

Introduced: 1/19/83
Referred: Judiciary and
Finance

1 IN THE SENATE

BY STURGULEWSKI

2

SENATE BILL NO. 60

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the constitutional spending
7 limit."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. PURPOSE. There is a need to adopt law implementing the
10 provisions of art. IX, sec. 16 of the Constitution of the State of Alaska.
11 The purpose of this Act is to provide for matters intended by the constitu-
12 tional amendment to be provided by law and to provide the statutory basis
13 for implementation.

14 * Sec. 2. AS 15.15.030 is amended by adding a new paragraph to read:

15 (14) When the legislature by law authorizes the question of
16 voter approval of an appropriation under art. IX, sec. 16 of the state
17 constitution to be placed on the ballot, the director shall place the
18 question of whether the specific appropriation shall be ratified by
19 placing the ballot title and question on the next general election
20 ballot, or on the special election ballot if a special election is
21 held for the purpose of ratifying appropriations before the time of
22 the next general election. Unless specifically provided otherwise in
23 the Act authorizing the appropriation, the ballot title shall, by the
24 use of a few words in a succinct manner, indicate the general subject
25 of the Act. The question shall, by the use of a few sentences in a
26 succinct manner, give a true and impartial summary of the Act autho-
27 rizing the appropriation. The question of whether the appropriation
28 shall be ratified shall be assigned a letter of the alphabet on the
29 ballot. Provision shall be made for marking the question

1 substantially as follows: "appropriationYes" or "appropria-
2 tion No," followed by an appropriate square.

3 * Sec. 3. AS 15.58.020 is amended by adding a new paragraph to read:

4 (10) for each capital project appropriation for which ap-
5 proval is required under art. IX, sec. 16 of the state constitution,
6 the operation and maintenance cost information required by AS 37.07.-
7 072.

8 * Sec. 4. AS 37.07 is amended by adding new sections to read:

9 Sec. 37.07.072. COST OF OPERATION AND MAINTENANCE OF CAPITAL
10 PROJECTS. The division shall prepare its best estimate of the annual
11 operation and maintenance costs for each year of the expected useful
12 life of each capital project for which an appropriation must be ap-
13 proved by the voters under art. IX, sec. 16 of the state constitution.
14 The estimated annual operation and maintenance cost for each project
15 must be included in the election pamphlet published under AS 15.58.

16 Sec. 37.07.074. ADJUSTMENT OF APPROPRIATION LIMIT BASE. (a)
17 The appropriation limit of \$2,500,000,000 established by art. IX, sec.
18 16 of the state constitution must be cumulatively adjusted annually by
19 the division, by the sum of the following percentages:

20 (1) the percentage annual change, during the calendar year
21 preceding each fiscal year, in the consumer price index for all urban
22 consumers as published by the Bureau of Labor Statistics of the United
23 States Department of Labor; and

24 (2) the percentage annual change as of each July 1, in the
25 estimated population of the state, based on the trend established by
26 the United States Census Bureau for the period between the previous
27 two censuses or reenumerations.

28 (b) The base date for determining changes in population and
29 inflation under (a) of this section is July 1, 1981.

1 (c) In this section "population" means total resident population
2 of the state computed under the method of computation used in the most
3 recent federal census or reenumeration of the state.

4 * Sec. 5. AS 37.07.120 is amended by adding new paragraphs to read:

5 (7) "capital project" means a tangible asset that has an
6 anticipated life in excess of one year and a cost of \$25,000 or more,
7 and includes:

8 (A) costs directly related to the acquisition or
9 construction of the tangible assets;

10 (B) all costs of financing and carrying out the pro-
11 ject; these include, but are not limited to, the costs of all
12 necessary studies, surveys, plans and specifications, architec-
13 tural, engineering or other special services, acquisition of real
14 property, site preparation and development, purchase, construc-
15 tion, reconstruction and improvement of real property, and the
16 acquisition of machinery and equipment that may be necessary in
17 connection with the project; an allocable portion of the adminis-
18 trative and operating expenses of the grantee; the cost of finan-
19 cing the project, including interest on bonds issued to finance
20 the project; and the cost of other items, including any indemnity
21 and surety bonds and premiums on insurance, legal fees, fees and
22 expenses of trustees, depositaries, financial advisors, and
23 paying agents for the bonds issued as the issuer considers neces-
24 sary;

25 (C) grants to entities other than the state when the
26 grant is for acquisition construction of a tangible asset that
27 has an anticipated life in excess of one year and a cost of
28 \$25,000 or more;

29 (D) major maintenance, repair, rehabilitation, or

1 improvement of a tangible asset that has an anticipated life in
2 excess of one year;

3 (8) "loan appropriation" means an appropriation for the primary
4 purpose of directly or indirectly providing money to persons other
5 than the state government or state agencies with a expectation that
6 the money provided will be repaid, and includes an appropriation made
7 for the primary purpose of changing the effective rate of interest on
8 a loan to a person other than the state government or a state agency
9 even though there is not an expectation that the money will be repaid.

10 * Sec. 6. AS 37.25 is amended by adding a new section to read:

11 Sec. 37.25.030. CAPITAL PROJECT RESERVE FUND. There is estab-
12 lished as a separate fund the capital project reserve fund which shall
13 be administered by the Department of Revenue. The fund consists of
14 money reserved by law for capital projects and may be expended only
15 for those purposes authorized by the appropriations to the fund. The
16 purpose of the fund is to set aside adequate money for the financing
17 of large-scale capital projects that will bring a net return to the
18 economy of the state.