

# The Alaska Legislature needs to pass POMV – now

Janet McCabe, [ADN opinion piece](#), April 10, 2018

It's crunch time in Juneau. Legislators need to pull together and accomplish the essentials!

Next November, most legislative seats plus the governor will be up for election. That fact underlies much of the thinking in Juneau today, intensifying pressure to finish this session's work and start campaigning.

Legislators are frustrated with their own inability as a group to compromise and reach agreement. Constituents complain – those who rely on the dividend to feed their families or stave off foreclosure, as well as business owners feeling the slowdown of economic recession.

If, as in the past, the value of the Permanent Fund trends upward, the Earnings Reserve will grow and payouts for state operations and dividends will increase.

I urge the Legislature to pass a POMV statute this session, and to cap this achievement by also passing a proposal to stimulate the economy that was developed by Sheldon Fisher, Alaska's clearheaded and sensible commissioner of Revenue.

His concept, embodied in House Bill 331 and Senate Bill 176, merits full consideration as a way to generate employment in the oil service industry, and pay existing debt without additional cost to the state.

As background, recently the Legislature eliminated the tax credit incentives for new development by small oil companies. They were no longer affordable. But that action left us with previous contractual agreements that must be paid. The state

has been repaying these obligations gradually, as allowed by law, but banks will not make loans to the small oil companies based on distant state payments. North Slope and Cook Inlet projects have been shutting down and employment in the oil service sector is declining.

State bonding to make immediate payments on Alaska's existing debt to small oil companies would provide them with cash needed to employ oil service businesses and restart stalled projects. Yet the state's bonding obligation could be paid gradually. The state will negotiate with the companies for a discount to cover interest on the bonds, making the state's cost the same or less than under existing obligations. This is a win-win proposal, putting people back to work in a lagging sector of the economy.

Enacting a statutory POMV system in 2018 is still the primary step toward fiscal stability needed this session, but adding legislation that stimulates the economy, as proposed by Commissioner Fisher, would cap this achievement. With both measures, the 30th Alaska State Legislature could go home with a well-deserved sense of accomplishment.

The memorable statement: "No man's life, liberty or property are safe while the Legislature is in session" was written in 1866 by Gideon John Tucker. Possibly, he was exaggerating!

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