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ALASKA LEGISLATURE VOTES TO LIMIT RISE IN STATE'S SPENDING

AP

JUNEAU, Alaska, July 15— The Alaska Legislature, called into special session at the insistence of Gov. Jay Hammond, voted today to rewrite the constitution to limit spending of the state's oil revenues.

In the past two years, Alaska spent more money than in the entire 20 years after becoming a state in 1959. Within hours of passage of the constitutional amendment, which would limit annual increases in spending, several lawmakers vowed to campaign against it when it goes before voters for ratification next year. Others, however, defended the compromise amendment, which was passed by a narrow margin, ending the special session.

Capital Projects Have No Cap

"This is a sham, a farce. I'm not willing to go to the public and say we've passed a spending limitation when it's not really a spending limit," said Representative Oral Freeman, Democrat of Ketchikan. Mr. Freeman, a longtime advocate of such limitations, was unhappy with the measure because it did not put a cap on expenditures for capital projects.

In the regular legislative session, which ended last month, the lawmakers approved a record \$6.3 billion budget for the fiscal year 1982, up from \$3.2 billion in 1981 and \$1 billion in 1980. The 1982 operating budget for 1982 was nearly 32 percent higher than that for the previous year, and capital spending was up by 127 percent.

The constitutional amendment would set a base spending level of \$2.5 billion as of July 1, 1981, and allow annual increases equal to inflation and population growth, roughly 12 to 14 percent. Surpluses, which could be in the billions of dollars as taxes and royalties on the 1.5 million barrels of oil produced daily at Prudhoe Bay continue to roll in, would be invested.

However, lawmakers could exceed the limit for capital projects and certain other appropriations if the additional spending is approved by voters. **Veto of Pet Projects Threatened**

Governor Hammond had warned the legislators that, "without an effective limitation on spending, the state will almost inevitably be bankrupt sometime in the not-too-far future," and he had publicly threatened to veto as much as \$1 billion worth of lawmakers' pet projects unless they approved the amendment.

The Governor said today that he thinks the amendment, which will go before voters in November 1982, "can do much to put some controls on state spending."

Since 1976, when voters approved a constitutional amendment, at least 25 percent of all mineral lease rentals, royalties and bonuses had gone into a special savings account, with the money to be invested and only the interest spent. The current appropriation includes \$1.8 billion, up from \$900 million a year ago, to be contributed over the next two years to the Alaska Permanent Fund.