

HOUSE BILL NO. 4006

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FOURTH SPECIAL SESSION

BY REPRESENTATIVE KAUFMAN

Introduced: 10/4/21

Referred: Judiciary, House Special Committee on Ways and Means, Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to an appropriation limit; relating to the budget responsibilities of the
2 governor; and providing for an effective date."

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

4 * **Section 1.** AS 37.05.540(b) is amended to read:

5 (b) Except for appropriations to the permanent fund or for Alaska permanent
6 fund dividends, appropriations to the budget reserve fund, appropriations of revenue
7 **bond and general obligation** bond proceeds, appropriations required to pay the
8 principal **of** and interest on **revenue bonds and** general obligation bonds,
9 **appropriations to a state account or fund that requires a subsequent**
10 **appropriation from that account or fund as prescribed by law, appropriations to**
11 **meet a state of disaster declared by the governor as prescribed by law,** [AND]
12 appropriations of money received from a nonstate source in trust for a specific purpose
13 [, INCLUDING REVENUE OF A PUBLIC ENTERPRISE OR PUBLIC
14 CORPORATION OF THE STATE THAT ISSUES REVENUE BONDS],

1 appropriations from the mental health trust settlement income account (AS 37.14.036),
 2 and appropriations made to the mental health trust fund (AS 37.14.031),
 3 appropriations from the treasury made for [IN] a fiscal year may not exceed an
 4 amount equal to 11.5 percent of the average of the value of the real gross
 5 domestic product of the state reported by the Bureau of Economic Analysis in the
 6 United States Department of Commerce for the five fiscal years immediately
 7 preceding the previous fiscal year. The value of the real gross domestic product
 8 in this section may not include expenditures for government spending
 9 [APPROPRIATIONS MADE IN THE PRECEDING FISCAL YEAR BY MORE
 10 THAN FIVE PERCENT PLUS THE CHANGE IN POPULATION AND
 11 INFLATION SINCE THE BEGINNING OF THE PRECEDING FISCAL YEAR].
 12 For purposes of applying this limit, an appropriation is considered to be made in the
 13 fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal
 14 year in which the original appropriation is enacted. [THE DETERMINATION OF
 15 THE CHANGE IN POPULATION FOR PURPOSES OF THIS SUBSECTION
 16 SHALL BE BASED ON AN ANNUAL ESTIMATE OF POPULATION BY THE
 17 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. THE
 18 DETERMINATION OF THE CHANGE IN INFLATION FOR PURPOSES OF THIS
 19 SUBSECTION SHALL BE BASED ON THE CONSUMER PRICE INDEX FOR
 20 ALL URBAN CONSUMERS FOR ANCHORAGE PREPARED BY THE UNITED
 21 STATES BUREAU OF LABOR STATISTICS.] The amount of money received by
 22 the state that is subject to the appropriation limit includes the balance in the general
 23 fund carried forward from the preceding fiscal year.

24 * **Sec. 2.** AS 37.07.020 is amended by adding a new subsection to read:

25 (f) In addition to the budget and bills submitted under (a) of this section and
 26 the capital improvements program and fiscal plan submitted under (b) of this section,
 27 the governor shall submit a report with a calculation of appropriations provided in the
 28 budget prepared under (a) of this section as applied to the appropriation limit under
 29 AS 37.05.540. The governor shall update the report upon submission of the governor's
 30 supplemental appropriation bills and the governor's budget amendments in accordance
 31 with the time limits prescribed in AS 37.07.070.

1 * **Sec. 3.** AS 37.05.540(e) is repealed.

2 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 CONDITIONAL EFFECT. This Act is contingent on enactment into law of an
5 amendment to art. IX, sec. 16, Constitution of the State of Alaska, changing the appropriation
6 limit to provide that

7 (1) appropriations from the treasury made for a fiscal year may not exceed an
8 amount equal to a percentage of the average of the value of the real gross domestic product of
9 the state reported by federal indices as prescribed by law for the five fiscal years immediately
10 preceding the previous fiscal year; and

11 (2) general obligation bond proceeds, appropriations required to pay the
12 principal of and interest on revenue bonds, appropriations to a state account or fund that
13 requires a subsequent appropriation from that account or fund as prescribed by law, and
14 appropriations to meet a state of disaster declared by the governor as prescribed by law must
15 be excluded when calculating the appropriation limit.

16 * **Sec. 5.** This Act takes effect July 1, 2023.