

Offered: 3/3/86
Referred: Finance

Original sponsor: Rules/governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 513 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the constitutional appropriation
7 limitation and budget reserve fund; and providing for
8 an effective date."

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

10 * Section 1. AS 37.05 is amended by adding a new section to read:

11 Sec. 37.05.156. BUDGET RESERVE FUND; APPROPRIATION LIMIT. (a)
12 There is established as a separate fund in the state treasury the
13 budget reserve fund. The budget reserve fund consists of money ded-
14 icated to that fund by art. IX, sec. 17, Constitution of the State of
15 Alaska.

16 (b) For the purposes of determining the appropriation limitation
17 amount under art. IX, sec. 16, Constitution of the State of Alaska,
18 (1) an appropriation is considered to be made in the calendar year in
19 which it is enacted, and (2) "appropriation" includes money received
20 by the state, described in art. IX, sec. 17(a), Constitution of the
21 State of Alaska, that exceeds the maximum balance of the fund and is
22 subsequently deposited in the general fund and appropriated. For the
23 purposes of art. IX, sec. 17, Constitution of the State of Alaska, the
24 amount of money received by the state includes any surplus carried
25 forward from the preceding fiscal year, or is reduced by any deficit
26 from that preceding fiscal year.

27 (c) A reappropriation of no more than the remaining balance of
28 the amount appropriated in a prior year is considered an appropriation
29 attributable to the calendar year in which the appropriation was first

1 enacted. Only if, within a single section of an appropriation bill,
2 there is an explicit repeal of an appropriation coupled with a new
3 appropriation is there a reappropriation for the purposes of this
4 subsection.

5 (d) If the money received by the state from state sources in a
6 fiscal year is less than 95 percent of the amount appropriated from
7 state sources during the preceding calendar year, amounts may be
8 transferred from the budget reserve fund to the general fund, up to a
9 limit of either 25 percent of the budget reserve fund balance, or the
10 difference between money received from state sources in that fiscal
11 year and 95 percent of appropriations during the preceding calendar
12 year, whichever is less. Determination of the need for budget reserve
13 fund expenditures for a fiscal year shall be made during the final
14 quarter of that fiscal year.

15 (e) As authorized by art. IX, sec. 17(b), Constitution of the
16 State of Alaska, 75 percent of the money received by the state, de-
17 scribed in art. IX, sec. 17(a), Constitution of the State of Alaska,
18 that exceeds the maximum balance of the fund, shall be deposited in
19 the Alaska permanent fund.

20 (f) The Department of Revenue shall manage and invest assets of
21 the budget reserve fund in the manner set out for the management and
22 investment of assets of the Alaska Permanent Fund Corporation under
23 AS 37.13.120. The department has all of the duties and authority
24 given the corporation and the board under AS 37.13.120.

25 (g) In art. IX, sec. 17, Constitution of the State of Alaska,
26 "emergency" means the events set out in AS 26.23.230(1) or a reduction
27 of the revenue from nonstate sources that seriously impairs the
28 ability of the state to perform essential functions.

29 (h) In this section and art. IX, secs. 16 and 17, Constitution

1 of the State of Alaska, "state source" means

2 (1) the undistributed income account in the permanent fund;

3 and

4 (2) all sources of money in the state general fund except

5 (A) federal sources;

6 (B) bond proceeds;

7 (C) sources from which money is received in trust for

8 a specific purpose; and

9 (D) the dividend fund established under AS 43.23.045.

10 * Sec. 2. The lieutenant governor shall include on the ballot for the
11 1986 general election an explanation that an affirmative vote on the con-
12 stitutional amendment providing for the budget reserve fund and revising
13 the appropriation limit will supersede an affirmative vote on the reconsid-
14 eration, under art. XV, sec. 27, Constitution of the State of Alaska, of
15 the 1982 amendment establishing the appropriation limit.

16 * Sec. 3. AS 37.05.159, reserve for emergency operating expenses ac-
17 count (the "rainy day fund"), is repealed, and the balance in that account
18 is transferred to the budget reserve fund.

19 * Sec. 4. Sections 1 and 3 of this Act take effect on the effective
20 date of a constitutional amendment establishing the budget reserve fund and
21 revising the appropriation limit.

22 * Sec. 5. Section 2 of this Act takes effect immediately in accordance
23 with AS 01.10.070(c).