

HOUSE JOINT RESOLUTION NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PHILLIPS, Croft

Introduced: 1/19/99

Referred: Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to a**
2 **biennial state budget, to the appropriation limit, and to appropriations from the**
3 **budget reserve fund.**

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

5 * **Section 1.** Article IX, sec. 12, Constitution of the State of Alaska, is amended to read:

6 **Section 12. Budget. (a) During each odd-numbered fiscal year, the** [THE]
7 governor shall submit to the legislature, at a time fixed by law, a budget for the next
8 **two** fiscal **years** [YEAR] setting forth all proposed expenditures and anticipated
9 income of all departments, offices, and agencies of the State. The governor, at the
10 same time, shall submit a general appropriation bill to authorize the proposed
11 expenditures **in the biennial State budget**, and a bill or bills covering
12 recommendations in the budget for new or additional revenues.

13 * **Sec. 2.** Article IX, sec. 12, Constitution of the State of Alaska, is amended by adding a
14 new subsection to read:

15 (b) The legislature shall pass a general appropriation bill to implement the
16 State budget for a two-year period that begins with each even-numbered fiscal year.

1 The legislature may pass an appropriation bill that amends or supplements the biennial
2 State budget at any time.

3 * **Sec. 3.** Article IX, sec. 16, Constitution of the State of Alaska, is amended to read:

4 **Section 16. Appropriation Limit.** Except for appropriations for Alaska
5 permanent fund dividends, appropriations of revenue bond proceeds, appropriations
6 required to pay the principal and interest on general obligation bonds, and
7 appropriations of money received from a non-State source in trust for a specific
8 purpose, including revenues of a public enterprise or public corporation of the State
9 that issues revenue bonds, appropriations from the treasury made for a **two-fiscal year**
10 **period that begins with each even-numbered** fiscal year shall not exceed
11 **\$5,000,000,000** [\$2,500,000,000] by more than the cumulative change, derived from
12 federal indices as prescribed by law, in population and inflation since July 1, 1981.
13 Within this limit, at least one-third shall be reserved for capital projects and loan
14 appropriations. The legislature may exceed this limit in bills for appropriations to the
15 Alaska permanent fund and in bills for appropriations for capital projects, whether of
16 bond proceeds or otherwise, if each bill is approved by the governor, or passed by
17 affirmative vote of three-fourths of the membership of the legislature over a veto or
18 item veto, or becomes law without signature, and is also approved by the voters as
19 prescribed by law. Each bill for appropriations for capital projects in excess of the
20 limit shall be confined to capital projects of the same type, and the voters shall, as
21 provided by law, be informed of the cost of operations and maintenance of the capital
22 projects. No other appropriation in excess of this limit may be made except to meet
23 a state of disaster declared by the governor as prescribed by law. The governor shall
24 cause any unexpended and unappropriated balance to be invested so as to yield
25 competitive market rates to the treasury.

26 * **Sec. 4.** Article IX, sec. 17(a), Constitution of the State of Alaska, is amended to read:

27 (a) There is established as a separate fund in the State treasury the budget
28 reserve fund. Except for money deposited into the permanent fund under Section 15
29 of this article, all money received by the State after July 1, 1990, as a result of the
30 termination, through settlement or otherwise, of an administrative proceeding or of
31 litigation in a State or federal court involving mineral lease bonuses, rentals, royalties,

1 royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or
2 involving taxes imposed on mineral income, production, or property, shall be deposited
3 in the budget reserve fund. Money in the budget reserve fund shall be invested so as
4 to yield competitive market rates to the fund. Income of the fund shall be retained in
5 the fund. Section 7 of this article does not apply to deposits made to the fund under
6 this subsection. Money may be appropriated from the fund only as authorized under
7 [(b) OR] (c) of this section.

8 * **Sec. 5.** Article XV, Constitution of the State of Alaska, is amended by adding a new
9 section to read:

10 **Section 30. Application of Biennial State Budget Amendments.** The 2000
11 amendments relating to a biennial State budget (art. IX, sec. 12) apply to the State
12 budget for fiscal years 2002 and 2003 and thereafter. Section 12 of Article IX, as it
13 read before the 2000 amendments, applies to the State budget for fiscal years up to and
14 including fiscal year 2001. The 2000 amendments relating to the appropriation limit
15 and to appropriations from the budget reserve fund (art. IX, secs. 16 and 17) apply to
16 appropriations for fiscal years 2002 and 2003 and thereafter. Sections 16 and 17 of
17 Article IX, as they read before the 2000 amendments, apply to appropriations for fiscal
18 years up to and including fiscal year 2001.

19 * **Sec. 6.** Article IX, sec. 17(b), Constitution of the State of Alaska, is repealed.

20 * **Sec. 7.** The amendments proposed by this resolution shall be placed before the voters of
21 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
22 State of Alaska, and the election laws of the state.