

# ALASKA STATE LEGISLATURE

*Interim – May-December:*  
**1292 Sadler Way Rm.**  
**Fairbanks, AK 99701**



*Session – January-April:*  
**State Capitol**  
**Juneau, AK 99801**  
**907-465-3004**

## Representative Will Stapp

House District 32 – East Fairbanks/Fort Wainwright/Badger Road

### Sectional Analysis for HB 51 – Version A

#### Section 1:

Amends AS 37.05.540(b) by changing the list of appropriations subject to the limit as well as the conditions that determine the appropriation limit. Defines a calculation for an appropriation cap at 12% of a 5-year trailing average of Real Gross Domestic Product (GDP) (not including government spending).

- Exceptions [37.05.540(b)]
  - Adds Appropriation of general obligation (GO) Bond proceeds to exceptions list
  - Adds payment of principal and interest on revenue bonds to exceptions list
  - Adds 'appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law' to exceptions list
  - Adds 'appropriations to meet a state of disaster declared by the governor as prescribed by law' to exceptions list.
- Appropriation Limit Conditions [37.05.540(b)]
  - Adds (Appropriations Not to Exceed) 12% of the average Real GDP (not including government spending) for the past 5 calendar years immediately preceding the previous fiscal year.
  - Removes Old cap of 5% more than last year + the change in population and inflation since beginning of preceding fiscal year.
  - Removes language describing determination of change in population based on annual estimate by Department of Labor and Workforce Development.
  - Removes language describing change in inflation based on Consumer Price index (CPI) for all urban consumers for Anchorage.

## Section 2:

Adds a new subsection (h) to AS 37.07.020 which requires a comparison of the governor's budget requests, supplemental requests, and budget amendments to the calculated appropriation limit.

## Section 3:

Repeals AS 37.05.540(e) due to section 1 of HB 38 adding disaster response spending to the exceptions list in subsection b.

AS 37.05.540(e) Notwithstanding other provisions of this section, appropriations may be made from the budget reserve fund needed by the governor to meet a disaster. In this subsection, "disaster" has the meaning given in AS 26.23.900.

## Section 4:

Adds a new section to Uncodified Law of the State of Alaska which ensures that the enactment of this act is contingent upon the ratification of an amendment to Article IX, Sec. 16 of the Constitution. The constitutional amendment must establish an appropriations limit that:

- Ensures appropriations from the treasury made for a fiscal year not exceed an amount equal to a percentage of the average value of real GDP of the state over a 5-year trailing period.
- Excludes GO Bond proceeds, payment of principal and interest on revenue bonds, appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law, and appropriations to meet a state of disaster declared by the governor as prescribed by law.

## Section 5:

Sets an 'effective date' of July 1, 2025.

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