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Referred: Judiciary  
and Finance

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1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating an  
7 appropriation reserve fund and limiting  
8 increases in appropriations.

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

10 \* Section 1. Article IX, sec. 16, Constitution of the State of Alaska,  
11 is repealed and readopted to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropria-  
13 tions to the Alaska permanent fund, appropriations of the proceeds of  
14 revenue or general obligation bonds and appropriations required to pay  
15 the principal and interest on general obligation bonds, appropriations  
16 from the treasury during a fiscal year may not exceed the lesser of  
17 the amount appropriated in the fiscal year this section takes effect  
18 adjusted for the cumulative inflation and population growth or decline  
19 as defined by law or 95 percent of the unrestricted revenue of the  
20 state for the previous calendar year. An appropriation in excess of  
21 this limit may not be made unless a state of emergency is declared by  
22 the governor as provided by law. The governor shall cause any unex-  
23 pended or unappropriated balance to be invested so as to yield com-  
24 petitive market rates to the treasury.

25 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
26 by adding a new section to read:

27 SECTION 17. APPROPRIATION RESERVE FUND. An appropriation re-  
28 serve fund is established. Appropriations may not be made from the  
29 appropriation reserve fund except for the purpose of repelling

1 invasion, suppressing insurrection, defending the state in war, meet-  
2 ing natural disasters, or appropriations required to pay the principal  
3 and interest on general obligation bonds. On June 30 of the fiscal  
4 year in which the balance of the appropriation reserve fund exceeds  
5 1.5 times the appropriations of unrestricted revenue in the preceding  
6 fiscal year, the balance of the appropriation reserve fund shall lapse  
7 into the treasury. The balance of the appropriation reserve fund  
8 shall be invested at competitive national market rates. All earnings  
9 of the fund shall become part of the principal of the fund.

10 \* Sec. 3. Article XV, Constitution of the State of Alaska, is amended  
11 by adding new sections to read:

12 SECTION 29. APPROPRIATION RESERVE FUND. Beginning July 31,  
13 1987, and continuing until June 30 of the fiscal year in which the  
14 balance of the appropriation reserve fund exceeds 1.5 times the appro-  
15 priations of unrestricted revenue in the preceding fiscal year, an  
16 amount equal to 7.5 percent of the unrestricted revenue for each month  
17 shall be transferred from the treasury to the appropriation reserve  
18 fund on the first day of the succeeding month.

19 SECTION 30. APPROPRIATION LIMITATIONS. After June 30, 1988, and  
20 until June 30 of the fiscal year in which the balance of the appro-  
21 priation reserve fund exceeds 1.5 times the appropriations of unre-  
22 stricted revenue in the preceding fiscal year's appropriations from  
23 the treasury during a fiscal year, except for appropriations to the  
24 Alaska permanent fund, appropriations of the proceeds of revenue or  
25 general obligation bonds and appropriations required to pay the prin-  
26 cipal and interest on general obligation bonds, may not exceed the  
27 amount appropriated in the fiscal year in which this section becomes  
28 effective by more than the cumulative inflation and population growth  
29 or decline as prescribed by law. An appropriation in excess of this

1 limit may not be made unless a state of emergency is declared by the  
2 governor as provided by law. The governor shall cause any unexpended  
3 or unappropriated balance to be invested so as to yield competitive  
4 market rates to the treasury. No less than 25 percent of that portion  
5 of the unrestricted revenue of the state which has not been appropri-  
6 ated as allowed by this section shall be transferred from the general  
7 fund to the appropriation reserve fund on the first day of each fiscal  
8 year during the period defined in this section. During the period in  
9 which this section is in effect the provisions of Section 16 of  
10 Article IX of this Constitution are superseded.

11 \* Sec. 4. Section 1 of this amendment takes effect on July 1 of the  
12 fiscal year following the fiscal year in which the balance in the appropri-  
13 ation reserve fund established in sec. 2 of this amendment exceeds 1.5  
14 times the appropriations of unrestricted revenue in the preceding fiscal  
15 year.

16 \* Sec. 5. 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.