

Alaska State Legislature

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REPRESENTATIVE JAMES KAUFMAN

Sectional Analysis for HJR 401 – Version A

Section 1:

Amends Article IX, sec. 16 of the Constitution of the State of Alaska to slightly revise appropriations subject to the limit as well as the conditions that determine the appropriation limit. Sets a maximum statutory cap at 14% of Real GDP (not including government spending).

- **Exceptions List [Article IX, Sec. 16]**
 - Adds appropriations to the Alaska permanent fund to exceptions list
 - Moved from Appropriation Limit Section to Exceptions List
 - Adds Appropriation of GO Bond proceeds to exceptions list
 - Moved with slight variation from Appropriation Limit Section to Exceptions List
 - Adds payment of principal and interest on revenue bonds to exceptions list
 - Adds ‘appropriations to a state account or fund that requires a subsequent appropriation from that account or fund as prescribed by law’ to exceptions list
 - Adds ‘appropriations to meet a state of disaster declared by the governor as prescribed by law’ to exceptions list
 - Moved from Appropriation Limit Section to Exceptions List
 - Removes “Appropriation of Revenue of a public enterprise or public corporation of the state that issues revenue bonds”
- **Appropriation Limit Conditions [Article IX, Sec. 16]**
 - Adds (Appropriations Not to Exceed) an **amount prescribed by law** equal to a percentage of the average Real GDP (not including government spending) for the first five of the last six years. This measure of Real GDP is as reported by federal indices
 - Removes Old appropriation limit anchored to \$2.5 Billion + Pop. and infl. (since 7/1/81)
 - Removes language reserving 1/3 for capital projects and loan appropriations.
 - Removes language adding exceptions to appropriations subject to the limit from this Appropriation Limit Conditions section and moves these to the exceptions list section.
 - Removes specific language surrounding Capital projects exemptions

Section 2:

10/7/2021

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Amends Article IX, sec. 17(b) of the Constitution of the State of Alaska to more clearly define that the general fund holds the amount available for appropriation and to tie the use of the state's savings account to the appropriation limit defined in section 1, rather than last year's spending.

Legislature, by a majority vote, may make appropriations out of the CBR in order to fill gap between amount available for appropriation and statutory 11.5% limit.

Section 3:

Adds a new section to Article XV of the Constitution of the State of Alaska (Schedule of Transitional Measures), section 30, which sets an 'effective date' of the end of the fiscal year immediately following the next possible opportunity for Alaskans to ratify a proposed amendment to the constitution.

Section 4:

Includes the provision that the constitutional amendments proposed by this resolution must be placed before the voters at the next general election.