



Alaska State Legislature Senate Majority News

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Senate Judiciary Moves Permanent Fund Measures *Senate President Therriault Renews Request For Ideas*

(Juneau)—The Senate Judiciary Committee moved four resolutions regarding the permanent fund on to their next committee of referral today.

The Senate Finance Committee will now consider Senate Joint Resolution 18, Senate Joint Resolution 19, Senate Joint Resolution 24, and Senate Joint Resolution 32.

“We have moved a package of ideas up to the Senate Finance Committee where we intend discussion with public testimony and scrutiny by the members, as we agreed with the governor,” said Senate President Gene Therriault (R-North Pole). “With these measures advancing another important step, I would like to renew my request that the minority bring forward any ideas that are not currently before the Senate so they can be considered at the same time.”

Therriault noted that numerous members of the minority caucus have advocated that any plan must include a broad-based tax and an income tax specifically. He requested that those ideas be put in writing for introduction as bills.

“The Judiciary Committee has discussed and discussed and discussed these issues both this session and in numerous forums over the interim, and now it’s time for other members to have their discussion,” said Sen. Ralph Seekins, (R-Fairbanks), who chairs the Judiciary Committee and is a former Permanent Fund Trustee.

SJR 18 was introduced by the Legislative Budget & Audit Committee at the request of the Permanent Fund Board of Trustees. SJR 18, commonly known as the percent of market value or POMV plan, restricts annual appropriations from the Permanent Fund to no more than 5 percent of the Fund’s average value from the previous five years. Currently the amount available for appropriation is based on the realized earnings of the fund.

If voters approved the POMV approach, SJR 32, introduced by Sen. Kim Elton (D-Juneau), would constitutionally guarantee that 80 percent of the revenue stream from the fund would go to permanent fund dividends with the other 20 percent left up to the legislature’s discretion.

SJR 19, sponsored by Sen. Georgianna Lincoln (D-Rampart) and SJR 24, sponsored by Senators Scott Ogan (R-Mat-Su/Chugiak), Tom Wagoner (R-Kenai) and Lyda Green (R-Wasilla) would place the dividend in the constitution. SJR 19 would maintain the calculation distribution formula that was in place July 1, 2002.

SJR 24 would be immediately repealed if the Internal Revenue Service ever determines that the fund no longer qualifies as “public use” and is consequently taxable. It also places the earnings reserve in the constitution. SJR 24 would only take effect if voters approve an appropriation limit. The Judiciary Committee amended both SJR 19 and SJR 32 to make them contingent on passage of an appropriation limit as well. The Democrat members of the Judiciary Committee opposed the contingent spending limit language.

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