

HOUSE FINANCE COMMITTEE  
March 17, 2004  
3:29 P.M.

TAPE HFC 04 - 60, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 3:29 P.M.

MEMBERS PRESENT

Representative John Harris, Co-Chair  
Representative Bill Williams, Co-Chair  
Representative Kevin Meyer, Vice-Chair  
Representative Mike Chenault  
Representative Eric Croft  
Representative Hugh Fate  
Representative Richard Foster  
Representative Mike Hawker  
Representative Reggie Joule  
Representative Bill Stoltze

MEMBERS ABSENT

Representative Carl Moses

ALSO PRESENT

Cheryl Frasca, Director, Division of Management & Budget,  
Office of the Governor

PRESENT VIA TELECONFERENCE

None

SUMMARY

HJR 9 Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and a spending limit.

HJR 9 was HEARD and HELD in Committee for further consideration.

HJR 26 Proposing amendments to the Constitution of the State of Alaska relating to and limiting appropriations from and inflation proofing the Alaska permanent fund by establishing a percent of market value spending limit.

HJR 26 was HEARD and HELD in Committee for further consideration.

#HJR9

HOUSE JOINT RESOLUTION NO. 9

Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and a spending limit.

Representative Fate explained that the proposed work draft resolution would take the unrestricted general fund revenues and the restricted revenues from agency receipts such as Alaska Industrial Development and Export Authority, (AIDEA). (Copy on File, FATE-1.a).

He stated that the draft was not intended to shorten the process but instead, he hoped it would be beneficial to the existing structure. He pointed out that the intent was for it to have full procedural hearings and that the solution had been approached from a business perspective. The draft uses the historic revenues and base line taken during the stable period when the pipeline was at half capacity, which was the baseline used to make an index derived in the proposed work draft.

Representative Fate calculated that the exemptions would be approximately the same and added that each section had been determined independently from the original legislation. That process has been underway for the past 15 months. He claimed that the proposed draft was a departure from using revenues as the baseline rather than the expenditures.

Co-Chair Harris questioned if the draft had been adopted. Co-Chair Williams explained that it was currently being reviewed.

Representative Fate recommended before adopting the work draft, the Committee wait for the spreadsheet. It would be available tomorrow.

Co-Chair Williams noted that it was not his intention to adopt the draft. He intended to take discussion and then determine what sections should be placed into the House Judiciary version.

Co-Chair Harris recommended that Representative Stoltze and Representative Fate work together on the draft, out of fairness to the sponsor of the bill and the sponsor of the conceptual amendment. He encouraged that the concerns be addressed outside of the committee process.

Representative Stoltze pointed out that the House Judiciary draft was currently before the Committee. In each

Committee, unforeseen concepts had come forward. He warned that any bill that amends the Constitution must have a serious process of discussion and elaboration. He asked to see the projections for the benefit of the Committee, while incorporating directional advice from the Office of the Governor and the Legislative Finance Division.

Co-Chair Williams acknowledged that the entire issue did not excite him.

CHERYL FRASCA, DIRECTOR, DIVISION OF MANAGEMENT & BUDGET, OFFICE OF THE GOVERNOR, noted that she had not yet had an opportunity to review the bill draft.

Co-Chair Williams stated that HJR 9 would be HELD in Committee for further consideration.

#HJR26

HOUSE JOINT RESOLUTION NO. 26

Proposing amendments to the Constitution of the State of Alaska relating to and limiting appropriations from and inflation proofing the Alaska permanent fund by establishing a percent of market value spending limit.

Representative Foster MOVED to report CS HJR 26 (JUD) out of Committee with individual recommendations and with the accompanying fiscal notes.

Representative Fate OBJECTED for the purpose of discussion. He referenced a memo, which had been distributed through the Senate by the Legislative Finance Division.

Representative Foster WITHDREW his MOTION to move the bill from Committee. There was NO OBJECTION.

HJR 26 was HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 3:43 P.M.