C/P No. 9 - Finance and Taxation

Enrolled
Jan. 18, 1956

Dec. 16, 1955

Style/Draft Jan. 28, 1956
Constitutional Convention of Alaska

COMMITTEE PROPOSAL NO. 9

Introduced by Committee on Finance and Taxation

ARTICLE ON FINANCE AND TAXATION

RESOLVED, that the following be agreed upon as part of the Alaska State Constitution.

1. The power of taxation shall never be surrendered; and shall never be suspended or contracted away, except as provided herein.

2. The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State.

3. The legislature shall establish the standards for appraisal of all property assessed locally or by the State.

4. The real and personal property of the State and of its political subdivisions shall be exempt from taxation under such conditions and with such exceptions as the legislature may direct. All or any portion of property used exclusively for non-profit
religious, charitable, cemetery, or educational purposes as defined by law, is exempt from taxation. Other exemptions of like or different kind may be granted by general law; and until otherwise provided by law, all exemptions from taxation validly granted are retained.

Section 5. Private leaseholds, contracts, or other interests in land or property owned or held by the United States, state and its political subdivisions, shall be taxable to the extent of the interests.

Section 6. No tax shall be levied or appropriation of public money made or public property transferred, nor shall the public credit be used, except for a public purpose.

Section 7. The proceeds of any state tax or license or part thereof shall not be allocated to any special purpose, except where state participation in Federal programs will thereby be denied. This provision shall not prohibit the continuance of any allocation for special purposes existing upon the date of ratification of this Constitution by the people of Alaska.

Section 8. No debt shall be contracted by or in behalf of the State unless the debt shall be
authorized for capital improvements by a majority vote in each house with ratification by a majority of the qualified voters of the state voting on the question, provided that the State may by law contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural catastrophes, or redeeming outstanding indebtedness of the State at the time this Constitution becomes effective.

Section 9. Unless authorized by law for capital improvements, no debt shall be contracted by or in behalf of any political subdivision of the State and then only upon approval of not less than a majority of those voting on the question within the respective political subdivision and qualified to vote on the particular issue as prescribed by law. Additional requirements and qualifications of voters may be provided by law.

Section 10. The State and its political subdivisions may by law borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues of that year, but all debt so contracted shall be paid prior to the end of the next fiscal year.
Section 11. The restrictions in this Constitution on the contraction of debt do not apply to refunding indebtedness of the State or any political subdivision thereof; to indebtedness incurred under revenue bond statutes by a public enterprise of the state or political subdivision, or by a public corporation, when the only security for such indebtedness is the revenues of the enterprise or public corporation; or to special assessments.

Section 12. At such time as may be prescribed by law, the governor shall submit to the legislature a budget setting forth a complete plan of proposed expenditures and anticipated income of all departments, offices and agencies of the State for the next fiscal year. At the time of submitting the budget to the legislature, the governor shall also submit a general appropriation bill to authorize all proposed expenditures set forth in the budget. At the same time he shall submit to the legislature a bill or bills covering all recommendations in the budget for new or additional revenues.

Section 13. No money shall be withdrawn from the treasury except in accordance with appropriations made by law, nor shall any obligation for the payment of money be incurred except as authorized by law. All

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unobligated appropriations outstanding at the end of a period of time specified by law shall be void.

Section 14. The legislature shall appoint an auditor who is a certified public accountant and who shall serve during its pleasure. It is the duty of the auditor to conduct such post-audits as may be prescribed by law and to report to the legislature and the governor.

Section 15. The debts and liabilities of the Territory of Alaska shall be assumed and paid by the State of Alaska, and debts owed to the Territory of Alaska shall be collected by the State. Assets of the Territory of Alaska shall become assets of the State.
Dear President Egan:

Your Committee on Style and Drafting herewith presents its redraft of the Article on Finance and Taxation for consideration by the Convention.
CONSTITUTIONAL CONVENTION OF ALASKA

RESOLVED, that the following be agreed upon as part of the Alaska State Constitution:

ARTICLE IX

FINANCE AND TAXATION

| Taxing Power | Section 1. The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article. |
| Non-discrimination | Section 2. The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State. |
| Assessment Standards | Section 3. Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law. |
| Exemptions | Section 4. The real and personal property of the State or its political subdivisions is exempt from taxation under conditions and exceptions which may be provided by law. All or any portion of property used exclusively for non-profit religious, charitable, cemetery or educational purposes, as defined by law, |
is exempt from taxation. Other exemptions of like or
different kind may be granted by general law. All valid
existing exemptions are retained until otherwise
provided by law.

Section 5. Private leaseholds, contracts, or
other interests in land or property owned or held by
the United States, the State or its political sub-
divisions, shall be taxable to the extent of the
interests.

Section 6. No tax shall be levied or appropriation
of public money made or public property transferred,
nor shall the public credit be used, except for a public
purpose.

Section 7. The proceeds of any state tax or
license shall not be dedicated to any special purpose,
except when required by the federal government for
state participation in federal programs. This pro-
vision shall not prohibit the continuance of any
dedication for special purposes existing upon the date
of ratification of this constitution by the people of
Alaska.

Section 8. No state debt shall be contracted
unless authorized for capital improvements by a
majority vote in each house of the legislature with
ratification by a majority of the qualified voters
of the State who vote on the question. The State may
by law contract debt for the purpose of repelling
invasion, suppressing insurrection, defending the
State in war, meeting natural catastrophes, or re-
deeming indebtedness outstanding at the time this
constitution becomes effective.

Section 9. No debt shall be contracted by any
political subdivision of the State unless authorized
for capital improvements by its governing body with
ratification by a majority vote of those qualified
to vote and voting on the question.

Section 10. The State and its political sub-
divisions may borrow money to meet appropriations
for any fiscal year in anticipation of the collection
of the revenues of that year, but all debt so con-
thtracted shall be paid before the end of the next
fiscal year.

Section 11. The restrictions on contracting
debt do not apply to debt incurred through the
issuance of revenue bonds by a public enterprise
or public corporation of the state or political
subdivision when the only security is the revenues
of the enterprise or corporation. The restrictions
do not apply to indebtedness to be paid from special
assessments on the benefitted property nor do they
Budget

Section 12. The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices and agencies of the State. The governor at the same time shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Expenditures

Section 13. No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Legislative Post-audit

Section 14. The legislature shall appoint an auditor to serve at its pleasure. He shall be a certified public accountant. The auditor shall conduct post-audits as prescribed by law and shall report to the legislature and to the governor.

Territorial Assets and Liabilities

Section 15. The debts and liabilities of the Territory of Alaska shall be assumed and paid by the State, and debts owed to the Territory shall be collected by the State. Assets of the Territory shall become assets of the State.

apply to refunding indebtedness of the state or its political subdivisions.