

Offered: 3/13/84  
Referred: Rules

Original sponsors: Hayes, Abood,  
Barnes, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE JOINT RESOLUTION NO. 39 (Finance)  
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11 is repealed and readopted to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropria-  
13 tions to the Alaska permanent fund, appropriations of the proceeds of  
14 revenue or general obligations bonds and appropriations required to  
15 pay the principal and interest on general obligation bonds, appropria-  
16 tions from the treasury during a fiscal year may not exceed the  
17 lesser of the amount appropriated in the fiscal year this section  
18 takes effect adjusted for the cumulative inflation and population  
19 growth or decline as defined by law or 95 percent of the unrestricted  
20 revenue of the state for the previous calendar year. An appropriation  
21 in excess of this limit may not be made unless a state of emergency is  
22 declared by the governor as provided by law. The governor shall cause  
23 any unexpended or unappropriated balance to be invested so as to yield  
24 competitive market rates to the treasury.

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

27 SECTION 17. APPROPRIATION RESERVE FUND. An appropriation re-  
28 serve fund is established. Appropriations may not be made from the  
29 appropriation reserve fund except for the purpose of repelling

1 invasion, suppressing insurrection, defending the state in war, meet-  
2 ing natural disasters, or appropriations required to pay the principal  
3 and interest on general obligation bonds. On June 30 of the fiscal  
4 year in which the balance of the appropriation reserve fund exceeds  
5 1.5 times the appropriations of unrestricted revenue in the preceding  
6 fiscal year, the balance of the appropriation reserve fund shall lapse  
7 into the treasury. The balance of the appropriation reserve fund  
8 shall be invested at competitive national market rates. All earnings  
9 of the fund shall become part of the principal of the fund.

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

12 SECTION 29. APPROPRIATION RESERVE FUND. Beginning July 31,  
13 1985, and continuing until June 30 of the fiscal year in which the  
14 balance of the appropriation reserve fund exceeds 1.5 times the appro-  
15 priations of unrestricted revenue in the preceding fiscal year, an  
16 amount equal to 8.8 percent of the unrestricted revenue for each month  
17 shall be transferred from the treasury to the appropriation reserve  
18 fund on the first day of the succeeding month.

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

21 SECTION 30. APPROPRIATION LIMITATIONS. After June 30, 1986, and  
22 until June 30 of the fiscal year in which the balance of the appro-  
23 priation reserve fund exceeds 1.5 times the appropriations of unre-  
24 stricted revenue in the preceding fiscal year's appropriations from  
25 the treasury during a fiscal year, except for appropriations to the  
26 Alaska permanent fund, appropriations of the proceeds of revenue or  
27 general obligation bonds and appropriations required to pay the prin-  
28 cipal and interest on general obligation bonds, may not exceed the  
29 amount appropriated in the fiscal year in which this section becomes

1       effective by more than the cumulative inflation and population growth  
2       or decline as prescribed by law. An appropriation in excess of this  
3       limit may not be made unless a state of emergency is declared by the  
4       governor as provided by law. The governor shall cause any unexpended  
5       or unappropriated balance to be invested so as to yield competitive  
6       market rates to the treasury. No less than 25 percent of that portion  
7       of the unrestricted revenue of the state which has not been appropri-  
8       ated as allowed by this section shall be transferred from the general  
9       fund to the appropriation reserve fund on the first day of each fiscal  
10      year during the period defined in this section. During the period in  
11      which this section is in effect the provisions of Section 16 of  
12      Article IX of this Constitution are superseded.

13      \* Sec. 5. Section 1 of this amendment takes effect on July 1 of the  
14      fiscal year following the fiscal year in which the balance in the appropri-  
15      ation reserve fund established in sec. 2 of this amendment exceeds 1.5  
16      times the appropriations of unrestricted revenue in the preceding fiscal  
17      year.

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