

HOUSE BILL NO. 258

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KAUFMAN, McKay

Introduced: 1/18/22

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an appropriation limit; relating to the budget responsibilities of the
2 governor; and providing for an effective date."

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

4 * **Section 1.** AS 37.05.540(b) is amended to read:

5 (b) Except for appropriations to the permanent fund or for Alaska permanent
6 fund dividends, appropriations to the budget reserve fund, appropriations of revenue
7 **bond and general obligation** bond proceeds, appropriations required to pay the
8 principal **of** and interest on **revenue bonds and** general obligation bonds,
9 **appropriations to a state account or fund that requires a subsequent**
10 **appropriation from that account or fund as prescribed by law, appropriations to**
11 **meet a state of disaster declared by the governor as prescribed by law,** [AND]
12 appropriations of money received from a nonstate source in trust for a specific
13 purpose, including revenue of a public enterprise or public corporation of the state that
14 issues revenue bonds, appropriations from the mental health trust settlement income

account (AS 37.14.036), and appropriations made to the mental health trust fund (AS 37.14.031), appropriations from the treasury made for [IN] a fiscal year may not exceed an amount equal to 11.5 percent of the average of the value of the real gross domestic product of the state as estimated by the federal bureau responsible for economic analysis according to federal law, expressed in current dollars, for the five fiscal years immediately preceding the previous fiscal year. The value of the real gross domestic product in this section may not include expenditures for government spending [APPROPRIATIONS MADE IN THE PRECEDING FISCAL YEAR BY MORE THAN FIVE PERCENT PLUS THE CHANGE IN POPULATION AND INFLATION SINCE THE BEGINNING OF THE PRECEDING FISCAL YEAR]. For purposes of applying this limit, an appropriation is considered to be made in the fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in which the original appropriation is enacted. [THE DETERMINATION OF THE CHANGE IN POPULATION FOR PURPOSES OF THIS SUBSECTION SHALL BE BASED ON AN ANNUAL ESTIMATE OF POPULATION BY THE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. THE DETERMINATION OF THE CHANGE IN INFLATION FOR PURPOSES OF THIS SUBSECTION SHALL BE BASED ON THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR ANCHORAGE PREPARED BY THE UNITED STATES BUREAU OF LABOR STATISTICS.] The amount of money received by the state that is subject to the appropriation limit includes the balance in the general fund carried forward from the preceding fiscal year.

* **Sec. 2.** AS 37.07.020 is amended by adding a new subsection to read:

(f) In addition to the budget and bills submitted under (a) of this section and the capital improvements program and fiscal plan submitted under (b) of this section, the governor shall submit a report with a calculation of appropriations provided in the budget prepared under (a) of this section as applied to the appropriation limit under AS 37.05.540. The governor shall update the report upon submission of the governor's supplemental appropriation bills and the governor's budget amendments in accordance with the time limits prescribed in AS 37.07.070.

1 * **Sec. 3.** AS 37.05.540(e) is repealed.

2 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 CONDITIONAL EFFECT. This Act is contingent on enactment into law of an
5 amendment to art. IX, sec. 16, Constitution of the State of Alaska, changing the appropriation
6 limit to provide that

7 (1) appropriations from the treasury made for a fiscal year may not exceed an
8 amount equal to a percentage of the average of the value of the real gross domestic product of
9 the state as estimated by the federal bureau responsible for economic analysis according to
10 federal law, expressed in current dollars, for the five fiscal years immediately preceding the
11 previous fiscal year; and

12 (2) general obligation bond proceeds, appropriations required to pay the
13 principal of and interest on revenue bonds, appropriations to a state account or fund that
14 requires a subsequent appropriation from that account or fund as prescribed by law, and
15 appropriations to meet a state of disaster declared by the governor as prescribed by law must
16 be excluded when calculating the appropriation limit.

17 * **Sec. 5.** This Act takes effect July 1, 2023.