

HOUSE BILL NO. 348

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE GROH

Introduced: 2/20/24

Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a minimum veto amount for purposes of applying art. II, sec. 15,**
2 **Constitution of the State of Alaska; relating to an appropriation limit; relating to the**
3 **statutory budget reserve fund; and providing for an effective date."**

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

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

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

11 * **Sec. 2.** AS 37.07 is amended by adding a new section to read:

12 **Sec. 37.07.105. Minimum veto amount.** (a) For purposes of applying art. II,
13 sec. 15, Constitution of the State of Alaska, the governor shall, by veto, strike or
14 reduce items in an appropriation bill in the amount necessary to ensure appropriations

1 made from the state treasury for a fiscal year do not exceed an amount equal to
 2 appropriations made for the preceding fiscal year plus five percent, plus the change in
 3 population and inflation since the beginning of the preceding fiscal year.

4 (b) For purposes of calculating the minimum veto amount under this section,

5 (1) the determination of the change in population is based on an annual
 6 estimate of population by the Department of Labor and Workforce Development;

7 (2) the determination of the change in inflation is based on the
 8 Consumer Price Index for all urban consumers for urban Alaska prepared by the
 9 Bureau of Labor Statistics, United States Department of Labor; and

10 (3) appropriations required by the federal government for state
 11 participation in federal programs and appropriations to an account or fund existing on
 12 the date of ratification of art. IX, sec. 7, Constitution of the State of Alaska, are
 13 excluded from the calculation in this section.

14 (c) The legislative finance division shall

15 (1) calculate the minimum veto amount under this section not later
 16 than the first day of each regular session of the legislature; and

17 (2) if requested by the finance committee of either house of the
 18 legislature, report to the finance committee the minimum veto amount calculated
 19 under this section and the method used to calculate the amount.

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

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

23 **APPLICABILITY.** This Act applies to appropriations made for the fiscal year ending
 24 June 30, 2026, and thereafter.

25 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 26 read:

27 **CONDITIONAL EFFECT.** This Act takes effect only if constitutional amendments
 28 are passed by the legislature and adopted by the voters before July 1, 2025,

29 (1) amending art. II, sec. 15, Constitution of the State of Alaska, requiring the
 30 governor to veto a minimum amount of appropriations made for a fiscal year; and

31 (2) repealing art. IX, sec. 16, Constitution of the State of Alaska.

1 * **Sec. 6.** If this Act takes effect, it takes effect on the day after the date the constitutional
2 amendments described in sec. 5 of this Act become effective.