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Governor Michael J. Dunleavy
STATE OF ALASKA

January 29, 2019

The Honorable Cathy Giessel
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a resolution to amend the Constitution of the State of Alaska, Article IX, Section 15.

For decades, the Alaska Permanent Fund and the Alaska Permanent Fund Dividend (PFD) have functioned as intended. Its recent politicization has broken trust with Alaskans, taken important dollars from our state economy, and placed a direct financial burden on Alaskans and their families without an affirmative vote of the people.

The proposed amendment would constitutionally protect the people's right to determine the future of the PFD. The amendment requires voter approval for any changes to the existing dividend program in the future.

The PFD creates a vital connection between the people and the government by providing every Alaskan a share of our great state's natural resources. Distributing a dividend which is based on performance of the fund also creates an important connection between its owners and the activities and investments that provide the fund's security and growth.

I propose this measure as the most effective means of protecting the PFD and ensuring its sustainable use for generations to come. The principle of the Alaska Permanent Fund is constitutionally protected, and I believe that Alaskans share of the common resource wealth should also be protected. Any change to the statutory PFD formula would require a vote of the people. It is Alaskans' PFD and I trust them with its future.

This amendment would be placed before the voters at the next state general election.

Sincerely,

A handwritten signature in blue ink, appearing to read "mgj 1/29/19".

Michael J. Dunleavy
Governor

Enclosure

SENATE JOINT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced:

Referred:

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund and the permanent fund dividend.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

5 **Section 15. Alaska Permanent Fund. (a)** At least twenty-five percent of all
6 mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing
7 payments and bonuses received by the State shall be placed in a permanent fund, the
8 principal of which shall be used only for those income-producing investments
9 specifically designated by law as eligible for permanent fund investments. **Except as**
10 **provided under (b) of this section, all** [ALL] income from the permanent fund shall
11 be deposited in the general fund unless otherwise provided by law.

12 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding new
13 subsections to read:

14 (b) Each fiscal year, a portion of the income from the permanent fund shall be
15 transferred solely for a program of dividend payments to state residents as provided by

1 the law as that law read on January 1, 2019, subject to any law approved by the voters
 2 under (c) of this section. No appropriation under Section 13 of this article shall be
 3 necessary under this subsection.

4 (c) Any law enacted under Sections 14 - 18 of Article II that would amend the
 5 program of dividend payments to state residents under (b) of this section, including the
 6 amount of the dividend and eligibility requirements, shall not take effect unless
 7 approved by the voters of the state in the next statewide election held more than one
 8 hundred twenty days from enactment of the proposed law. The lieutenant governor
 9 shall prepare a ballot title and proposition summarizing the proposed law, and shall
 10 place it on the ballot. If a majority of the votes cast on the proposition favor its
 11 adoption, it shall become effective ninety days after the certification of the election
 12 returns by the lieutenant governor. If a majority of votes cast on the proposition favor
 13 its rejection, the proposed law is rejected and does not take effect.

14 * **Sec. 3.** Article XV, Constitution of the State of Alaska, is amended by adding a new
 15 section to read:

16 **Section 30. Permanent Fund Amendments: Transition.** For purposes of the
 17 2020 amendments to the permanent fund (art. IX, sec. 15), the law in place January 1,
 18 2019 is the program of dividend payments under Section 15(b) of Article IX, subject
 19 to the enactment of a law amending the program of dividend payments in accordance
 20 with the requirements of Section 15(c) of Article IX. Any amendments to the program
 21 of dividend payments enacted after January 1, 2019, but prior to January 1, 2021, are
 22 repealed.

23 * **Sec. 4.** The amendments proposed by this resolution shall be placed before the voters of
 24 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
 25 State of Alaska, and the election laws of the state.