

CS FOR SENATE JOINT RESOLUTION NO. 103(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 6/23/04

Referred: Rules

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to an**
2 **appropriation limit.**

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

4 * **Section 1.** Article IX, sec. 16, Constitution of the State of Alaska, is repealed and
5 readopted to read:

6 **Section 16. Appropriation Limit.** (a) Subject to (b) of this section,
7 appropriations made for a current fiscal year shall not exceed the average amount
8 appropriated for the earliest three of the four fiscal years immediately preceding that
9 current fiscal year, increased by seventy-five percent of the sum of the following:

10 (1) the percentage rate of change in the Consumer Price Index for all
11 urban consumers for the Anchorage metropolitan area compiled by a federal agency
12 during the two calendar years preceding the calendar year during which the
13 immediately preceding fiscal year began, but not to exceed the percentage change in
14 per capita personal income of State residents during the two calendar years preceding
15 the calendar year during which the immediately preceding fiscal year begins; plus

1 (2) the percentage rate of change in the State population during the two
2 calendar years preceding the calendar year during which the immediately preceding
3 fiscal year began compiled by a State department.

4 (b) The legislature shall implement (a) of this section by law. If the
5 appropriation limit calculated under (a) of this section, as implemented by law, for a
6 current fiscal year is less than the appropriation limit amount calculated for the
7 immediately preceding fiscal year, the appropriation limit amount for the immediately
8 preceding fiscal year shall apply to the current fiscal year.

9 (c) An appropriation that exceeds the limit under this section by not more than
10 two percent may be made for any public purpose upon affirmative vote of at least two-
11 thirds of the members of each house of the legislature. An appropriation that exceeds
12 the limit under this section by not more than four percent may be made for any public
13 purpose upon affirmative vote of at least three-fourths of the members of each house.
14 However, the total amount of appropriations under this subsection made for a fiscal
15 year may not exceed the limit under this section by more than four percent. A bill
16 making one or more appropriations under this subsection must be confined to
17 appropriations made under this subsection.

18 (d) The following are excluded from the appropriation limits in (a) and (c) of
19 this section and from the calculations made under (a) of this section:

20 (1) an appropriation to the Alaska permanent fund established in
21 Section 15 of this article;

22 (2) an appropriation for payments of permanent fund dividends to State
23 residents;

24 (3) an appropriation to meet a state of natural disaster declared by the
25 governor as prescribed by law;

26 (4) an appropriation to a separate fund or account in the general fund
27 from which expenditures may not be made without an additional appropriation from
28 that separate fund or account;

29 (5) an appropriation of State general obligation or revenue bond
30 proceeds or an appropriation of capital lease financing proceeds;

31 (6) an appropriation required to pay obligations under revenue or

1 general obligation bonds issued by the State or payments owed by the State under a
2 capital lease;

3 (7) an appropriation of money received from the federal government;

4 (8) a reappropriation of money already appropriated under an
5 unobligated appropriation that is not void under Section 13 of this article;

6 (9) an appropriation of money for expenditure by a State agency to
7 provide services to part of that same agency or to another State agency if the other part
8 or the other agency has also received an appropriation of the same money;

9 (10) an appropriation of money held in trust by the State for a
10 particular purpose;

11 (11) an appropriation of money received as tuition, fees, or contract
12 receipts, or from other sources apart from the general fund by the University of
13 Alaska;

14 (12) an appropriation of money received by the state from a source
15 other than the State or federal government that is restricted to a specific use by the
16 terms of a gift, grant, bequest, or contract;

17 (13) an appropriation of money deposited into the budget reserve fund
18 under Section 17(d) of this article back to the funds and accounts from which the
19 money came;

20 (14) an appropriation of dedicated funds.

21 (e) An appropriation made under (c) of this section is excluded from the
22 calculations made under (a) of this section.

23 * **Sec. 2.** Article XV, Constitution of the State of Alaska, is amended by adding a new
24 section to read:

25 **Section 30. Contingent Effect, Application, Transition, and Repeal of**
26 **Appropriation Limit.** (a) The 2004 amendment relating to an appropriation limit
27 (art. IX, sec. 16) takes effect only if the

28 (1) legislature adopts a resolution proposing an amendment to Section
29 15 of Article IX to limit appropriations from the Alaska permanent fund based on an
30 averaged percent of the fund market value; and

31 (2) proposed amendment described in (1) of this subsection is placed

1 before the voters of the state at the 2004 general election.

2 (b) The 2004 amendment relating to an appropriation limit (art. IX, sec. 16)
3 first applies to appropriations made for fiscal year 2006; however, for purposes of
4 making calculations under the appropriation limit for fiscal years 2006 through 2008,
5 it shall be assumed that, excluding appropriations listed under Section 16(d) of Article
6 IX, the amount appropriated for

7 (1) fiscal year 2004 equals \$3,150,000,000; and

8 (2) fiscal year 2005 equals \$3,250,000,000.

9 (c) Section 16 of Article IX (appropriation limit) is repealed July 1, 2009.

10 * **Sec. 3.** The amendments proposed by this resolution shall be placed before the voters of
11 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
12 State of Alaska, and the election laws of the state.