

Original sponsors: Dankworth and Sturgulewski

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1 IN THE SENATE

BY THE RULES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-  
6 tion of the State of Alaska relating  
7 to appropriations and the retention,  
8 investment and expenditure of certain  
9 state revenues; providing for effec-  
10 tive dates for the amendments; and  
11 superseding the amendments proposed  
12 by Legislative Resolve No. 1, First  
13 Special Session of the Twelfth Legis-  
14 lature (FSS FCCS SJR 4).

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

16 \* Section 1. Article IX, Constitution of the State of Alaska, is amended  
17 by adding new sections to read:

18 SECTION 16. APPROPRIATIONS. Except as provided in section 17 of  
19 this article, the total amount of appropriations which take effect in a  
20 fiscal year shall not exceed the sum of the uncommitted general fund  
21 balance at the beginning of that fiscal year plus the revenues of the  
22 State for that fiscal year, other than revenues from all mineral lease  
23 rentals, royalties, royalty sale proceeds, federal mineral revenue  
24 sharing payments and bonuses. If the governor determines that the total  
25 amount of appropriations taking effect in a fiscal year will exceed the  
26 amount authorized by this section, he shall reduce state spending to  
27 assure that amount is not exceeded.

28 SECTION 17. ALASKA RESOURCE FUND. Except as provided in section  
29 15 of this article, all mineral lease rentals, royalties, royalty sale

1 proceeds, federal mineral revenue sharing payments and bonuses received  
2 by the State shall be placed in an Alaska resource fund. Up to one-  
3 fifth of the balance in the Alaska resource fund may be appropriated  
4 for any purpose if the appropriation is approved by the voters in a  
5 general election as provided by law. The balance remaining in the  
6 Alaska resource fund after deduction of appropriations approved by the  
7 voters may be invested as provided by law in capital projects which are  
8 owned by the State and in programs administered by the State. Projects  
9 that are owned by the State shall return to the Alaska resource fund the  
10 amount of the investment and, unless otherwise provided by a specific  
11 law for a particular project, shall provide a rate of return on the  
12 investment at least equal to the market rate for general obligation  
13 bonds of similar maturity of the State at the time the investment is  
14 made. Programs administered by the State must be approved by the voters  
15 at a general election as prescribed by law, must return to the Alaska  
16 resource fund the amount of the investment, and must be invested at a  
17 rate of return equal to the market rate of return for similar invest-  
18 ments but not less than the rate of return provided by obligations of  
19 similar maturity of the United States government at the time the invest-  
20 ment is made. The balance remaining in the Alaska resource fund that is  
21 not invested in capital projects owned by the State or in programs  
22 administered by the State shall be invested at a rate of return equal to  
23 the market rate of return for similar investments but not less than the  
24 rate of return provided by obligations of similar maturity of the United  
25 States government at the time the investment is made. All income from  
26 the Alaska resource fund shall be deposited in the general fund unless  
27 otherwise provided by law.

28 \* Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska, is  
29 amended to read:

1 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or  
2 license shall not be dedicated to any special purpose, except as pro-  
3 vided in sections [SECTION] 15 and 17 of this article or when required  
4 by the federal government for state participation in federal programs.  
5 This provision shall not prohibit the continuance of any dedication for  
6 special purposes existing upon the date of ratification of this section  
7 by the people of Alaska.

8 \* Sec. 3. Article IX, sec. 15, Constitution of the State of Alaska, is  
9 amended to read:

10 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent  
11 of all mineral lease rentals, royalties, royalty sale proceeds, and fed-  
12 eral mineral revenue sharing payments received by the State from mineral  
13 leases issued on or before December 1, 1979, and at least twenty-five  
14 percent of all bonuses received by the State from mineral leases issued  
15 on or before February 15, 1980, shall be placed in a permanent fund.  
16 Fifty percent of all mineral lease rentals, royalties, royalty sale pro-  
17 ceeds, and federal mineral revenue sharing payments received by the State  
18 from mineral leases issued after December 1, 1979, and fifty percent of  
19 all bonuses received by the State from mineral leases issued after Feb-  
20 ruary 15, 1980, shall be placed in the permanent fund. The principal of  
21 the permanent fund [ , THE PRINCIPAL OF WHICH] shall be used only for  
22 [THOSE] income-producing investments specifically designated by law as  
23 eligible for permanent fund investments at competitive market rates of  
24 return for similar investments. All income from the permanent fund  
25 shall be deposited in the general fund unless otherwise provided by law.

26 \* Sec. 4. Article XV, Constitution of the State of Alaska, is amended by  
27 adding a new section to read:

28 SECTION 26. EFFECTIVE DATE OF AMENDMENTS. The 1982 amendments to  
29 article IX of this constitution adding sections 16 and 17 relating to

1 appropriations and the Alaska resource fund, amending section 7 relating  
2 to dedicated funds, and amending section 15 relating to the permanent  
3 fund, take effect July 1, 1983. However, the provision of section 17 of  
4 article IX of this constitution relating to placing mineral lease  
5 rentals, royalties, royalty sale proceeds, federal mineral revenue  
6 sharing payments and bonuses received by the State into the Alaska  
7 resource fund shall be implemented as follows:

8 (1) for the period July 1, 1983 through June 30, 1984, one-  
9 quarter of the receipts otherwise payable into the Alaska resource fund  
10 for that period under section 17 shall be placed in the Alaska resource  
11 fund and three-quarters shall be deposited in the general fund;

12 (2) for the period July 1, 1984 through June 30, 1985, one-  
13 half of the receipts otherwise payable into the Alaska resource fund for  
14 that period under section 17 shall be placed in the Alaska resource fund  
15 and one-half shall be deposited in the general fund;

16 (3) for the period July 1, 1985 through June 30, 1986, three-  
17 quarters of the receipts otherwise payable into the Alaska resource fund  
18 for that period under section 17 shall be placed in the Alaska resource  
19 fund and one-quarter shall be deposited in the general fund;

20 (4) after June 30, 1986, the provisions of section 17 shall be  
21 fully in force.

22 \* Sec. 5. The amendments proposed by this resolution shall be placed be-  
23 fore the voters of the state at the next general election in conformity with  
24 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws  
25 of the state.

26 \* Sec. 6. The amendments proposed by this resolution supersede the amend-  
27 ments proposed by Legislative Resolve No. 1, First Special Session of the  
28 Twelfth Legislature (FSS FCCS SJR 4), and void the requirement contained in  
29 section 3 of that resolution that the amendments proposed by that resolution

1 be placed before the voters of the state.

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