

SB 26 - Comparison

Provision	CS for SB 26 - Version D	House CS for SB 26(FIN) – Version U
Intent	Section 1 – Intent to reevaluate earnings in three years	Deleted
Budget reserve fund-SBR- Appropriation limit AS 37.05.540(a)	Section 2- Deletes reference to the appropriation limit created by AS 37.05.540(b), the existing appropriations limit, which is repealed by this bill.	Deleted- AS 37.05.540(b) is not repealed; the existing Statutory Budget Reserve appropriation limit remains in statute.
Appropriation Limit AS 37.05.545	Section 3- Creates a new appropriation limit not to exceed \$4.1 billion in unrestricted general funds. Does not appropriations for certain specific purposes.	Deleted
Marine Highway Fund AS 37.05.550		Section 1- Amends AS Sec. 37.05.055(b), relating to the marine highway fund, to conform to the changes made in section 6.
Responsibilities of the Governor AS 37.07.020	Section 4– Adds new subsection (f) requiring a governor’s report on how the budget complies with the appropriation limit in sec. 3	Section 2- Adds new subsection (f) requiring a governor’s report on how the budget complies with the appropriation limit that exists in article IX section 16 of the Constitution of the State of Alaska.
Alaska Permanent Fund AS 37.13.010(a)	Section 5 - Deletes AS 37.13.010(a)(2). The resulting change means that the Alaska Permanent fund will be filled by the constitutionally required 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, and net profit shares. The <i>additional 25%</i> of royalties from leases issued after December 1, 1979, which are above the constitutionally required 25%, will now remain in the general fund and will not be deposited into the permanent fund.	Section 3 - Same
Income AS 37.13.140	Section 6- Adds “and market value” to section title. This section directs the Permanent Fund Corporation to continue computing net income of the fund in the same manner, excluding any unrealized gains or losses but removes the calculation for determining distributable income from the earnings reserve.	Section 4- Same

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Income AS 37.13.140 (b)	Section 7 – Adds new subsection (b) describing the amount available for distribution from the earnings reserve fund as 5.25% of the average market value of the entire fund.	Section 5 – Same
AS 37.13.140(c)	New subsection (c) reduces the draw from the earnings reserve when oil revenues are above \$1.2 billion.	New subsection (c) reduces the draw from the earnings reserve when oil revenues are above \$1.4 billion. The draw is reduced by 80 cents on the dollar.
Income AS 37.13.140 (b)	Section 8 - Amends subsection (b), created by this act, to change the POMV draw from 5.25% to 5%. The change is effective July 1, 2020 .	Section 6 - Amends subsection (b), created by this act, to change the POMV draw from 5.25% to 5%. The change is effective July 1, 2019 .
Disposition of Income AS 37.13.145(b)		Section 7 – Amends subsection (b) to annually direct income from the earnings reserve. 0.25 percent of market value (POMV) is directed to the principal of the fund. Separately, 33% of POMV calculated under AS 37.13.140(b) is directed from the earnings reserve to the dividend fund for dividends and 67% to the general fund for state use.
Disposition of Income AS 37.13.145(d)	Section 9 – conforming to the distribution change in AS 37.13.140(b)	Section 8 – conforming to the change to the dividend distribution under 37.13.145(b). Same effect.
Disposition of Income AS 37.13.145(e)	Section 10 – Adds a new subsection that provides that money from the earnings reserve may be transferred to the principal of the permanent fund for purposes of inflation proofing the fund when the value of the earnings reserve account is four times the annual amount calculated under AS 37.13.140(b).	Section 9 - Adds a new subsection that provides that money from the earnings reserve may be transferred to the principal of the permanent fund for purposes of inflation proofing the fund when the value of the earnings reserve account is four times the annual amount calculated under AS 37.13.140(b), up to the amount necessary to make up for any past inflation proofing that was not transferred. Subsection (f) directs an additional appropriation, if necessary, to ensure dividends of at least \$1,250 for fiscal years 2018 and 2019.
Disposition of Income AS 37.13.145(e)(f)		Section 10 - Deletes subsection (f), created in the previous section, and amends (e) to conform to that deletion. This section takes effect June 30, 2020, when the dividend no longer has a minimum amount of \$1,250.

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Appropriations to the dividend fund AS 37.13.146	Section 11 – creates a new section which allows the legislature to appropriate 25% of the POMV amount calculated in AS 37.13.140(b) from the general fund to the dividend, for the purpose of paying dividends	
Corporation Budget AS 37.13.150		Section 11 - Includes the unexpended balance of the Alaska Permanent Fund Corporation’s budget in the calculation of the fund’s market value; this budget balance is already calculated as a part of the net income of the fund under current law.
Assets of the mental health trust AS 37.13.300(c)	Section 12 - Clarifies that income from mental health trust fund, which is managed by the Alaska Permanent Fund Corporation, is not included in the market value of the Permanent fund for purposes of distribution	Section 12 - Same
Amount of dividend AS 43.23.025 (a)	Section 13 – Amends to state that the dividend shall be calculated based on the amount appropriated from the general fund under AS 37.13.146.	
Amount of dividend AS 43.23.025(c)	Section 14 – States that the dividend for fiscal year 2018, 2019, and 2020 shall be \$1000.	Section 13 – Adds new subsection (c) to state that notwithstanding the calculations outlined in (a), the dividend for fiscal years 2018 and 2019 shall be <i>at least</i> \$1250.
Dividend fund AS 43.23.045(a)	Section 15 – Amends to clarify that the dividend fund consists of money appropriated under AS 47.13.146	Deleted.
Duties of the department AS 43.23.055	Section 16 – Amends to clarify that the amount to pay the annual dividend moves from the dividend fund without need for further appropriation.	Section 14 - Same
Repealed	Section 17 – Repealed July 1, 2017 AS 37.05.540(b)(c) –Existing SBR appropriation limit AS 37.13.145(b) – existing distribution of income AS 37.13.145(c) - existing inflation proofing mechanism Section 18 - Repealed June 30, 2021 AS 43.23.025(c), \$1000 set dividend	Section 15 – Repealed July 1, 2017 AS 37.13.145(c) - existing inflation proofing mechanism Section 16 – Repealed June 30, 2020 AS 37.13.145(f) – appropriation for \$1250 dividend AS 43.23.025(c) – minimum dividend of \$1250.

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Uncodified law	Section 19 – Provides the commissioner of revenue with the transition authority to implement regulations.	Section 17- states that for fiscal year 2017, the legislature may appropriate from the earnings reserve 5.25% of the market value of the fund (POMV), less the dividend already paid out for fiscal year 2017.
Retroactivity		Section 18: The previous section, section 17, is retroactively effective on June 29, 2017 even if the act takes effect later than that date.
Conditional language		Section 19 – This act only takes effect if the legislature also passes and signs into law a broad based revenue measure and HB 111 as passed the House.
Effective dates	<p>Section 20 – section 19 is effective immediately</p> <p>Section 21- section 8, changing the POMV rate, is effective July 1, 2020</p> <p>Section 22- the rest of the act is effective July 1, 2017</p>	<p>Section 20 – sections 17 and 18 take effective immediately</p> <p>Section 21 – section 6, amending the POMV rate, takes effect July 1, 2019</p> <p>Section 22- section 10, relating to the minimum dividend, takes effect June 30, 2020</p> <p>Section 23 – the remainder of the act takes effect July 1, 2017</p>