

# ALASKA STATE LEGISLATURE

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### **Sectional Analysis**

#### **Senate Bill 196 Version O.A**

An Act relating to an appropriation limit; relating to the budget responsibilities of the governor

\*Section 1: Intent language that the legislature reevaluate the appropriation limit in three years

\*Section 2: Removes the reference to the current statutory appropriation limit

\*Section 3: Statutory Appropriation Limit:

- Unrestricted General Fund appropriations may not exceed \$4.1 billion
- Adjusts for inflation using known inflation data
- Inflation adjustment is based on the Consumer Price Index for Anchorage prepared by the United States Bureau of Labor Statistics

Appropriation Limit excludes appropriations:

- To the Alaska Permanent Fund;
- For Permanent Fund Dividend payments;
- For payment of Debt obligations of the state (e.g. - General Obligation Bonds and Certificates of Participation)
- Capital projects; and
- For disaster declarations

Defines:

- Capital project;
- Program Receipts; and
- Unrestricted general fund

\*Section 4: Requires the Governor to submit a report with his operating budget with the calculation of the appropriation limit. The report must be updated with the supplemental appropriation bill and budget amendments

- \*Section 5: Repeals current statutory appropriation limit language
- \*Section 6: Applicability language that the appropriation limit (Sec. 3) and Governor's report (Sec. 4) applies to Fiscal Year 2020
- \*Section 7: Transition language that the calculation of the appropriation limit is not adjusted for inflation and may not exceed \$4,100,000,000 for FY2020