

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HAWKER

Introduced: 4/1/05

Referred: House Special Committee on Ways and Means, Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska creating and relating**
2 **to the gas revenue endowment fund, relating to deposits to the fund, limiting**
3 **appropriations from the fund based on an averaged percent of the fund market value,**
4 **relating to deposits to the permanent fund, and relating to deposits to the budget reserve**
5 **fund.**

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

7 * **Section 1.** Article IX, sec. 7, Constitution of the State of Alaska, is amended to read:

8 **Section 7. Dedicated Funds.** The proceeds of any state tax or license shall
9 not be dedicated to any special purpose, except as provided in **Sections 15 and 18**
10 [SECTION 15] of this article or when required by the federal government for state
11 participation in federal programs. This provision shall not prohibit the continuance of
12 any dedication for special purposes existing upon the date of ratification of this section
13 by the people of Alaska.

14 * **Sec. 2.** Article IX, Constitution of the State of Alaska, is amended by adding a new
15 section to read:

1 **Section 18. Gas Revenue Endowment Fund.** (a) There is established as a
2 separate fund in the State treasury the gas revenue endowment fund. Notwithstanding
3 Sections 15 and 17(a) of this article, all mineral royalty proceeds and all tax proceeds,
4 including payments in lieu of royalties or severance taxes whether taken in kind or
5 value, received by the State from natural gas produced on the North Slope shall be
6 deposited into the gas revenue endowment fund. Except as appropriated under (b) of
7 this section, money in the fund shall be used only for those income-producing
8 investments specifically designated by law as eligible for fund investments.

9 (b) Appropriations from the gas revenue endowment fund for a fiscal year
10 may not exceed five percent of the average of the market values of the fund on June 30
11 for a number of previous fiscal years as provided by law. However, for purposes of
12 calculating the amount that may be appropriated from the fund for a fiscal year, the
13 market value of the fund for the fiscal year immediately preceding that fiscal year
14 shall not be included. An appropriation from the fund may be made for any public
15 purpose, except that it may not be used for any program that provides dividends or
16 other payments to all State residents.

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