

Introduced: 1/23/84
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO. 32

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.

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

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

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

18 (1) an annual deposit of ten percent of state revenue
19 earned during the period beginning July 1, 1984, and ending June 30,
20 1990, from the following sources:

- 21 (A) corporate income tax on oil and gas producers;
22 (B) severance tax;
23 (C) oil and gas production property tax;
24 (D) mineral lease rentals;
25 (E) royalties;
26 (F) royalty sale proceeds; and
27 (G) federal mineral revenue-sharing payments and
28 bonuses;

29 (2) interest earned each fiscal year from investment of

1 money in the major projects fund; and

2 (3) revenue dedicated to the major projects fund in accor-
3 dance with (c) of this section.

4 (b) No money may be expended from the major projects fund unless

5 (1) the expenditure is in accordance with an appropriation
6 bill passed by the affirmative vote of two-thirds of the membership of
7 each house of the legislature;

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

11 (3) the capital project will earn enough revenue during the
12 life of the project to repay the money expended to finance the proj-
13 ect.

14 (c) The legislature shall dedicate by law sufficient revenue
15 earned by a capital project financed by the major projects fund so
16 that the amount expended from the fund to finance the project is re-
17 paid during the life of the project.

18 (d) Notwithstanding the dedication of revenue required by this
19 section, the legislature may appropriate revenue dedicated under this
20 section to meet a state of disaster declared by the governor as pre-
21 scribed by law.

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

24 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
25 license shall not be dedicated to any special purpose, except as pro-
26 vided in sections [SECTION] 15 and 17 of this article or when required
27 by the federal government for state participation in federal programs.
28 This provision shall not prohibit the continuance of any dedication
29 for special purposes existing upon the date of ratification of this

1 section by the people of Alaska.

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

4 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for
5 Alaska permanent fund dividends, appropriations from the major proj-
6 ects fund established by section 17 of this article, appropriations of
7 revenue bond proceeds, appropriations required to pay the principal
8 and interest on general obligation bonds, and appropriations of money
9 received from an non-State source in trust for a specific purpose, in-
10 cluding revenues of a public enterprise or public corporation of the
11 State that issues revenue bonds, appropriations from the treasury made
12 for a fiscal year shall not exceed \$2,500,000,000 by more than the
13 cumulative change, derived from federal indices as prescribed by law,
14 in population and inflation since July 1, 1981. Within this limit, at
15 least one-third shall be reserved for capital projects and loan appro-
16 priations. The legislature may exceed this limit in bills for appro-
17 priations to the Alaska permanent fund and in bills for appropriations
18 for capital projects, whether of bond proceeds or otherwise, if each
19 bill is approved by the governor, or passed by affirmative vote of
20 three-fourths of the membership of the legislature over a veto or item
21 veto, or becomes law without signature, and is also approved by the
22 voters as prescribed by law. Each bill for appropriations for capital
23 projects in excess of the limit shall be confined to capital projects
24 of the same type, and the voters shall, as provided by law, be in-
25 formed of the cost of operations and maintenance of the capital proj-
26 ects. No other appropriation in excess of this limit may be made ex-
27 cept to meet a state of disaster declared by the governor as pre-
28 scribed by law. The governor shall cause any unexpended and unappro-
29 priated balance to be invested so as to yield competitive market rates

1 to the treasury.

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