

AMENDMENT

OFFERED IN THE SENATE
TO: CSSJR 5(STA)

BY SENATOR HUGHES

1 Page 1, line 2, following "**dividend**":

2 Insert ", **relating to an appropriation limit, and relating to the budget reserve**
3 **fund**"

4
5 Page 2, following line 15:

6 Insert new resolution sections to read:

7 "*** Sec. 3.** Article IX, sec. 16, Constitution of the State of Alaska, is repealed and readopted
8 to read:

9 **Section 16. Appropriation Limit.** (a) Except as provided in (b) of this
10 section, appropriations made for a fiscal year shall not exceed the average of the
11 appropriations made in the previous three fiscal years by more than the average
12 change in inflation in the previous five fiscal years. In this subsection, the change in
13 inflation shall be based on the Consumer Price Index for Anchorage, Alaska, as
14 prescribed by law. This subsection does not apply to an appropriation

15 (1) to the principal of the Alaska permanent fund and from the Alaska
16 permanent fund income for the administration of the fund or payment of permanent
17 fund dividends;

18 (2) to meet a state of disaster declared by the governor as prescribed by
19 law;

20 (3) to pay obligations or spend the proceeds or revenue of State general
21 obligation bonds and revenue bonds;

22 (4) that is a reappropriation of a previous unobligated appropriation;

23 (5) that is duplicating the authorization to expend funds from another

1 appropriation;

2 (6) from a non-State source in trust for a specific purpose, including
3 revenues of a public enterprise or public corporation of the State that issues revenue
4 bonds; and

5 (7) of money to a State savings account or fund that requires a
6 subsequent appropriation from that account or fund as prescribed by law.

7 (b) The legislature may appropriate an additional amount in excess of the
8 appropriation limit under (a) of this section for capital improvements, except that the
9 amount for capital improvements made in excess of the appropriation limit in a fiscal
10 year shall not exceed ten percent of the total appropriation limit for that fiscal year.
11 Appropriations for capital improvements that exceed the appropriation limit shall not
12 be used in calculating the appropriation limit in subsequent fiscal years.

13 (c) Any unexpended, unobligated, and unappropriated balance in the general
14 fund at the end of a fiscal year shall be deposited into the following funds in the
15 priority order listed:

16 (1) the permanent fund under Section 15 of this article in an amount
17 not to exceed fifty-percent of the income produced from the permanent fund during
18 the fiscal year just ended;

19 (2) the budget reserve fund under Section 17 of this article in an
20 amount necessary to bring the budget reserve fund balance equal to the appropriation
21 limit for the next fiscal year;

22 (3) the permanent fund under Section 15 of this article.

23 (d) Section 7 of this article does not apply to deposits made under (c) of this
24 section.

25 * **Sec. 4.** Article IX, sec. 17(a), Constitution of the State of Alaska, is amended to read:

26 (a) There is established as a separate fund in the State treasury the budget
27 reserve fund. Except for money deposited into the permanent fund under Section 15 of
28 this article, all money received by the State [AFTER JULY 1, 1990], as a result of the
29 termination, through settlement or otherwise, of an administrative proceeding or of
30 litigation in a State or federal court **directly** involving mineral lease bonuses, rentals,
31 royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses,

1 or involving taxes imposed on mineral income, production, or property, shall be
 2 deposited in the budget reserve fund. Money in the budget reserve fund shall be
 3 invested so as to yield competitive market rates to the fund. Income of the fund shall
 4 be retained in the fund. Section 7 of this article does not apply to deposits made to the
 5 fund under this subsection. Money may be appropriated from the fund only as
 6 authorized under (b) [OR (c)] of this section.

7 * **Sec. 5.** Article IX, sec. 17(b), Constitution of the State of Alaska, is amended to read:

8 (b) If the amount **in the general fund** available for appropriation for a fiscal
 9 year is less than the **appropriation limit under Section 16 of this article** [AMOUNT
 10 APPROPRIATED FOR THE PREVIOUS FISCAL YEAR], an appropriation may be
 11 made from the budget reserve fund. However, the amount appropriated from the fund
 12 under this subsection may not exceed the amount necessary, when added to other
 13 funds **in the general fund** available for appropriation, to provide for total
 14 appropriations equal to the **appropriation limit under section 16 of this article**
 15 [AMOUNT OF APPROPRIATIONS MADE IN THE PREVIOUS CALENDAR
 16 YEAR FOR THE PREVIOUS FISCAL YEAR]."
 17

18 Renumber the following resolution sections accordingly.

19
 20 Page 2, lines 16 - 17:

21 Delete "a new section"

22 Insert "new sections"

23
 24 Page 2, following line 24:

25 Insert new material to read:

26 "Section 31. Application of Appropriation Limit. The 2020 amendment
 27 limiting appropriation increases and requiring a portion of the unexpended,
 28 unobligated, and unappropriated balance in the general fund to go to the permanent
 29 fund (art. IX, sec. 15) applies to appropriations made for the fiscal year ending
 30 June 30, 2022, and thereafter.

31 **Section 32. Budget Reserve Fund Transition.** The repeal of Section 17(d) of

1 Article IX in the 2020 amendments eliminates any repayment required under that
2 subsection through the fiscal year ending June 30, 2021.

3 * **Sec. 7.** Article IX, secs. 17(c) and 17(d), Constitution of the State of Alaska, are repealed."
4

5 Renumber the following resolution section accordingly.