

CS FOR HOUSE JOINT RESOLUTION NO. 28(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/10/08

Referred: Rules

Sponsor(s): REPRESENTATIVES SAMUELS, Hawker, Ramras, Lynn, Doogan, Kelly, Kerttula, Crawford, Thomas, Johnson, Wilson, Keller, Fairclough, Roses, Seaton, LeDoux, Buch, Gardner

SENATORS McGuire, Wagoner, Dyson

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the budget**
2 **reserve fund, and to appropriations to and transfers from the fund; and dedicating a**
3 **portion of the petroleum production tax to the fund.**

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

5 * **Section 1.** Article IX, sec. 17(a), Constitution of the State of Alaska, is amended to read:

6 (a) There is established as a separate fund in the State treasury the budget
7 reserve fund. All [EXCEPT FOR MONEY DEPOSITED INTO THE PERMANENT
8 FUND UNDER SECTION 15 OF THIS ARTICLE, ALL] money received by the
9 State after June 30, 2007, and before January 1, 2015, that is attributable to an oil
10 and gas production tax levied at a rate that increases as the taxable value of the
11 oil or gas increases and that is in addition to the money received by the State that
12 is attributable to the nominal or base oil and gas production tax rate [JULY 1,
13 1990, AS A RESULT OF THE TERMINATION, THROUGH SETTLEMENT OR
14 OTHERWISE, OF AN ADMINISTRATIVE PROCEEDING OR OF LITIGATION
15 IN A STATE OR FEDERAL COURT INVOLVING MINERAL LEASE BONUSES,

1 RENTALS, ROYALTIES, ROYALTY SALE PROCEEDS, FEDERAL MINERAL
 2 REVENUE SHARING PAYMENTS OR BONUSES, OR INVOLVING TAXES
 3 IMPOSED ON MINERAL INCOME, PRODUCTION, OR PROPERTY,] shall be
 4 deposited in the budget reserve fund. Money in the budget reserve fund shall be
 5 invested so as to yield competitive market rates to the fund. Income of the fund shall
 6 be retained in the fund. Section 7 of this article does not apply to deposits made to the
 7 fund under this subsection. Money may **not** be appropriated from the fund **and may**
 8 **be transferred from the fund** only as authorized under **(f)** [(b) OR (c)] of this
 9 section.

10 * **Sec. 2.** Article IX, sec. 17, Constitution of the State of Alaska, is amended by adding new
 11 subsections to read:

12 (e) Appropriations of money may be made to the budget reserve fund at any
 13 time. Money appropriated to the fund shall be treated the same as money deposited to
 14 the fund under (a) of this section.

15 (f) On July 1 of each year, an amount equal to five percent of the average of
 16 the fiscal year-end market values of the budget reserve fund for the first five of the
 17 preceding six fiscal years shall be transferred from the budget reserve fund to the
 18 general fund.

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

21 **Section 30. Budget Reserve Fund; Transition.** The money in the budget
 22 reserve fund on the effective date of the 2008 amendments relating to that fund (art.
 23 IX, sec. 17) shall be retained in the fund.

24 * **Sec. 4.** Article IX, secs. 17(b), (c), and (d) are repealed.

25 * **Sec. 5.** The amendments proposed by this resolution shall be placed before the voters of
 26 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
 27 State of Alaska, and the election laws of the state.