

SENATE BILL NO. 196

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 2/19/18

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an appropriation limit; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 37.05.540(a) is amended to read:

4 (a) There is established as a separate fund in the state treasury the budget
5 reserve fund. The budget reserve fund consists of appropriations to the fund.
6 [MONEY RECEIVED BY THE STATE THAT IS SUBJECT TO THE
7 APPROPRIATION LIMIT UNDER (b) OF THIS SECTION AND THAT EXCEEDS
8 THAT LIMIT, MAY BE APPROPRIATED TO THE BUDGET RESERVE FUND.]

9 * **Sec. 2.** AS 37.05 is amended by adding a new section to read:

10 **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund
11 appropriations made for a fiscal year may not exceed \$4,100,000,000 by more than the
12 cumulative change in inflation since July 1, 2017, derived from federal indices. The
13 determination of the change in inflation for purposes of this subsection shall be based
14 on the Consumer Price Index for all urban consumers for Anchorage prepared by the
15 United States Bureau of Labor Statistics.

1 (b) The appropriation limit in (a) of this section does not apply to an
2 appropriation

- 3 (1) to the Alaska permanent fund;
4 (2) for payment of permanent fund dividends;
5 (3) required to pay debt obligations of the state; or
6 (4) for a capital project.

7 (c) In this section,

- 8 (1) "capital project" has the meaning given in AS 37.06.090;
9 (2) "program receipts" has the meaning given in AS 37.05.146;
10 (3) "unrestricted general fund" means money deposited in the state
11 treasury that has not been dedicated or designated for use by the Constitution of the
12 State of Alaska or by law; "unrestricted general fund" does not include program
13 receipts or reappropriations.

14 * **Sec. 3.** AS 37.05.540(b), 37.05.540(c), and 37.05.540(e) are repealed.

15 * **Sec. 4.** This Act takes effect July 1, 2018.