

Alaska State Legislature

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SENATOR JAMES KAUFMAN

Sectional Analysis for SB 20 – Version B

Section 1:

Amends AS 37.05.540(b) to conform to changes made by SJR 4. Changes affect the list of appropriations subject to the limit as well as the conditions that determine the appropriation limit. Defines a calculation for an appropriation cap at 12% of a trailing average of Real GDP (not including government spending).

- **Exceptions List [37.05.540(b)]**
 - Adds Appropriation of GO Bond proceeds 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
- **Appropriation Limit Conditions [37.05.540(b)]**
 - Adds (Appropriations Not to Exceed) 12% of the average Real GDP (not including government spending) for the first five of the last six years
 - Removes Old cap of 5% more than last year + the change in population and inflation since beginning of preceding fiscal year
 - Removes language describing determination of change in population based on annual estimate by DLWD
 - Removes language describing change in inflation based on CPI for all urban consumers for Anchorage

Section 2:

Adds a new subsection (f) to AS 37.07.020 which requires a comparison of the governor’s budget requests, supplemental requests, and budget amendments to the calculated appropriation limit.

Section 3:

Repeals AS 37.05.540(e) due to section 1 of SB 20 adding disaster response spending to the exceptions list in subsection b.

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AS 37.05.540(e) Notwithstanding other provisions of this section, appropriations may be made from the budget reserve fund needed by the governor to meet a disaster. In this subsection, "disaster" has the meaning given in AS 26.23.900.

Section 4:

Adds a new section to Uncodified Law of the State of Alaska which ensures that this act is contingent upon the ratification of an amendment to Article IX, Sec. 16 of the Constitution.

Section 5:

Sets an 'effective date' of the beginning of the fiscal year immediately following the next possible opportunity for Alaskans to ratify a proposed amendment to the constitution. Aligns with the effective date in SJR 4.