Introduced: 4/20/79
Referred: State Affairs, Community & Regional Affairs and Finance

IN THE SENATE BY BRADLEY

SENATE JOINT RESOLUTION NO. 35

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Proposing an amendment to the Constitution of the State of Alaska limiting tax levies by the state and its political subdivisions.

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

* Section 1. Article IX, sec. 1, Constitution of the State of Alaska is amended by adding a new subsection to read:

(b) No tax may be levied by the State or its political subdivisions if the revenue estimated to be produced by the tax levy exceeds the limitation on taxation imposed in section 16 of this article.

* Sec. 2. Article IX, Constitution of the State of Alaska is amended by adding a new section to read:

SECTION 16. LIMITATION ON TAX COLLECTIONS. (a) The State or a political subdivision may not collect tax revenues for a fiscal year in excess of the amounts allowed under this section.

(b) For the first fiscal year beginning after the effective date of this section, the State or a political subdivision may not collect tax revenues which exceed the amount collected for fiscal year 1978, plus a change to reflect both

(1) the percentage of change of the population of the State or the political subdivision between the two fiscal years and

(2) the percentage of change of the cost-of-living index for the State or the political subdivision between the two fiscal years, as that index is defined by law.

(c) For each of the next six fiscal years, the State or a politi-

cal subdivision may not collect tax revenues which exceed the amount collected for the preceding fiscal year plus a change to reflect both

(1) the percentage of change of the population of the State or the political subdivision between the two fiscal years and

(2) one-half the percentage of change of the cost-of-living index for the State or the political subdivision between the two fiscal years, as that index is defined by law.

(d) For each subsequent fiscal year, the State or a political subdivision may not collect tax revenues which exceed the amount collected for the preceding fiscal year plus a change to reflect both

(1) the percentage of change of the population of the State or the political subdivision between the two fiscal years and

(2) the percentage of change of the cost-of-living index for the State or the political subdivision between the two fiscal years, as that index is defined by law.

(e) The legislature may by law provide that an exception to the limitations imposed by this section be placed on the ballot for approval or rejection by the voters at a general election. The proposition submitted to the voters shall specify the estimated per capita cost of the proposed increase or decrease. Approval by the voters of a proposition submitted under this subsection authorizes the levy and collection of taxes at the increased or decreased rate, and the rate of levy approved becomes the base for the computation of a limitation for the next fiscal year in accordance with (b) through (d) of this section.

(f) The governing body of a political subdivision may by ordinance provide that an exception to the limitations imposed by this section be placed on the ballot at a regular municipal election. The ordinance submitted to the voters shall specify the estimated per capita cost of the proposed increase or decrease. Approval by the voters of an ordin-

ance submitted under this subsection authorizes the levy and collection of taxes at the increased or decreased rate, and the rate of levy approved becomes the base for the computation of a limitation for the next fiscal year in accordance with (b) through (d) of this section.

(g) The people may by the initiative propose and enact exceptions to the limitations imposed by this section. An exception proposed by initiative shall include the information required to be part of a proposed law or ordinance under (e) and (f) of this section.

(h) If taxes collected by the State or a political subdivision during a fiscal year exceed the limits on tax collections established in this section by more than six per cent, the total amount of the excess shall be refunded on a pro rata basis to the affected taxpayers. If taxes collected by the State or a political subdivision during a fiscal year exceed the limits on tax collections established in this section by six per cent or less, the excess shall not be refunded to the taxpayers, but the tax collection limitations established in this section for the next fiscal year shall be decreased by the amount of the excess collections. This subsection shall be implemented by law.

* Sec. 3. Article XI, sec. 7, Constitution of the State of Alaska, is amended to read:

SECTION 7. RESTRICTIONS. The initiative shall not be used to dedicate revenues, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation. The referendum shall not be applied to dedications of revenue, to appropriations, to local or special legislation, or to laws necessary for the immediate preservation of the public peace, health, or safety. <u>The restrictions of this section do not apply to an initiative or a referendum concerning tax limits voted on by the people under Article IX, sec. 16 of this constitution.</u>

* Sec. 4. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.