

Offered: 2/21/84  
Referred: Finance

Original sponsors: Hayes, Abood,  
Barnes, et al

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE JOINT RESOLUTION NO. 39 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 Proposing amendments to the Constitution  
6 of the State of Alaska creating an  
7 appropriation reserve fund and limiting  
8 increases in appropriations.  
9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. Article IX, sec. 16, Constitution of the State of Alaska,  
11 is repealed and reenacted to read:  
12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropria-  
13 tions to the Alaska permanent fund and appropriations required to pay  
14 the principal and interest on general obligation bonds, appropriations  
15 from the treasury during a fiscal year may not exceed the lesser of  
16 the amount appropriated in the year this section takes effect adjusted  
17 for the cumulative inflation and population growth or decline as  
18 defined by law or 95 percent of the unrestricted revenue of the state  
19 for the previous calendar year. An appropriation in excess of this  
20 limit may not be made unless a state of emergency is declared by the  
21 governor as provided by law.  
22 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
23 by adding a new section to read:  
24 SECTION 17. APPROPRIATION RESERVE FUND. An appropriation re-  
25 serve fund is established. Appropriations may not be made from the  
26 appropriation reserve fund except for the purpose of repelling inva-  
27 sion, suppressing insurrection, defending the state in war, meeting  
28 natural disasters, or appropriations required to pay the principal and  
29 interest on general obligation bonds. After June 30 of the year in

1       which the balance of the appropriation reserve fund exceeds 1.5 times  
2       the appropriations of unrestricted revenue in the preceding fiscal  
3       year, the balance of the appropriation reserve fund shall lapse into  
4       the treasury. The balance of the appropriation reserve fund shall be  
5       invested at competitive national market rates. All earnings of the  
6       fund shall become part of the principal of the fund.

7       \* Sec. 3. Article XV, Constitution of the State of Alaska, is amended  
8 by adding a new section to read:

9           SECTION 29. APPROPRIATION RESERVE FUND. Beginning July 31,  
10       1985, and continuing until June 30 of the year in which the balance of  
11       the appropriation reserve fund exceeds 1.5 times the appropriations of  
12       unrestricted revenue in the preceding fiscal year, an amount equal to  
13       8.8 percent of the unrestricted revenue for each month, as determined  
14       in accordance with this section, shall be transferred from the trea-  
15       sury to the appropriation reserve fund on the first day of the  
16       succeeding month. Any balance transferred to the appropriation  
17       reserve fund under section 30 of article XV shall reduce by the  
18       balance transferred the amount required to be transferred in a year by  
19       the provisions of this section but no excess amount transferred may be  
20       carried forward to reduce the amount required to be transferred in  
21       another fiscal year.

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

24           SECTION 30. APPROPRIATION LIMITATIONS. After June 30, 1986, and  
25       until June 30 of the year in which the balance of the appropriation  
26       reserve fund exceeds 1.5 times the appropriations of unrestricted  
27       revenue in the preceding fiscal year appropriations from the treasury  
28       during a fiscal year, except for appropriations to the Alaska perma-  
29       nent fund and appropriations required to pay the principal and

1 interest on general obligation bonds, may not exceed the amount  
2 appropriated in the year in which this section becomes effective by  
3 more than the cumulative inflation and population growth or decline as  
4 prescribed by law. An appropriation in excess of this limit may not  
5 be made unless a state of emergency is declared by the governor as  
6 provided by law. No less than 25 percent of that portion of the  
7 unrestricted revenue of the state which has not been appropriated as  
8 allowed by this section shall be transferred from the general fund to  
9 the appropriation reserve fund on the first day of each fiscal year  
10 during the period defined in this section.

11 \* Sec. 5. Section 1 of this amendment takes effect on July 1 of the  
12 year in which the balance in the appropriation reserve fund established in  
13 sec. 2 of this amendment exceeds 1.5 times the appropriations of unre-  
14 stricted revenue in the preceding fiscal year.

15 \* Sec. 6. The amendments proposed by this resolution shall be placed  
16 before the voters of the state at the next general election in conformity  
17 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
18 tion laws of the state.