account from the account for the payment of energy subsidies and capital improvements to energy infrastructure to rural communities in the State and for community assistance payments and renewable energy projects in the State.

(e) The average market value of the fund, and each account in the fund, is the average value of the fund or account for the preceding five fiscal years, excluding the fiscal year just ended. The average market value of the fund includes the value of the sustainable dividend account and the power cost equalization account. The value of the fund and each account shall be calculated on the last day of the fiscal year.

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

Section 18. Dividends. If the amounts appropriated under 15(c) of this article are insufficient to provide a \$1,200 dividend for each state resident each year, the legislature shall appropriate the amount necessary to provide a \$1,200 dividend to each state resident for the year.

* **Sec. 4.** Article XV, Constitution of the State of Alaska, is amended by adding a new section to read:

Section 30. Permanent Fund, Sustainable Dividend Account, Power Cost Equalization Account Amendments: Transition. (a) On June 30, 2023, an amount

1 equal to the balance of the earnings reserve account established by law shall be
 2 deposited in the Alaska permanent fund and become part of the principal of the fund.
 3 The amount deposited under this subsection shall be the unencumbered balance of the
 4 earnings reserve account on September 30, 2022, or on June 30, 2023, whichever is
 5 greater.

6 (b) Notwithstanding the restriction on the use of the principal of the permanent
 7 fund in art. IX, sec. 15, on June 30, 2023, the legislature shall appropriate from the
 8 Alaska permanent fund to the sustainable dividend account in the Alaska permanent
 9 fund the sum of the difference between the amount calculated for appropriation to the
 10 dividend account under AS 37.13.145(b), for that fiscal year, as that section read on
 11 January 1, 2020, and the amount actually appropriated for dividends in fiscal years
 12 2017, 2018, 2019, 2020, 2021, 2022, and 2023, and the earnings and interest accrued
 13 on those amounts.

14 (c) On June 30, 2023, an amount equal to the balance of the power cost
 15 equalization endowment fund established by law shall be deposited in the power cost
 16 equalization account in the Alaska permanent fund. The amount deposited under this
 17 subsection shall be the unencumbered balance of the power cost equalization
 18 endowment fund on September 30, 2022, or on June 30, 2023, whichever is greater.

19 (d) The 2022 amendments relating to the Alaska permanent fund (art. IX, sec.
 20 15) and the dividend to state residents (art. IX, sec. 18) apply to appropriations made
 21 for fiscal year 2024 and thereafter.

22 (e) The method for determining the average market value of the sustainable
 23 dividend account and the power cost equalization account for the first six fiscal years
 24 shall be provided for by law.

25 * **Sec. 5.** The amendments proposed by this resolution shall be placed before the voters of
 26 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
 27 State of Alaska, and the election laws of the state.