

**AMENDED AND APPROVED**Date: 4-15-03**ANCHORAGE, ALASKA****AR NO. 2003-100**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING PASSAGE OF HOUSE BILL 11, "AN ACT RELATING TO DEPOSITS TO THE ALASKA PERMANENT FUND FROM MINERAL LEASE RENTALS, ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER AS 38.05.180(F) AND (G), FEDERAL MINERAL REVENUE SHARING PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES, AND BONUSES RECEIVED BY THE STATE FROM MINERAL LEASES, AND LIMITING DEPOSITS FROM THOSE SOURCES TO THE 25 PERCENT REQUIRED UNDER ART. IX, SEC. 15, CONSTITUTION OF THE STATE OF ALASKA; AND PROVIDING FOR AN EFFECTIVE DATE"**

WHEREAS, Article IX, Section 15 of Alaska's Constitution states that "at least 25% of all mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments, and bonuses received by the State shall be placed in a permanent fund;" and

WHEREAS, in 1980, the Legislature recognized excess revenues existed and raised the amount of royalties and bonuses deposited into the Permanent Fund to 50% to insure greater savings of future revenues; and

WHEREAS, the surplus situation with State revenues no longer exists today and it is time to revert to the constitutionally mandated 25% and redirect the excess to the General Fund to be used to fund essential services for the citizens of Alaska; and

WHEREAS, passage of House Bill 11 would generate an estimated \$43.3 million (average) per year over the next seven years, and \$54.1 million in Fiscal Year 2003-2004 at an estimated \$23.25 per barrel average; and

WHEREAS, according to estimates from the State of Alaska Department of Revenue, the Permanent Fund Dividend Program would not be impacted at all through year 2009, by only a \$10 reduction in individual dividend amounts for years 2010 and 2011, and by a \$20 dividend reduction in year 2012.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

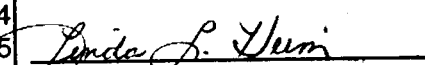
**Section 1:** That this body supports passage of House Bill 11 <sup>in its current form</sup> which limits deposits to the Alaska Permanent Fund from all mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments and bonuses to the constitutionally mandated 25%.

**Section 2:** That copies of this resolution be sent to Governor Murkowski and the Alaska State Legislature upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 15<sup>th</sup> day of April, 2003.

  
Chair

ATTEST:

  
Municipal Clerk

**HOUSE BILL NO. 11**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVES ROKEBERG, Seaton, Hawker, McGuire**

**Introduced: 1/21/03**  
**Referred: Resources, Finance**

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

1 "An Act relating to deposits to the Alaska permanent fund from mineral lease rentals,  
2 royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), federal  
3 mineral revenue sharing payments received by the state from mineral leases, and  
4 bonuses received by the state from mineral leases, and limiting deposits from those  
5 sources to the 25 percent required under art. IX, sec. 15, Constitution of the State of  
Alaska; and providing for an effective date.'

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

8 \* Section 1. AS 37.05.550(b) is amended to read:

9 (b) The legislature may appropriate to the fund money received by the state as  
10 Alaska marine highway system program receipts or from a settlement or final judicial  
11 determination of the Dinkum Sands case (United States v. Alaska) and the North  
12 Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the Alaska  
13 permanent fund under AS 37.13.010(a)(1) [OR (2)] or into the public school trust fund

under AS 37.14.150.

2     \* Sec. 2. AS 37.13.010(a) is amended to read:

4             (a) Under art. IX, sec. 15, of the state constitution, there is established as a  
separate fund the Alaska permanent fund. The Alaska permanent fund consists of

5                     (1) 25 percent of all mineral lease rentals, royalties, royalty sale  
6     proceeds, net profit shares under AS 38.05.180(f) and (g), 25 percent of [AND]  
7     federal mineral revenue sharing payments received by the state from mineral leases  
8     [ISSUED ON OR BEFORE DECEMBER 1, 1979], and 25 percent of all bonuses  
9     received by the state from mineral leases [ISSUED ON OR BEFORE FEBRUARY  
10    15, 1980]; and

12                    (2) [50 PERCENT OF ALL MINERAL LEASE RENTALS,  
13     ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER  
14     AS 38.05.180(f) AND (g), AND FEDERAL MINERAL REVENUE SHARING  
15     PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES ISSUED  
16     AFTER DECEMBER 1, 1979, AND 50 PERCENT OF ALL BONUSES RECEIVED  
17     BY THE STATE FROM MINERAL LEASES ISSUED AFTER FEBRUARY 15,  
18     1980;

19                    (3)] any other money appropriated to or otherwise allocated by law or  
20     former law to the Alaska permanent fund.

\* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

*Apr 2003-100*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

|          |   |                 |   |  |
|----------|---|-----------------|---|--|
| <b>1</b> | <b>SUBJECT OF AGENDA DOCUMENT</b>                       |                 | <b>DATE PREPARED</b>  |  |
|          | A Resolution Supporting Passage of House Bill 11        |                 | 15-Apr-03   |  |
|          |   |                 | <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM |  |
| <b>2</b> | <b>DEPARTMENT NAME</b>                                  |                 | <b>DIRECTOR'S NAME</b>  |  |
|          | Assembly  |                 | Dick Traini   |  |
| <b>3</b> | <b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b> |                 | <b>HIS/HER PHONE NUMBER</b>   |  |
|          | Peggy Davis   |                 | 343-4763  |  |
| <b>4</b> | <b>COORDINATED WITH AND REVIEWED BY</b>                 | <b>INITIALS</b> | <b>DATE</b>   |  |
|          | <b>Mayor</b>  |                 |   |  |
|          | Heritage Land Bank                                      |                 |   |  |
|          | Merrill Field Airport                                   |                 |   |  |
|          | Municipal Light & Power                                 |                 |   |  |
|          | Port of Anchorage                                       |                 |   |  |
|          | Solid Waste Services                                    |                 |   |  |
|          | Water & Wastewater Utility                              |                 |   |  |
|          | <b>Municipal Manager</b>                                |                 |   |  |
|          | Cultural & Recreational Services                        |                 |   |  |
|          | Employee Relations                                      |                 |   |  |
|          | Finance, Chief Fiscal Officer                           |                 |   |  |
|          | Fire  |                 |   |  |
|          | Health & Human Services                                 |                 |   |  |
|          | Office of Management and Budget                         |                 |   |  |
|          | Management Information Services                         |                 |   |  |
|          | Police  |                 |   |  |
|          | Planning, Development & Public Works                    |                 |   |  |
|          | Development Services                                    |                 |   |  |
|          | Facility Management                                     |                 |   |  |
|          | Planning  |                 |   |  |
|          | Project Management & Engineering                        |                 |   |  |
|          | Street Maintenance                                      |                 |   |  |
|          | Traffic   |                 |   |  |
|          | Public Transportation Department                        |                 |   |  |
|          | Purchasing  |                 |   |  |
|          | <b>Municipal Attorney</b>                               |                 |   |  |
|          | <b>Municipal Clerk</b>                                  |                 |   |  |
|          | <b>Other</b>  |                 |   |  |
|          |   |                 |   |  |
|          |   |                 |   |  |
| <b>5</b> | <b>Special Instructions/Comments</b>                    |                 |   |  |
|          | <i>Addendum - Action</i>                                |                 |   |  |
|          |   |                 |   |  |
|          |   |                 |   |  |
| <b>6</b> | <b>ASSEMBLY HEARING DATE REQUESTED</b>                  |                 | <b>PUBLIC HEARING DATE REQUESTED</b>  |  |
|          | 4/15/03   |                 |   |  |

2003 APR 15 AM 10:29  
 M.O.A.