

**CS SJR5 (JUD) Sectional**  
Version 32-GS1664\B

(Constitutional Amendment: Appropriation Limit; Budget Reserve Fund)

September 9, 2021

**Section 1:** This section would amend the appropriation limit amendment in the Alaska Constitution (Art. IX, sec. 16).

Subsection (a) begins by listing the appropriations that would be excluded from the appropriation limit:

- appropriations made under new subsection (b) [Section 2],
- money for permanent fund dividends,
- money going into the permanent fund,
- appropriations of general obligation and revenue bond proceeds and the payment of debt service on those bonds,
- appropriations into a state savings account or fund that requires a subsequent appropriation from the account as prescribed by law,
- appropriations for payment of the unfunded liability of a State retirement system,
- appropriations to meet a disaster,
- and appropriations of money from a non-State source in trust for a specific purpose including revenues of a public corporation of the State that issues revenue bonds.

The section then sets forth a new appropriation limit. The new limit would require that appropriations for a fiscal year not exceed the average of the appropriations for the last three years plus the cumulative percent change in the greater of population or inflation over the previous two calendar years.

**Section 2:** New subsection (b) in Art. IX, sec. 16 permits appropriations for capital projects in excess of the limit if approved by a majority of voters of the State and specifies that appropriations in excess of the limit are not to be used in calculating the appropriation limit in subsequent years.

**Section 3:** This section would make limited changes to section 17(a) of the budget reserve fund in Article IX that clarify what money is deposited into the budget reserve

fund and that deposits into the fund are not subject to the dedicated fund prohibition in Section 7 of Article IX.

**Section 4:** This section would provide for a transition provision to ensure a smooth transition between the existing appropriation limit and the new limit.

**Section 5:** This section would repeal subsection (b) of the budget reserve fund in Section 17 of Article IX. Subsection (b) currently allows for appropriations from the budget reserve fund with a simple majority if the amount available for appropriation is less than the amount appropriated in the previous year.

**Section 6:** This section would require that this amendment be placed on the ballot in the 2022 general election.