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Wallace
3/15/18

CS FOR SENATE BILL NO. 196(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an appropriation limit; relating to the budget responsibilities of the**
2 **governor; and providing for an effective date."**

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

4 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature that the legislature
7 reevaluate the appropriation limit, as prescribed under this Act, three years after the effective
8 date of this Act.

9 * **Sec. 2.** AS 37.05.540(a) is amended to read:

10 (a) There is established as a separate fund in the state treasury the budget
11 reserve fund. The budget reserve fund consists of appropriations to the fund.
12 [MONEY RECEIVED BY THE STATE THAT IS SUBJECT TO THE
13 APPROPRIATION LIMIT UNDER (b) OF THIS SECTION AND THAT EXCEEDS
14 THAT LIMIT, MAY BE APPROPRIATED TO THE BUDGET RESERVE FUND.]

1 * **Sec. 3.** AS 37.05 is amended by adding a new section to read:

2 **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund
3 appropriations made for a fiscal year may not exceed \$4,100,000,000 by more than the
4 cumulative change in inflation since July 1, 2018, derived from federal indices. The
5 determination of the change in inflation for purposes of this subsection shall be based
6 on the Consumer Price Index for all urban consumers for Anchorage prepared by the
7 United States Bureau of Labor Statistics.

8 (b) The appropriation limit in (a) of this section does not apply to an
9 appropriation

10 (1) to the Alaska permanent fund;
11 (2) for payment of permanent fund dividends;
12 (3) required to pay debt obligations of the state;
13 (4) for a capital project; or
14 (5) to meet a state of disaster declared by the governor as prescribed by
15 law.

16 (c) In this section,
17 (1) "capital project" has the meaning given in AS 37.06.090;
18 (2) "program receipts" has the meaning given in AS 37.05.146;
19 (3) "unrestricted general fund" means money deposited in the state
20 treasury that has not been dedicated or designated for use by the Constitution of the
21 State of Alaska or by law; "unrestricted general fund" does not include program
22 receipts or reappropriations.

23 * **Sec. 4.** AS 37.07.020 is amended by adding a new subsection to read:

24 (f) In addition to the budget and bills submitted under (a) of this section and
25 the fiscal plan submitted under (b) of this section, the governor shall submit a report
26 with a calculation of appropriations in the budget prepared under (a) of this section as
27 applied to the appropriation limit under AS 37.05.545. The report under this
28 subsection must be updated upon submission of the governor's supplemental
29 appropriation bills and the governor's budget amendments under the time limits
30 prescribed in AS 37.07.070.

31 * **Sec. 5.** AS 37.05.540(b), 37.05.540(c), and 37.05.540(e) are repealed.

1 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 APPLICABILITY. AS 37.05.545, added by sec. 3 of this Act, and AS 37.07.020(f),
4 added by sec. 4 of this Act, apply to appropriations that take effect in the fiscal year ending
5 June 30, 2020.

6 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 TRANSITION: CALCULATION OF APPROPRIATION LIMIT. Notwithstanding
9 AS 37.05.545(a), added by sec. 3 of this Act, unrestricted general fund appropriations made
10 for the fiscal year ending June 30, 2020, may not exceed \$4,100,000,000, excluding
11 appropriations under AS 37.05.545(b), added by sec. 3 of this Act.

12 * **Sec. 8.** This Act takes effect July 1, 2018.