

**SENATE BILL NO. 196**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 2/19/18

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to an appropriation limit; and providing for an effective date."**

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

3   \* **Section 1.** AS 37.05.540(a) is amended to read:

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

9   \* **Sec. 2.** AS 37.05 is amended by adding a new section to read:

10                   **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund  
11                   appropriations made for a fiscal year may not exceed \$4,100,000,000 by more than the  
12                   cumulative change in inflation since July 1, 2017, derived from federal indices. The  
13                   determination of the change in inflation for purposes of this subsection shall be based  
14                   on the Consumer Price Index for all urban consumers for Anchorage prepared by the  
15                   United States Bureau of Labor Statistics.

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

(1) to the Alaska permanent fund;

(2) for payment of permanent fund dividends;

(3) required to pay debt obligations of the state; or

(4) for a capital project.

(c) In this section,

(1) "capital project" has the meaning given in AS 37.06.090;

(2) "program receipts" has the meaning given in AS 37.05.146;

(3) "unrestricted general fund" means money deposited in the state

treasury that has not been dedicated or designated for use by the Constitution of the State of Alaska or by law; "unrestricted general fund" does not include program receipts or reappropriations.

\* **Sec. 3.** AS 37.05.540(b), 37.05.540(c), and 37.05.540(e) are repealed.

\* Sec. 4. This Act takes effect July 1, 2018.