

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Anna MacKinnon, Co-Chair
State Capitol, Room 516
Juneau, Alaska 99801-1182
Phone: (907) 465-3777
Sen.Anna.MacKinnon@akleg.gov



Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, Alaska 99801-1182
Phone: (907) 465-4453
Sen.Lyman.Hoffman@akleg.gov

Sectional Analysis Senate Bill 196 Version O

An Act relating to an appropriation limit; and providing for an effective date

- *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
- *Section 8: Effective date of July 1, 2018