

Alaska State Legislature House of Representatives

Representative Tammie Wilson

Interim
301 Santa Claus Lane 3B
North Pole, Alaska 99705
Phone - (907) 451-2723



Session
State Capitol Rm 422
Juneau, AK 99801
Phone - (907) 465-4797

Rep.Tammie.Wilson@akleg.gov

SPONSOR STATEMENT HB 187

“An Act relating to the Alaska permanent fund; relating to the earnings of the permanent fund; and providing for an effective date.”

HB 187 protects the Permanent Fund and uses the Earnings Reserve Account. Fifty percent of the utilized amount goes **first** for payment of the dividend, then fifty percent for essential state services. The Alaska Permanent Fund Corporation has provided data showing that the PFD transfer amount and the ERA both grow over 10 years using this approach.

Governor Jay Hammond introduced a state constitutional amendment in 1976 calling for an investment of ten percent of the money raised by mineral lease rentals, royalties, etc., into a permanent fund. The Legislature changed the amendment to call for at least twenty-five percent of the money to be invested into a permanent fund. In November 1976 the voters passed the amendment by a vote of 75,588 to 38,518, and on February 28, 1977, the fund received its first deposit of oil revenues.

Hammond said his dividend program would, among other reasons, allow all Alaskans to share in their resource wealth, confine benefits to Alaskans only, would have an equitable impact on both rich and poor, and it would “maximize the favorable impact upon the state’s economy by keeping a far larger portion of the money to fund the programs here in Alaska”.

HB 187 achieves the goal of implementing Governor Hammond’s original 50/50 plan. As Governor Hammond said, “Once the ‘money wells’ were pumping, each year one-half of the account’s earnings would be dispersed among Alaska residents . . . The other half of the earnings could be used for essential government services”. I ask for your support on HB 187.