

**CS FOR SENATE JOINT RESOLUTION NO. 1(JUD)**  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE SENATE JUDICIARY COMMITTEE**

**Offered: 2/14/05**  
**Referred: Finance**

**Sponsor(s): SENATOR DYSON**

**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4 \* **Section 1.** Article IX, sec. 16, Constitution of the State of Alaska, is repealed and  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 and  
7 except as provided in this section, appropriations made for a current fiscal year shall  
8 not exceed the amount appropriated for the fiscal year two years preceding the current  
9 fiscal year by more than the product of that prior year's appropriations multiplied by  
10 the sum of one plus the percentage change in State population, and then multiplying  
11 that resultant product by one plus the percentage change in the Consumer Price Index.  
12 However, the percentage change in the Consumer Price Index shall be no greater than  
13 the percentage change in personal income of State residents. The Department of  
14 Commerce, Community, and Economic Development or its successor agency shall  
15 determine the change in per capita personal income based upon the Alaska personal  
16 income statistics produced by the Bureau of Economic Analysis in the United States

1 Department of Commerce. In this subsection,

2 (1) "percentage change in State population" means the percentage  
3 change for the latest available estimates as compiled by a State agency;

4 (2) "percentage change in the Consumer Price Index" means the  
5 percentage change for the latest available estimates for all urban consumers for the  
6 Anchorage metropolitan area as compiled by a federal agency.

7 (b) If the appropriation limit amount calculated in this section for a current  
8 fiscal year is less than the appropriation limit amount calculated for the immediately  
9 preceding fiscal year, the appropriation limit amount for the immediately preceding  
10 fiscal year shall apply to the current fiscal year.

11 (c) Calculations made under (a) of this section shall not include appropriations

12 (1) to the Alaska permanent fund established in Section 15 of this  
13 article;

14 (2) of Alaska permanent fund income for payments of permanent fund  
15 dividends to State residents;

16 (3) of money received by the State from a source other than the State  
17 or federal government that is restricted to a specific use by the terms of a gift, grant,  
18 bequest, or contract;

19 (4) of State general obligation bond and revenue bond proceeds;

20 (5) required to pay obligations under revenue bonds;

21 (6) of money received from the federal government;

22 (7) of money received as tuition, fees, or contract receipts, or from  
23 other sources apart from the general fund by the University of Alaska;

24 (8) of dedicated funds and trust funds;

25 (9) of money for expenditures by a State agency to provide services to  
26 another State agency that has also received an appropriation of the same money;

27 (10) of money previously appropriated for a different purpose or to a  
28 different recipient; and

29 (11) made under (d), (l), or (m) of this section.

30 (d) The appropriation limit imposed by this section may be exceeded for a  
31 fiscal year in an emergency as defined in (e) of this section. Any expenditure

1 exceeding the limit imposed by this section for a declared emergency as provided for  
2 in this section shall be for that purpose only and shall be directly related to, and  
3 proportional to the costs arising from, the emergency. Furthermore, such funds shall  
4 not be considered in the base for determining the following year's appropriation limit.

5 (e) "Emergency," for the purposes of (d) of this section, means the existence,  
6 as declared by the governor, of conditions of disaster or of extreme peril to the safety  
7 of persons or property within the State, or parts thereof, caused by an attack or  
8 probable or imminent attack by an enemy of the United States, epidemic, fire, flood,  
9 drought, storm, civil disorder, earthquake, or volcanic eruption. "Emergency" does  
10 not include revenue shortfalls, excessive spending, or similar conditions limiting the  
11 ability to fund government operations.

12 (f) The commissioner of revenue, or the head of a successor agency, shall, on  
13 a quarterly basis, report to the governor and the members of the Finance Committees  
14 in each house regarding the State's compliance with the appropriation limit imposed  
15 by this section for the current fiscal year. The report shall include updated estimates  
16 of revenues and expenditures and the appropriation limit for the current fiscal year. If  
17 the Department of Revenue estimates that current fiscal year total expenditures might  
18 exceed the appropriation limit imposed by this section, the report shall include  
19 recommendations for corrective actions.

20 (g) If, following enactment of the budget bill, the governor determines that,  
21 for that fiscal year, general fund revenues will decline substantially below the estimate  
22 of general fund revenues upon which the budget bill for that fiscal year, as enacted,  
23 was based, or general fund expenditures will increase substantially above the estimate  
24 of general fund revenues, or both, or if, following the enactment of the budget bill for  
25 fiscal year, the governor determines that, for that fiscal year, total expenditures are  
26 expected to exceed the appropriation limit imposed by this section for that fiscal year,  
27 the governor may issue a proclamation declaring a fiscal emergency and shall cause  
28 the legislature to assemble in special session solely for that purpose. The  
29 proclamation shall identify the nature of the fiscal emergency and shall be submitted  
30 by the governor to the legislature, accompanied by proposed legislation to address the  
31 fiscal emergency. Any legislation proposed or enacted in response to the fiscal

1 emergency declared under this section shall comply with the requirements of this  
2 section.

3 (h) If the legislature fails to pass and send to the governor a bill or bills to  
4 address the fiscal emergency declared under (g) of this section by the tenth day  
5 following the issuance of the proclamation, the legislature may not adjourn for a joint  
6 recess until that bill or those bills have been passed and signed by the governor.  
7 Neither the governor nor any member of the legislature shall be entitled to any salary,  
8 per diem, or other expense allowance for any day after the tenth day following the  
9 issuance of the proclamation until legislation addressing the fiscal emergency has been  
10 passed and signed into law by the governor. No forfeited salary, per diem, or expense  
11 allowance shall be paid retroactively.

12 (i) A bill addressing the fiscal emergency declared under (g) of this section  
13 shall contain a statement to that effect.

14 (j) Whenever, based on the most recent Department of Revenue estimates, or  
15 the estimates of its successor agency, and based on laws then in effect, the estimated  
16 total amount of debt service for the current fiscal year or any of the succeeding four  
17 fiscal years on non-self-liquidating general obligation bonds and general-fund-  
18 supported lease revenue bonds exceeds six percent of the estimated general fund  
19 revenues for that fiscal year, exclusive of transfers from other funds during that fiscal  
20 year, the treasurer may not sell any additional non-self-liquidating general obligation  
21 bonds or general-fund-supported lease revenue bonds.

22 (k) If the percentage under (j) of this section is six percent or less, the  
23 treasurer may sell those bonds to the extent that, based on the most recent Department  
24 of Revenue estimates, or the estimates of its successor agency, and based on laws then  
25 in effect, the additional debt service will not cause the percentage to exceed six  
26 percent for the current fiscal year or any of the succeeding four fiscal years.

27 (l) The legislature may, upon the affirmative vote of at least two-thirds of the  
28 members of each house, adopt an appropriation that exceeds the limit under (a) of this  
29 section if the governor requests the appropriation in response to extraordinary  
30 circumstances. The governor's request must include at least the following  
31 information: (1) identification of the specific extraordinary circumstances; (2) the

1 amount requested for appropriation; (3) the period of time over which the  
 2 appropriation is intended to be used; and (4) a plan for recovering the amount of  
 3 money appropriated under this subsection. An appropriation made under this  
 4 subsection may not be used for the payment of bonds, notes, or other evidences of  
 5 indebtedness. For purposes of this subsection, "extraordinary circumstances" shall be  
 6 defined by law passed by at least two-thirds of the members of each house.

7 (m) If the legislature, by law, declares that an extraordinary circumstance  
 8 exists, upon the affirmative vote of at least two-thirds of the members of each house,  
 9 the legislature may pass an appropriation that exceeds the appropriation limit under  
 10 this section to address the extraordinary circumstance.

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

13 **Section 30. Application, Transition, and Repeal.** The 2006 amendment  
 14 relating to an appropriation limit (art. IX, sec. 16) first applies to appropriations made  
 15 for fiscal year 2008. However, for purposes of making calculations under the  
 16 appropriation limit for fiscal years 2008 through 2010, it shall be assumed that,  
 17 excluding appropriation listed under Section 16(c) of Article IX, the amount  
 18 appropriated for

19 (1) fiscal year 2006 equals \$3,250,000,000; and

20 (2) fiscal year 2007 equals \$3,393,000,000.

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