

**SENATE JOINT RESOLUTION NO. 4**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR DYSON

Introduced: 1/26/05

Referred: Judiciary, Finance

**A RESOLUTION**

1 **Proposing amendments to the Constitution of the State of Alaska relating to the budget**  
2 **reserve fund and to uses of money in the general fund available for appropriation at the**  
3 **end of each fiscal year; and providing for an effective date for the amendments.**

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

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

6 **Section 7. Dedicated Funds.** The proceeds of any state tax or license shall  
7 not be dedicated to any special purpose, except as provided in **Sections 15 and 17**  
8 [SECTION 15] of this article or when required by the federal government for state  
9 participation in federal programs. This provision shall not prohibit the continuance of  
10 any dedication for special purposes existing upon the date of ratification of this section  
11 by the people of Alaska.

12 \* **Sec. 2.** Article IX, sec. 17, Constitution of the State of Alaska, is amended to read:

13 **Section 17. Budget Reserve Fund.** (a) There is established as a separate  
14 fund in the State treasury the budget reserve fund **consisting of a primary account**  
15 **and a deferred maintenance account.** Except for money deposited into the

1 permanent fund under Section 15 of this article, all money received by the State after  
 2 July 1, 1990, as a result of the termination, through settlement or otherwise, of an  
 3 administrative proceeding or of litigation in a State or federal court involving mineral  
 4 lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing  
 5 payments or bonuses, or involving taxes imposed on mineral income, production, or  
 6 property, shall be deposited in the **primary account of the** budget reserve fund.  
 7 Money in the budget reserve fund shall be invested so as to yield competitive market  
 8 rates to the fund. Income of the **primary account** [FUND] shall be retained in the  
 9 **primary account and income of the deferred maintenance account shall be**  
 10 **retained in the deferred maintenance account** [FUND. SECTION 7 OF THIS  
 11 ARTICLE DOES NOT APPLY TO DEPOSITS MADE TO THE FUND UNDER  
 12 THIS SUBSECTION]. Money may be appropriated from the fund only as authorized  
 13 under (b) or (c) of this section.

14 (b) If the amount available for appropriation for a fiscal year is less than the  
 15 amount appropriated for the previous fiscal year, an appropriation may be made from  
 16 the **primary account of the** budget reserve fund **upon affirmative vote of at least a**  
 17 **majority of the members of each house**. However, the amount appropriated from  
 18 the fund under this subsection may not exceed the amount necessary, when added to  
 19 other funds available for appropriation, to provide for total appropriations equal to the  
 20 amount of appropriations made in the previous calendar year for the previous fiscal  
 21 year.

22 (c) An appropriation from the **primary account of the** budget reserve fund  
 23 may be made for any public purpose upon affirmative vote of **at least** three-fourths of  
 24 the members of each house of the legislature. **An appropriation from the deferred**  
 25 **maintenance account of the fund may be made upon affirmative vote of at least a**  
 26 **majority of the members of each house, but shall be made only for maintenance**  
 27 **of public schools, roads, or highways that has been deferred for at least twelve**  
 28 **months**.

29 (d) **The** [IF AN APPROPRIATION IS MADE FROM THE BUDGET  
 30 RESERVE FUND, UNTIL THE AMOUNT APPROPRIATED IS REPAYED, THE]  
 31 amount of money in the general fund available for appropriation at the end of each

1 [SUCCEEDING] fiscal year shall be deposited in the **primary account of the** budget  
 2 reserve fund. **Only the amount of the deposit under this subsection needed to**  
 3 **repay amounts appropriated from the primary account shall be retained in the**  
 4 **account and only to the extent that the account does not exceed \$5,000,000,000.**  
 5 **Any excess amount shall be administratively transferred from the primary**  
 6 **account as follows:**

7 **(1) fifty percent to the principal of the permanent fund established**  
 8 **in Section 15 of this article;**

9 **(2) twenty-five percent to a program of dividend payments to State**  
 10 **residents established by law; and**

11 **(3) twenty-five percent to the deferred maintenance account in the**  
 12 **budget reserve fund** [THE LEGISLATURE SHALL IMPLEMENT THIS  
 13 SUBSECTION BY LAW].

14 \* **Sec. 3.** Article XV, Constitution of the State of Alaska, is amended by adding a new  
 15 section to read:

16 **Section 30. Transition and Effective Date.** (a) The 2006 amendments  
 17 relating to the budget reserve fund (art. IX, secs. 7 and 17) take effect on June 30,  
 18 2007.

19 (b) On June 30, 2007, the amount equal to the balance in the budget reserve  
 20 fund on June 29, 2007, shall be allocated in the fund to the primary account.

21 \* **Sec. 4.** 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.