

Offered: 3/6/84  
Referred: Judiciary and  
Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE RESOURCES COMMITTEE  
2 CS FOR HOUSE JOINT RESOLUTION NO. 57 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska creating a  
7 fund to finance the construction of cap-  
8 ital projects and to provide power cost  
9 assistance.

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

11 \* Section 1. Article IX, Constitution of the State of Alaska, is amend-  
12 ed by adding a new section to read:

13 SECTION 17. MAJOR PROJECTS FUND. (a) There is created in the  
14 State treasury a major projects fund. The purpose of the major proj-  
15 ects fund is to finance capital projects which exceed \$100,000,000 in  
16 cost. Money in the fund may be invested in the manner specified in  
17 section 15 of this article for the Alaska Permanent Fund. The major  
18 projects fund consists of

19 (1) an annual deposit of ten percent of state revenue  
20 earned after June 30, 1985, from the following sources:

21 (A) severance tax;  
22 (B) mineral lease rentals;  
23 (C) royalties;  
24 (D) royalty sale proceeds; and  
25 (E) federal mineral revenue-sharing payments and  
26 bonuses;

27 (2) interest earned each fiscal year from investment of  
28 money in the major projects fund;

29 (3) revenue dedicated to the major projects fund in

1 accordance with (c) of this section; and

2 (4) appropriations made by the legislature.

3 (b) Money may not be expended from the major projects fund un-  
4 less

5 (1) the expenditure is authorized in an appropriation bill  
6 passed by the legislature;

7 (2) the appropriation, together with any other money com-  
8 mitted to finance the capital project, is sufficient to provide for  
9 all costs of constructing the capital project;

10 (3) the capital project is projected to earn enough revenue  
11 during its useful life to repay the money appropriated from the major  
12 projects fund and other borrowed money used to finance the project;  
13 and

14 (4) the capital project being funded is owned by the state.

15 (c) The legislature shall dedicate by law sufficient revenue  
16 earned by a capital project financed by the major projects fund to  
17 ensure that the amount appropriated from the fund for the project is  
18 repaid during the useful life of the project.

19 (d) Notwithstanding the dedication of revenue required by this  
20 section, the legislature, by an affirmative vote of two-thirds of the  
21 membership of each house, may appropriate revenue dedicated under this  
22 section to meet a state of disaster declared by the governor as pre-  
23 scribed by law.

24 (e) The first appropriation from the major projects fund shall  
25 be for the Watana Dam portion of the Susitna River hydroelectric  
26 project, unless the legislature, by a vote of two-thirds of the mem-  
27 bership of each house, disapproves the project. Notwithstanding art.  
28 II, sec. 15 of the Constitution of the State of Alaska, the appro-  
29 priation made under this subsection may not be vetoed by the governor.

1           (f) Notwithstanding (b) and (e) of this section, ten percent of  
2 the annual revenue paid into the fund is reserved for power cost  
3 assistance in order to ensure that power costs in the state do not  
4 exceed the mean cost per kilowatt hour in Anchorage, Juneau and  
5 Fairbanks, and money reserved under this subsection may be appropri-  
6 ated by the legislature for that purpose.

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

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

16       \* Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is  
17 amended to read:

18           SECTION 16. APPROPRIATION LIMIT. Except for appropriations for  
19 Alaska permanent fund dividends, appropriations from the major proj-  
20 ects fund established by section 17 of this article, appropriations of  
21 revenue bond proceeds, appropriations required to pay the principal  
22 and interest on general obligation bonds, and appropriations of money  
23 received from an non-State source in trust for a specific purpose, in-  
24 cluding revenues of a public enterprise or public corporation of the  
25 State that issues revenue bonds, appropriations from the treasury made  
26 for a fiscal year shall not exceed \$2,500,000,000 by more than the  
27 cumulative change, derived from federal indices as prescribed by law,  
28 in population and inflation since July 1, 1981. Within this limit, at  
29 least one-third shall be reserved for capital projects and loan

1        appropriations. The legislature may exceed this limit in bills for  
2        appropriations to the Alaska permanent fund and in bills for appro-  
3        priations for capital projects, whether of bond proceeds or otherwise,  
4        if each bill is approved by the governor, or passed by affirmative  
5        vote of three-fourths of the membership of the legislature over a veto  
6        or item veto, or becomes law without signature, and is also approved  
7        by the voters as prescribed by law. Each bill for appropriations for  
8        capital projects in excess of the limit shall be confined to capital  
9        projects of the same type, and the voters shall, as provided by law,  
10       be informed of the cost of operations and maintenance of the capital  
11       projects. No other appropriation in excess of this limit may be made  
12       except to meet a state of disaster declared by the governor as pre-  
13       scribed by law. The governor shall cause any unexpended and unappro-  
14       priated balance to be invested so as to yield competitive market rates  
15       to the treasury.

16       \* Sec. 4. The amendments proposed by this resolution shall be placed  
17       before the voters of the state at the next general election in conformity  
18       with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
19       tion laws of the state.