

**HOUSE BILL NO. 1005**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 5/22/19

Referred: Finance

Funding Information:	General Fund	\$	-0-
	Other Funds		-0-
	Total	\$	-0-

**A BILL****FOR AN ACT ENTITLED**

1    **"An Act making special appropriations for the payment of permanent fund dividends;**  
 2    **making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,**  
 3    **from the constitutional budget reserve fund; and providing for an effective date."**

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

5        \* **Section 1.** ALASKA PERMANENT FUND. The amount necessary, when added to the  
 6    appropriation made in sec. 2(b) of this Act, to fund the total amount authorized under  
 7    AS 37.13.145(b), as that provision read on January 1, 2019, for transfer by the Alaska  
 8    Permanent Fund Corporation on June 30, 2019, estimated to be \$1,444,000,000, is  
 9    appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund  
 10   (AS 43.23.045(a)) for the payment of permanent fund dividends and for administrative and  
 11   associated costs for the fiscal year ending June 30, 2020.

12        \* **Sec. 2.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget  
 13   reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2019 that are  
 14   made from subfunds and accounts other than the operating general fund (state accounting

1 system fund number 1004) by operation of art. IX, sec. 17(d), Constitution of the State of  
 2 Alaska, to repay appropriations from the budget reserve fund are appropriated from the  
 3 budget reserve fund to the subfunds and accounts from which those funds were transferred.

4 (b) The sum of \$500,000,000 is appropriated from the budget reserve fund (art. IX,  
 5 sec. 17, Constitution of the State of Alaska) to the dividend fund (AS 43.23.045(a)) for the  
 6 payment of permanent fund dividends and for administrative and associated costs for the  
 7 fiscal year ending June 30, 2020.

8 (c) The unrestricted interest earned on investment of general fund balances for the  
 9 fiscal year ending June 30, 2020, is appropriated to the budget reserve fund (art. IX, sec. 17,  
 10 Constitution of the State of Alaska). The appropriation made in this subsection is intended to  
 11 compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for  
 12 any lost earnings caused by use of the fund's balance to permit expenditure of operating and  
 13 capital appropriations made in the fiscal year ending June 30, 2020, in anticipation of  
 14 receiving unrestricted general fund revenue.

15 (d) The appropriations made in (a) and (b) of this section are made under art. IX, sec.  
 16 17(c), Constitution of the State of Alaska.

17 \* **Sec. 3.** LAPSE OF APPROPRIATIONS. The appropriations made in secs. 1 and 2(b) of  
 18 this Act are for the capitalization of a fund and do not lapse.

19 \* **Sec. 4.** CONTINGENCIES. (a) The appropriations made in secs. 1 and 2(b) of this Act are  
 20 contingent on passage by the Thirty-First Alaska State Legislature and enactment into law  
 21 before October 1, 2019, of a bill amending AS 37.13.145(b) to authorize a transfer from the  
 22 earnings reserve account to the dividend fund (AS 43.23.045(a)) of an amount equal to 25  
 23 percent of the income available for distribution under AS 37.13.140.

24 (b) The appropriation made in sec. 1 of this Act is contingent on the passage by the  
 25 Thirty-First Alaska State Legislature in the First Special Session and enactment into law,  
 26 without reduction, of the appropriations made in sec. 2 of this Act.

27 \* **Sec. 5.** This Act takes effect July 1, 2019.