

Offered: 5/7/86
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 513 (Finance)
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 a budget limitation and to re-
7 serve funds; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 37.05 is amended by adding a new section to read:
10 Sec. 37.05.156. BUDGET RESERVE FUND; APPROPRIATION LIMIT. (a)
11 There is established as a separate fund in the state treasury the
12 budget reserve fund. The budget reserve fund consists of appropria-
13 tions to the fund. Money received by the state that is subject to the
14 appropriation limit under (b) of this section and that exceeds that
15 limit, may be appropriated to the budget reserve fund.
16 (b) Except for appropriations to the permanent fund or for
17 Alaska permanent fund dividends, appropriations to the budget reserve
18 fund, appropriations of revenue bond proceeds, appropriations required
19 to pay the principal and interest on general obligation bonds, and
20 appropriations of money received from a nonstate source in trust for a
21 specific purpose, including revenue of a public enterprise or public
22 corporation of the state that issues revenue bonds, appropriations
23 from the treasury made in a fiscal year may not exceed appropriations
24 made in the preceding fiscal year by more than five percent plus the
25 change in population and inflation since the beginning of the pre-
26 ceding fiscal year. For purposes of applying this limit an appro-
27 priation is considered to be made in the fiscal year in which it is
28 enacted and a reappropriation remains attributed to the fiscal year in
29 which the original appropriation is enacted. The determination of

1 the change in population for purposes of this subsection shall be
2 based on an annual estimate of population by the Department of Labor.
3 The determination of the change in inflation for purposes of this sub-
4 section shall be based on the Consumer Price Index for all urban
5 consumers for Anchorage prepared by the United States Bureau of Labor
6 Statistics. The amount of money received by the state that is subject
7 to the appropriation limit includes the balance in the general fund
8 carried forward from the preceding fiscal year.

9 (c) If the legislature determines that the money subject to the
10 appropriation limit received by the state in a fiscal year is less
11 than the maximum permitted to be appropriated under (b) of this sec-
12 tion, up to 25 percent of the balance of the budget reserve fund may
13 be appropriated to the general fund.

14 (d) The Department of Revenue shall manage and invest assets of
15 the budget reserve fund in the manner set out for the management and
16 investment of the assets of the general fund under AS 37.10.070.
17 Income from investment of the budget reserve fund may be appropriated
18 to the fund each year by law.

19 (e) Notwithstanding other provisions of this section, appropria-
20 tions may be made from the budget reserve fund needed by the governor
21 to meet a disaster. In this subsection, "disaster" has the meaning
22 given in AS 26.23.230.

23 * Sec. 2. AS 37.05.159 is repealed.

24 * Sec. 3. AS 37.05.156 added by sec. 1 of this Act applies to fiscal
25 year 1988 and fiscal years thereafter.

26 * Sec. 4. This Act takes effect July 1, 1986.