

SENATE JOINT RESOLUTION NO. 21

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATORS KELLY, Mackie

Introduced: 3/6/97

Referred: State Affairs, Judiciary, Finance

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to the
2 public facilities capital fund, the Alaska Permanent Fund Corporation, and to
3 appropriations from the constitutional budget reserve fund to the public facilities
4 capital fund.

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

7 **Section 15. Alaska Permanent Fund.** (a) At least twenty-five per cent of
8 all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue
9 sharing payments and bonuses received by the State shall be placed in a permanent
10 fund, the principal of which shall be used only for those income-producing investments
11 specifically designated by law as eligible for permanent fund investments. All income
12 from the permanent fund shall be deposited in the general fund unless otherwise
13 provided by law.

14 **(b) The Alaska Permanent Fund Corporation, a public corporation, shall**
15 **manage and invest the assets of the permanent fund and assets of the public**
16 **facilities capital fund established in Section 18 of this article.**

1 * **Sec. 2.** Article IX, sec. 17(a), Constitution of the State of Alaska, is amended to read:

2 (a) There is established as a separate fund in the State treasury the budget
3 reserve fund. Except for money deposited into the permanent fund under Section 15
4 of this article, all money received by the State after July 1, 1990, as a result of the
5 termination, through settlement or otherwise, of an administrative proceeding or of
6 litigation in a State or federal court involving mineral lease bonuses, rentals, royalties,
7 royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or
8 involving taxes imposed on mineral income, production, or property, shall be deposited
9 in the budget reserve fund. Money in the budget reserve fund shall be invested so as
10 to yield competitive market rates to the fund. Income of the fund shall be retained in
11 the fund. Section 7 of this article does not apply to deposits made to the fund under
12 this subsection. Money may be appropriated from the fund only as authorized under
13 (b), (c), or (e) [OR (c)] of this section.

14 * **Sec. 3.** Article IX, sec. 17, Constitution of the State of Alaska, is amended by adding a
15 new subsection to read:

16 (e) An appropriation may be made from the budget reserve fund to the
17 principal of the public facilities capital fund established in Section 18 of this article
18 at any time. Subsection (d) of this section does not apply to appropriations made
19 under this subsection.

20 * **Sec. 4.** Article IX, Constitution of the State of Alaska, is amended by adding a new
21 section to read:

22 **Section 18. Public Facilities Capital Fund.** (a) There is established as a
23 separate fund in the State treasury the public facilities capital fund, the principal of
24 which shall be used only for those income-producing investments specifically
25 designated by law as eligible for permanent fund investments. Appropriations may be
26 made to the principal of the fund. Income of the fund shall be retained in the fund
27 until withdrawn under (b) of this section or appropriated under (c) of this section.

28 (b) Notwithstanding other provisions of this constitution, income of the public
29 facilities capital fund shall be withdrawn and used to pay the principal and interest on
30 state general obligation bonds issued for acquisition, construction, and major
31 maintenance and renovation of roads and highways, schools, airports, harbors and

1 ports, water and sewer projects, correctional facilities, and buildings that are wholly
2 owned by the State, by a municipality or school district of the State, or by the
3 University of Alaska. The income may be withdrawn from the fund only to make
4 bond payments that are due or will be due within thirty days after the date the income
5 is withdrawn. Income withdrawn from the fund under this subsection and used for
6 bond payments is not subject to appropriation.

7 (c) At the end of each fiscal year after withdrawals for bond payments under
8 (b) of this section have been made, the balance of the income of the public facilities
9 capital fund may be appropriated only for acquisition, construction, and major
10 maintenance and renovation of roads and highways, schools, airports, harbors and
11 ports, water and sewer projects, correctional facilities, and buildings. Income from the
12 fund may be appropriated only if the capital project is wholly owned by the State, by
13 a municipality or school district of the State, or by the University of Alaska. Income
14 from the fund may not be appropriated for ongoing operating expenses of public
15 facilities. On February 1 of each fiscal year, the Alaska Permanent Fund Corporation
16 shall report to the legislature the amount of fund income that will be available for
17 appropriation at the end of that fiscal year. Section 7 of this article does not apply to
18 appropriations made under this subsection.

19 (d) Income from the public facilities capital fund that is appropriated under (c)
20 of this section for a capital project owned by a municipality or school district may be
21 expended only if the municipality or school district makes a contribution of local
22 money or land for the project as established by law.

23 * **Sec. 5.** The amendments proposed by this resolution shall be placed before the voters of
24 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
25 State of Alaska, and the election laws of the state.